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FORENSIC ACCOUNTING SKILLS AND AUDITOR SELF-EFFICACY: EMPIRICAL EVIDENCE FROM INDONESIA

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A B S T R A C T

This research aims to understand the impact of tax aggressiveness on Corporate This study investigates the relationship between auditor self-efficacy and forensic accounting skills in detecting fraud. The data in this study are primary data, and the purposive sampling method was used with the help of a questionnaire tool distributed to 138 auditors in Indonesia. The data analysis technique used in this study uses structural equation modeling (SEM) partial least squares (PLS) to test the hypothesis with the help of a tool called Smart-PLS. The results of this study indicate that auditor self-efficacy is significantly correlated with technical and analytical skills, effective communication skills, psychosocial skills, and accounting and audit skills. The originality of this study is to focus on forensic accounting skills in Indonesia and analyze how these skills improve Auditor Self-Efficacy (ASE) in detecting produced information about auditor efficacy and competence.
Keywords: forensic accounting skills, GONE theory, auditor self-efficacy

Studi ini menginvestigasi hubungan antara efikasi diri auditor dan keterampilan akuntansi forensik dalam mendeteksi kecurangan. Data dalam studi ini merupakan data primer dan metode purposive sampling digunakan dengan bantuan alat kuesioner yang disebarkan pada 138 auditor di Indonesia. Teknik analisis data yang digunakan dalam studi ini menggunakan structural equation modeling (SEM) untuk menguji hipotesis dengan bantuan alat yang disebut Smart-PLS. Hasil studi ini menunjukkan keterampilan teknis dan analitis, keterampilan komunikasi yang efektif, kompetensi psiko-sosial, dan keahlian akuntansi dan audit berkorelasi signifikan dengan efikasi diri auditor. Orisinalitas studi ini adalah berfokus pada keterampilan akuntansi forensik di Indonesia dan menganalisis bagaimana keterampilan tersebut meningkatkan Efikasi Diri Auditor (ASE) dalam mendeteksi informasi yang dihasilkan tentang efikasi dan kompetensi auditor.
Kata kunci: *ketrampilan akuntansi forensik, teori GONE, efikasi diri auditor*

INTRODUCTION

The accuracy of financial reporting is seriously threatened by fraud, a major accounting problem that undermines public confidence in corporate organizations (Karpoff, 2021). Fraudulent activities are characterized by intentional acts, particularly in the context of financial reporting, which often involve intentional misstatements. The Association of Certified Fraud Examiners (ACFE) Indonesia divides fraud into three primary categories: financial statement fraud, corruption, and asset misappropriation. According to 239 respondents in an ACFE Indonesia poll, 64.4% (154 respondents) said that corruption is the most prevalent type of fraud in the nation. Then came financial statement fraud at 6.7% (16 respondents) and asset misappropriation at 28.9% (69 respondents) (Association of Certified Fraud Examiners Indonesia, 2019).

The impact of accounting fraud is very serious, causing financial losses for the company and legal and reputational losses (Safitri & Respati, 2023). These impacts include tarnished reputation of the institution, financial losses for public bodies, psychological trauma for victims of fraud, as well as loss of trust from shareholders (Anisykurlillah, Ardiansah & Nurrahmasari, 2023). Seeing these detrimental impacts, an effective fraud prevention strategy is emphasized to help

institutions avoid such cases. Prevention requires an awareness of the possible repercussions of fraud in both the financial and non-financial sectors (Bello & Olufemi, 2024). Therefore, early detection of fraud is essential to ensure transparency and accountability in the business environment (Claudia-Elena, Bordeianu & Morosan-Danila, 2024).

Auditing is a key mechanism in detecting fraud and also improving the reliability and credibility of financial reporting (Inyada, Olopade & Ugbede, 2019). Forensic accounting also significantly contributes to better-quality audits (Nursansiwi, 2024). It combines investigative techniques, data analysis, and accounting knowledge to identify and prevent financial fraud (Odeyemi, Ibeh, Mhlongo, Asuzu, Awonuga & Olatoye, 2024). Forensic auditors, equipped with the necessary expertise, are expected to detect fraud, assess evidence, and propose appropriate solutions (Al-Hadrawi, 2024). These competencies are summarized in four core forensic accounting skills: Technical and Analytical Skills (TAS), Effective Communication Skills (ECS), Psycho-Social Skills (PSS), and Accounting and Auditing Skills (AAS) (Chukwu, Asaolu, Uwuigbe, Uwuigbe, Umukoro, Nassar & Alabi, 2019). This study investigates whether forensic accounting skills can improve Auditor Self-Efficacy (ASE) in Indonesia (Nursyahdani & Murtanto, 2024).

The novelty of this study lies in the theoretical framework used. While previous studies by Al Natour, Al-Mawali, Zaidan & Said (2023) used the fraud triangle theory, and the research conducted by Nursyahdani & Murtanto (2024) used agency theory in research, this research adopts the GONE theory, which refines the fraud triangle by offering a more comprehensive explanation of why individuals commit fraud (Isgiyata, Indayani & Budiyoni, 2018). In addition, this study differs in location, focusing on Indonesia, while the study by Al Natour et al. (2023) was conducted in Egypt. Likewise, the research conducted by Nursyahdani & Murtanto (2024) was conducted in Indonesia but focused only on The Audit Board of the Republic of Indonesia (BPK-RI) and the research conducted by Muterera (2024) was located in Canada. The special function of forensic accounting abilities in enhancing ASE is the main subject of this study (Muterera, 2024). By investigating the interaction between skills in accountancy forensics and ASE, this study offers critical insights into the synergies between human expertise and self-confidence (Nursyahdani & Murtanto, 2024).

Previous research has examined the relationship between forensic accounting skills and ASE in fraud detection (Al Natour et al., 2023). In Indonesia, previous studies on forensic accounting have mainly focused on how accounting affects fraud detection (Campa, Quagli & Ramassa, 2023). While other studies have emphasized factors that influence its implementation (Shihab, Meilatinova, Hidayanto & Herkules, 2017). The main difference of this study is its integration of forensic accounting and ASE, while previous studies have applied technology to detect fraud (Lindez-Macarro, Gallego-Losada, Montero-Navarro & Rodríguez-Sánchez, 2025). In addition, previous studies in Indonesia have focused more on the role of forensic accounting in uncovering fraud in financial reporting (Vasilev, Cvetković & Grgur, 2019).

This study highlights the economic and commercial impact of ECS and PSS in enhancing ASE and reducing fraud-related financial losses. It provides strategies for businesses and investors to minimize undetected fraud. Indonesian regulatory bodies can use these findings to improve forensic accounting practices, enhance financial reporting, and increase investor confidence. This study also emphasizes the importance of ECS and PSS in fraud detection.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Forensic Accounting in Indonesia

The increase in fraud in various businesses and economies has drawn attention to forensic accounting, a specialist area of accounting. Forensic accounting has been adopted in Indonesia to address fraud-

related challenges and improve financial transparency. The discipline is now included in the curriculum of several universities in Indonesia. The government acknowledges the critical role that forensic accounting plays in bolstering the credibility of financial statements and supplying legal evidence in fraud proceedings (Arif & Rizki, 2022). The increase in financial malfeasance and fraud in industries, including banking, government, and private businesses, fuels interest in forensic accounting. International agencies such as the European Food Safety Authority (EFSA) have passed laws promoting accountability and openness in financial reporting (Al Natour et al., 2023). Indonesia is developing its forensic accounting capabilities through specialized educational programs, integration of cutting-edge audit technology, and academic studies (Shihab et al., 2017). As such, accountancy forensics in auditing is expected to improve auditor confidence in fraud detection further (Mahd, Moghadam & Abousaeidi, 2024).

GONE Theory

Corruption and fraud cases occur not only in Indonesia but also in various countries. One analytical framework that can be applied to these cases is the GONE Theory introduced by Bologna (1993), which identifies four key factors that contribute to fraudulent behavior: greed, opportunity, need, and exposure (Sahla & Ardianto, 2023). Greed is the inherent desire for personal gain among fraudsters. Opportunity comes from systemic weaknesses, such as organizational gaps or supportive environmental conditions. Need refers to the insatiable desire and consumerist mindset that drives fraudulent behavior. Exposure relates to the consequences faced when fraudulent acts are revealed (Isgiyata et al., 2018).

In Indonesia, the GONE theory, which incorporates aspects of the fraud triangle to evaluate procurement fraud, is extensively utilized to identify fraud. Both ideas pertain to forensic accounting, which detects and prevents fraud using accounting principles and investigative techniques (Mahsun, 2023). These experts also apply their knowledge to identify internal control flaws in an organization and create plans to reduce the risk of fraud (Al Natour et al., 2023). Since it impacts the accuracy of financial reporting and general confidence in the corporate environment, fraud identification is essential to the audit profession in Indonesia (Karpoff, 2021). Effective detection and prevention of fraud are essential to ensure stakeholder trust, promote fair business practices, and maintain economic stability. Several studies in Indonesia have examined the factors that influence fraud detection and proposed measures to improve its effectiveness (Rifai & Mardijuwono, 2020). For example, financial institutions must comply with Bank Indonesia's regulatory standards on fraud detection systems (Muterera, 2024). Through these systems, it is anticipated that fraudulent activities carried out by individuals or groups can be significantly minimized.

Auditor Self-Efficacy

Self-efficacy significantly affects self-regulated learning, according to social cognitive theory. Self-efficacy influences an individual's effort to accomplish a task by reflecting their belief in their ability to complete it at a particular level (Nursyahdani & Murtanto, 2024). ASE, in the context of auditing, refers to an auditor's confidence in their capacity to conduct the audit successfully and economically. This concept is based on Bandura's (1977) self-efficacy hypothesis, which states that individuals with higher levels of self-efficacy are more likely to succeed in their tasks than those with lower levels. High self-efficacy auditors typically approach their work with more assurance and tenacity, particularly when confronted with challenging assignments requiring specialized knowledge, critical thinking, and solid judgment (Mukhotib & Hartiyah, 2024).

In addition, ASE is important because of its potential impact on audit quality (Nursyahdani & Murtanto, 2024). Studies show that auditors with high emotional

intelligence can improve audit quality. Emotional intelligence is believed to strengthen the positive effect of auditor experience on audit quality (Nejad, Khan & Othman, 2024). This is supported by the finding that auditors with high self-efficacy tend to perform comprehensive audit procedures and identify potential risk areas. Such auditors are more adept at detecting fraud than auditors with lower self-efficacy (Mukhotib & Hartiyah, 2024).

Forensic Accounting Skills

Historically, forensic accounting was primarily used in inheritance distribution or solving murder cases (Oboh, 2023). However, as forensic accounting has developed, so too have its uses broadened to meet modern auditing issues. Forensic accounting combines accounting, auditing, and investigation expertise to identify and look into fraud and other financial crimes (Karpoff, 2021). The rise in financial fraud and white-collar crime has accelerated the development of forensic accounting, leading to its incorporation into the curriculum of several universities in Indonesia (Fajri & Prabowo, 2024). This underscores the importance of a comprehensive forensic accounting understanding for accounting professionals. This study discusses the influence of forensic accounting skills on ASE, where forensic accounting skills consist of TAS, ECS, PSS, and AAS as Variable X and ASE as Variable Y.

TAS, including the capacity to evaluate intricate financial data, decipher financial accounts and employ specialist software to monitor transactions and spot irregularities or signs of fraudulent behavior, are the fundamental capabilities for forensic accountants (Al Natour et al., 2023). TAS is essential for forensic accountants, as it allows them to conduct detailed investigations and detect suspicious transactions or irregularities (McMullen & Sanchez, 2010). Numerous researchers have emphasized the value of TAS in forensic accounting. McMullen & Sanchez (2010) emphasize that TAS are essential for forensic accountants. Chukwu et al. (2019) demonstrate that TAS is crucial for detecting financial reporting fraud. According to this data, TAS flaws may compromise forensic investigations and make fraud go unnoticed. Additionally, greater auditor effectiveness is linked to TAS proficiency. As explained above, this skill is important for an auditor because, with this skill, one type of fraud will be easily found by an auditor; thus, if an auditor has this skill well, he will be more involved in solving fraud cases, and his self -efficacy will increase. In addition, greater auditor effectiveness is related to TAS proficiency. Previous studies have shown that people with high self-efficacy are highly motivated, more involved in problem-solving, and persist in facing difficulties (Zahn, Schäffer & Fröning, 2018). Given their capacity to evaluate intricate data and spot financial irregularities, auditors with high TAS typically have greater confidence in spotting and looking into fraud. The hypothesis is:

H1: Technical and analytical skills have a positive effect on auditor self-efficacy.

One of the most important competencies in forensic accounting is ECS. Forensic accountants are required to communicate their findings to lawyers, law enforcement, and other stakeholders clearly and accurately. This involves preparing comprehensive reports, making presentations, and providing expert testimony in legal proceedings (Chukwu et al., 2019). ECS is essential to ensure that the results of an investigation are conveyed in a manner that is easy to understand and actionable. Chukwu et al. (2019) state that forensic accountants need strong communication skills to present the results of their investigations clearly and concisely.

Strong client connections, communicating difficult material, and comprehending the client's point of view are just a few of the many skills auditors need to possess. Improving ASE requires ECS. Effective communication helps auditors learn more about the client's operations and business, which boosts their confidence when conducting audits

(McMullen & Sanchez, 2010). Furthermore, ECS facilitates knowledge sharing and collaboration among audit team members, improving audit work quality. The hypothesis is:

H2: Effective communication abilities has a positive effect on auditor self-efficacy.

Forensic accounting also requires strong PSS. These skills include understanding human behavior, motivations, and intentions, interpreting body language, and detecting fraud. Forensic accountants must interact effectively with clients and respondents to gather critical information and collaborate efficiently with other stakeholders involved in the investigation. According to studies, strong PSS is crucial for enhancing auditors' capacity to identify fraud. These abilities help auditors establish connections with stakeholders and clients, communicate clearly, and spot subtle indications of fraud (Nursyahdani & Murtanto, 2024). Strong PSS makes it easier for auditors to approach fraudsters, and with this skill, auditors will not be easily influenced by fear when they dig up information from the perpetrators. Having this skill can increase the ASE. As explained previously, this skill makes it easier for an auditor to approach and seek more detailed information from fraudsters. By integrating strong PSS with other critical skills, such as TAS, auditors can significantly improve their ability to detect fraud. The hypothesis is that:

H3: Psycho-social skills has a positive effect on auditor self-efficacy.

Forensic accounting also requires strong AAS. These skills include a comprehensive understanding of accounting principles, norms, and audit methodologies. Forensic accountants must skillfully apply these standards during their investigations and identify discrepancies in financial statements through detailed analysis. Studies have shown that AAS is critical to detecting fraud and other financial crimes. Previous studies have shown a positive correlation between AAS and the accuracy and completeness of financial reporting and the effectiveness of fraud detection efforts (Chukwu et al., 2019). In addition, the significance of this ability is highlighted by the growing complexity of financial standards and reporting laws (Rifai & Mardijuwono, 2020). Regarding its effect on ASE, a robust AAS boosts auditors' self-assurance in their capacity to carry out their responsibilities efficiently. This is because auditors with a solid background in accounting and auditing can better comprehend financial processes, which improves their ability to spot possible fraud or misrepresentation (Samagaio & Diogo, 2022). Thus, having a strong AAS is essential for auditors to excel in their roles and improve overall performance. The hypothesis is that:

H4: Accounting and audit skills has a positive effect on auditor self-efficacy.

RESEARCH METHODS

This study uses primary data with the help of a questionnaire to collect the required data. The data collection technique uses purposive sampling with 138 questionnaires distributed to Public Accountants or Auditors working in Public Accounting Firms in large cities such as Surabaya, Malang, and Jakarta. The sample of 138 was selected with the help of an application, namely Get Sample Size for unknown population size with a confidence level of 90%, standard deviation of 0.5, and margin of error of 7%. The reason for selecting the sample in the Public Accounting Firm is the suitability between the topics discussed and the respondents needed. Public accountants or auditors in the public accounting firm are assumed to know about fraud, the technology used to detect fraud, and the knowledge of forensic accounting. Then, the data that has been collected will later be analyzed using the Structural Equation Modeling-Partial Least Squares method with the help of a tool in the form of Smart PLS. The distribution of respondents can be seen in Table 1.

Measurement can also be interpreted as comparing something with a standard unit of measurement adjusted to the object

to be measured to determine quantitative facts or an attempt to give value to an object or event according to certain rules. This study used a comprehensive questionnaire to evaluate variables, including TAS as many as six items, ECS as many as six items, PSS as many as six items, and AAS as many as eight items. These variables are independent. ASE is assessed using a seven-item scale and is the dependent variable (Akbar & Irwandi, 2014).

ANALYSIS AND DISCUSSION

Table 2 shows that check for multicollinearity, Chong & Jun (2005) recommend examining the correlation matrix of the exogenous latent variables. A coefficient of 0.80 or higher indicates potential multicollinearity. The study results showed that the correlation coefficient was below this threshold, indicating no significant multicollinearity among the variables (du Toit, 2024).

The correlation coefficients ranged from 0.223 to 0.608, all below the multicollinearity threshold. The VIF values ranged from 1.000 to 1.867 (Table 2), well below the critical value of 10, indicating no multicollinearity problem.

Partial least squares structural equation modeling assessment

Smart-PLS version 3 was used to examine the study's conceptual model in two stages. First, the validity and reliability of the measurement model were evaluated (Cheung, Cooper-Thomas, Lau, & Wang, 2024). The hypotheses were then tested using the structural model and the bootstrapping approach (Hair, Hult, Ringle, Sarstedt & Thiele, 2017).

Assessment of measurement models

Following suggestions from earlier research, the measurement model was first evaluated using Partial Least Squares Structural Equation Modeling (PLS-SEM) (Othman & Busari, 2024; Al Natour et al., 2023. The correlation coefficients ranged from 0.182 to 0.497, all below the multicollinearity threshold. The VIF values ranged from 1.154 to 1.403 (Table 2), well below the -10 value, indicating no multicollinearity problem (Hair et al., 2017). This suggests that the convergent validity of the measurements is well supported.

Construct reliability was assessed using Cronbach's alpha and composite reliability because all constructs are meant to represent measures. Additionally, convergent validity was evaluated using factor loadings and average variance

Table 1.
Respondent Demographic Characteristics

Characteristics Demographics	N Legitimate	Mean	Deviation Standard	Min	Max
Gender	138	1.59	0.493	1	2
Age	138	1.77	0.746	1	4
Education	138	1.32	0.468	1	2
Positions in Accounting Firms Public	138	1.96	0.664	1	4
Length of work	138	2.21	0.765	1	4

Table 2.
Collinearity Statistics

	Correlation Matrix					VIF
Variables	TAS	ECS	PSS	AAS	ASE	ASE
TAS	1					1.154
ECS	0.226	1				1.323
PSS	0.182	0.341	1			1.302
AAS	0.302	0.362	0.336	1		1.403
ASE	0.396	0.497	0.434	0.410	1	-

extracted (AVE), while discriminant validity was evaluated using the HTMT ratio. Table 3 shows that the lowest Cronbach's alpha (0.960) and composite (0.967) values were recorded when internal consistency was established. In addition, all study variables had AVE values ranging from 0.817 to 0.906, beyond the recommended limit of 0.50 (Hair et al., 2017). Therefore, it is warranted that convergent validity has been demonstrated for the measures using these indications.

The discriminant validity was confirmed using the HTMT ratio and the Fornell-Larcker criterion. Table 4 findings demonstrate that each construct's square root of AVE is greater than its connection with other constructs. Furthermore, every HTMT ratio value is below the suggested cutoff, confirming the discriminant analysis's validity (Cheung et al., 2024). To assess the explanatory power of each

Table 3.
Reliability and Convergent Validity

Construct	Outer Loading	Construct	Outer Loading	Construct	Outer Loading	Construct	Outer Loading	Construct	Outer Loading
TAS 1	0.917	ECS 1	0.944	PSS 1	0.937	AAS 1	0.932	ASE 1	0.937
TAS 2	0.9 41	ECS 2	0.946	PSS 2	0.921	AAS 2	0.907	ASE 2	0.946
TAS 3	0.884	ECS 3	0.951	PSS 3	0.909	AAS 3	0.921	ASE 3	0.947
TAS 4	0.903	ECS 4	0.957	PSS 4	0.901	AAS 4	0.893	ASE 4	0.920
TAS 5	0.900	ECS 5	0.950	PSS 5	0.877	AAS 5	0.931	ASE 5	0.820
TAS 6	0.929	ECS 6	0.965	PSS 6	0.923	AAS 6	0.940	ASE 6	0.954
						AAS 7	0.937	ASE 7	0.756
						AAS 8	0.756		
	TAS		ECS		PSS		AAS		ASE
Cronbach's alpha	0. 960		0.979		0.959		0.967		0.960
rho_a	0.971		0.981		0.964		0.971		0.962
Composite reliability	0.973		0.983		0.967		0.973		0.967
Avg. var. extracted (AVE)	0.817		0.906		0.831		0.817		0.817

Table 4.
Discriminant Validity

Construction	AAS	ASE	ECS	PSS	TAS
Fornell-Larcker's criterion					
ASS	0.90 4				
ASE	0.5 19	0. 900			
ECS	0.4 17	0. 577	0.952		
PSS	0.4 13	0. 515	0.3 93	0. 912	
TAS	0.3 34	0. 471	0.2 63	0.2 20	0.913
HTMT ratio					
ASS	-				
ASE	0.5 37				
ECS	0.4 30	0. 593			
PSS	0.4 26	0. 532	0. 400		
TAS	0. 344	0. 487	0.2 69	0. 225	-

exogenous variable, it is necessary to determine the R^2 value for each variable before starting the PLS bootstrapping process (Hair, Hult, Ringle, Sarstedt & Ray, 2021). This study shows that all variables achieve R^2 values that exceed the minimum threshold of 0.1, as recommended by (Hair et al., 2017).

Structural model assessment

To evaluate the relationship, we used bootstrapping with the original 138 samples (Figure 2). Results (Figure 2, Table 5) shows significant findings: ASE has a positive effect on TAS (β= 0.267, (p= 0.000), ECS (β= 0.330, p= 0.000), PSS (β= 0.248, p= 0.000), AAS (β= 0.189, p= 0.007), which supports H1-H4. TAS shows a significant effect, unlike previous studies.

The importance of performance matrix analysis

Importance Performance Map Analysis (IPMA) offers deeper insight beyond estimate coefficient track standard by evaluating the average importance latent (Hair et al., 2017; Al Natour et al., 2023) and also highlights areas of poor performance by analyzing the mean values of the latent variables (Lowry & Gaskin, 2014). The IPMA results in Table 6 show that the variables that have the most influence on ASE are ECS (0.330), PSS (0.248), and TAS (0.267). AAS achieved the highest performance score of 67.253.

Discussion

The Effect of Technical and Analytical Skills on Auditor Self-Efficacy

Based on the results of hypothesis testing through partial least squares structural equation modeling analysis, it found a positive impact of TAS on ASE. This finding aligns with the explanation of the research by Al Natour et al. (2023), which shows that auditors with strong TAS can analyze complex data and find fraud that occurs to improve their self-efficacy. As McMullen & Sanchez (2010) noted, TAS are essential for forensic accountants. These skills enable auditors to conduct effective investigations, detect fraud, and analyze complex data, thereby increasing their confidence and effectiveness in detecting fraud.

The auditor's TAS includes knowledge of audit methods, using audit tools, and the ability to accurately analyze financial data and reports. If auditors have these skills well, they will feel more competent in carrying out audits because they can identify problems, analyze data appropriately, and provide appropriate recommendations (Odeyemi et al., 2024). This is directly related to self-efficacy because auditors who can handle tasks well, understand audit procedures in depth, and use audit tools effectively will feel more confident in completing their work. The ability to solve problems and analyze data appropriately makes auditors feel more convinced they can complete audit tasks well (Muterera, 2024). This confidence contributes to their self-efficacy, improving overall audit performance and results. When auditors feel confident in their technical skills, they have more control over their work and can complete audit tasks with more satisfactory results.

Table 6.
IPMA Analysis Results

	ASE	E
AAS	0.189	67.253
ASE	-	59.336
ECS	0.330	58.448
PSS	0.248	65.380
TAS	0.267	57.087

Table 5.
Direct Path Coefficient and Hypothesis Testing

H	Relationship	Original Sample	STDEV	*t-values*	*p-values*	Decision
H1	TAS → ASE	0.267	0.074	3.594	0.000	Accepted
H2	ECS → ASE	0.330	0.081	4.062	0.000	Accepted
H3	PSS → ASE	0.248	0.072	3,460	0.000	Accepted
H4	AAS → ASE	0.189	0.076	2.483	0.007	Accepted

The Effect of Effective Communication Skills on Auditors' Self-Efficacy

From the results of the test, it was found that ECS had a positive impact on the ASE. This aligns with research by Muterera (2024), which states that insights from interpersonal communication can improve teamwork and initiative. In addition, it is also in line with research by Al Natour et al. (2023), which shows a positive effect between ECS and ASE. An auditor with ECS will increase their effectiveness because, in addition to analyzing data and finding fraud in a financial report, they must convey the results of their findings to clients and interested parties in good, clear, and easy-to-understand language.

ECS are essential for auditors because they work with data and communicate findings and recommendations to clients or internal teams. The ability to convey complex information clearly and respond effectively to feedback will impact the auditor's interactions with others. If auditors can communicate audit findings well, they will be more confident in dealing with clients, superiors, or others involved in the audit process (Atmaja & Sukartha, 2021). Effective communication allows auditors to feel more in control and able to influence the outcomes of their interactions with others. This strengthens their confidence in carrying out their duties. Auditors who can communicate findings clearly and professionally will feel more skilled and influential, which increases their self-efficacy. When auditors think they can communicate well, they are also better prepared to overcome the challenges that come up in the audit (Atmaja & Sukartha, 2021).

The Effect of Psycho-Social Skills on Auditor Self-Efficacy

Testing also showed that PSS improved ASE. This is in line with Al Natour et al. (2023), which shows that these skills are essential for effective forensic audits and detecting fraud indicators that are difficult to find. This discovery is also in line with (Chukwu et al., 2019), which emphasizes that PSS help forensic accountants understand the mindset of fraudsters and analyze their actions. The principal auditor of the investigation is expected to have superior cognitive abilities and the ability to control emotions and interpersonal relationships well. Maintaining good interpersonal relationships is essential to maintain information disclosure and facilitate the audit process, although there are frequent indications of fraud in the entities being examined.

PSS, such as emotional intelligence, empathy, and interpersonal skills, are essential in an auditor's work environment that is often filled with time pressure, conflict, and situations that require diplomacy. These skills enable auditors to manage stress, adapt to change, and interact with various parties professionally. With good PSS, auditors can face challenges or difficult situations more calmly and effectively. Auditors who can maintain good relationships, manage conflict, and remain professional in difficult situations will feel more empowered in facing challenges (Muterera, Brettle, Przednowek & Ashfield, 2024). This increases their confidence in their ability to manage situations well, directly impacting their self-efficacy. When auditors think they can handle interpersonal and emotional difficulties in their work, they feel more capable of successfully managing the entire audit process, leading to increased self-efficacy (Muterera, 2024).

The Effect of Accounting and Auditing Skills on Auditors' Self-Efficacy

Tests show that AAS affect self-efficacy significantly. This aligns with Al Natour et al. (2023), who found that these skills significantly affected the ASE. These findings are also in line with research by Nursyahdani & Murtanto (2024), which shows AAS's positive impact on the ASE. This happens because they have a strong understanding of financial performance, which helps detect fraud and recording errors, and high-level AAS increase auditors' confidence in their ability to carry out their duties. Most Principal Auditorate of Investigations auditors have an accounting background, improving AAS. Auditors' confidence in carrying out their

duties effectively increases with high expertise in this area.

AAS are the basic foundation of an auditor's work. A thorough understanding of accounting standards, audit principles, and proper testing techniques gives auditors confidence in their duties. When auditors have a strong knowledge of these principles, they will feel more confident that they can conduct audits accurately and by applicable regulations. If auditors have in-depth skills in accounting and auditing, they will feel more prepared and competent in facing audit assignments (Okorafor, Awa, Nkemdilim & Ikechukwu, 2024). Auditors who feel skilled and knowledgeable will believe they can complete the audit with optimal results. This confidence increases their self-efficacy as they think more about being control of the audit process and can produce higher-quality audits. With good skills, auditors feel more prepared to handle various situations in the audit and provide accurate and valuable recommendations to clients (Nursansiwi, 2024).

CONCLUSION AND IMPLICATIONS

Conclusion

This study investigates the relationship between forensic accounting skills and ASE in fraud detection in Indonesia. Sampling was conducted using a purposive sampling method with data collection techniques from 138 external auditors in Indonesia using a questionnaire based on a Likert scale. The data analysis technique used was structural equation modeling partial least squares with the help of a tool called Smart -PLS. The study results show that TAS, ECS, PSS, and AAS significantly correlate with ASE which gives the new findings, namely TAS, that substantially impact ASE.

Implications

This study impacts on auditors and highlights the importance of ASE for fraud detection and the benefits of forensic accounting skills in audit procedures. In addition, this study provides in-depth information for regulatory agencies and Indonesian accounting experts, emphasizing the need for these skills in fraud detection. For academics, this study has an impact on the development of science, especially in the fields of audit and accounting, where with this study, we know that forensics is not only in the medical field but also in the fields of audit and accounting, this can be applied in work to make it easier for auditors to detect fraud that is indeed difficult to find.

LIMITATIONS AND SUGGESTIONS

Limitations

This study has several limitations. First, the sample taken only focuses on external auditors; in further research it is expected also to examine internal auditors of a company or the like. Second, this study uses a data collection method through a Linkert scale-based questionnaire, so further research is expected to add interview methods to strengthen existing arguments and data. Third, further research can evaluate the contribution of computer-assisted audit tools and techniques to the audit process because the increasing development of technology in various fields of work certainly impacts on the work. Fourth, further research can also identify which forensic accounting skills are most important for auditing in Indonesia.

Suggestions

The researcher suggests improving auditor skills through comprehensive training is essential to enhance fraud detection. Public accounting firms and regulatory agencies must collaborate, share information, and update regulations regularly to stop fraud and assist in decision-making. The importance of TAS, ECS, PSS, AAS, and technical development in improving ASE in Indonesia is emphasized in this study, given the importance of these skills in fraud detection. In addition, related parties must also carry out collaboration with technology that can support success in fraud detection.

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