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Auditor Experience and Fraud Detection Capability: Does Gender Still Matter? Evidence from Public Accounting Firms in Indonesia

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Abstract: Financial statement fraud remains a persistent challenge for the auditing profession, especially in developing countries amid governance dynamics. Auditors' capacity to detect fraud hinges on professional competence, notably audit experience. Yet findings on how auditor gender interacts with experience to influence fraud-detection capability are inconsistent. This study investigates the effect of auditor experience on financial statement fraud detection capability and tests whether this effect differs between male and female auditors. Employing a causal design, we integrate Structural Equation Modeling based on Partial Least Squares (SEM-PLS) with Multi-Group Analysis (MGA) to assess gender differences. Data were collected via questionnaires from 78 auditors employed by accounting firms in Jakarta, Indonesia, using cluster random sampling. Results show that auditor experience exerts a positive and significant impact on fraud detection capability for both genders. This supports the view that experience functions as a professional learning mechanism, strengthening judgment, heightening sensitivity to fraud red flags, and improving fraud-risk assessment quality. However, the MGA-PLS analysis reveals no gender difference in the strength of the experience–fraud detection relationship. The findings imply that established auditing standards, rigorous documentation, and layered supervision may mitigate gender-based disparities in auditing practice, promoting comparable fraud-detection performance across male and female auditors globally.

Keywords: auditor experience, fraud detection, auditor gender, audit quality, professional scepticism.

INTRODUCTION

Financial statement fraud remains one of the most critical issues in corporate governance and the auditing profession at the global level. Numerous accounting scandals revealed over the past two decades demonstrate that fraudulent practices are not confined to small firms or

developing countries, but also involve large corporations operating in jurisdictions with relatively well-established regulatory systems. Reports from the Association of Certified Fraud Examiners (ACFE) consistently indicate that losses arising from fraud, particularly financial reporting fraud, although less frequent than other types of fraud, generate the most significant financial impact on organizations (ACFE, 2022). This condition underscores that the effectiveness of external audits in detecting financial statement fraud constitutes a fundamental element in maintaining the credibility of financial information and public trust.

In the context of modern financial reporting, external auditors play a strategic role as gatekeepers responsible for providing reasonable assurance that financial statements are free from material misstatements, whether caused by error or fraud. International and national auditing standards emphasize that auditors are required to demonstrate professional skepticism, technical competence, and sound audit judgment in identifying indications of fraud, which are often complex and concealed (IAASB, 2021). Nevertheless, contemporary studies suggest that audit failures in detecting fraud remain relatively common, raising critical questions regarding the individual-level factors that influence auditors' fraud detection capability (Angelique et al., 2024; Rahim et al., 2023) . One of the most extensively discussed individual factors in the auditing literature is auditor experience. Professional experience is believed to shape knowledge structures, cognitive patterns, and auditors' ability to recognize anomalous patterns that may signal fraudulent behavior. Experiential learning theory posits that professional knowledge is not acquired solely through formal education, but also through repeated exposure to diverse audit cases, including fraud-related engagements (Yigitbasioglu et al., 2023). Recent empirical evidence indicates that auditors with longer working experience and higher audit engagement intensity tend to exhibit greater sensitivity to fraud red flags compared to their less experienced counterparts (Juanaristo et al., 2024; Zakaria & Setyahuni, 2023)

Despite these findings, prior research on the effect of auditor experience on fraud detection capability has produced inconsistent results. Some studies report that experience significantly enhances auditors' effectiveness in detecting fraud, while others argue that experience alone is insufficient without adequate professional skepticism, reasonable time pressure, and a supportive organizational environment that fosters audit quality (Cahyono & Hastuti, 2024; Rahman et al., 2024). Such inconsistencies suggest that the relationship between auditor experience and fraud detection capability is complex and potentially contingent upon other moderating factors.

In addition to experience, auditor gender has increasingly attracted scholarly attention within the domains of auditing research and behavioral accounting. A gender perspective in auditing is grounded in the assumption that differences in socialization, cognitive styles, and ethical reasoning between men and women may influence how auditors process information, exercise professional judgment, and respond to fraud risk. Literature in cognitive psychology and business ethics suggests that female auditors tend to be more cautious, exhibit higher ethical sensitivity, and demonstrate greater diligence in evaluating audit evidence (Abdelfattah et al., 2021), whereas male auditors are often associated with faster decision-making and efficiency-oriented approaches (Bepari & Mollik, 2023; Bustos-contell et al., 2022)

However, empirical findings regarding gender differences in auditing also remain mixed. Several recent studies report that female auditors display a higher likelihood of identifying fraud indicators, particularly in contexts requiring heightened ethical consideration and professional skepticism (Hao et al., 2022; Urumsah et al., 2023). Conversely, other studies find that gender differences become statistically insignificant once experience, training, and hierarchical position are controlled for in analytical models (Utama & Islam, 2024). This divergence has generated academic debate regarding whether gender remains a relevant differentiating factor in auditors' judgment quality in the era of modern audit professionalism.

In the context of developing countries such as Indonesia, examining auditor experience, gender, and fraud detection capability becomes increasingly pertinent. Auditing environments in emerging economies are often characterized by structural challenges, including high client pressure, limited resources, and heterogeneity in corporate governance quality. Prior studies suggest that institutional and cultural characteristics may either strengthen or weaken the influence of individual auditor attributes on audit quality (Yazid et al., 2025) . Therefore, empirical investigation focusing on auditors working in Public Accounting Firms (PAFs) in Indonesia contributes valuable insights to the global auditing literature, particularly from an emerging market perspective.

Previous studies in Indonesia have predominantly emphasized auditor experience, independence, and professional skepticism as key determinants, while paying limited attention to the moderating role of gender or to comparative analysis of experience effects between male and female auditors. Moreover, most prior research has relied on conventional statistical techniques, such as linear regression, which may be insufficient to capture the latent behavioral relationships among auditing constructs. In this regard, the application of Structural Equation Modeling Partial Least Squares (SEM-PLS) offers methodological advantages by accommodating complex latent relationships and relatively moderate sample sizes (Hair & Alamer, 2022).

Based on these research gaps, this study aims to empirically examine the effect of auditor experience on financial statement fraud detection capability from a gender perspective, and to test whether the strength of the experience effect differs between male and female auditors.

Theoretical Framework and Hypothesis Development

Fraud Risk and the Urgency of Fraud Detection in Modern Auditing

The detection of fraudulent financial reporting remains a central issue in auditing practice, as fraud schemes are increasingly adaptive, exploiting transaction complexity, internal control weaknesses, and governance gaps. Contemporary auditing literature emphasizes that the quality of fraud identification, assessment, and response constitutes a decision chain that determines the effectiveness of audit procedures, from the planning stage to the evaluation of audit evidence (Brazel et al., 2024; Nguyen et al., 2024). In this context, the focus of auditing extends beyond merely determining whether fraud has occurred, toward understanding how auditors construct accurate fraud risk judgments so that audit procedures are appropriately designed and audit responses are neither delayed nor misdirected.

Interview-based studies involving Big Four external auditors reveal that, in practice, auditors tend to feel more comfortable assessing opportunity factors than evaluating management motives and integrity, as integrity-related motives are difficult to observe and lack clear operational guidance (Kassem, 2024). The critical implication is that when the most crucial aspects such as top management integrityare avoided in risk assessments, fraud risk may be underestimated and audit responses become insufficient. This condition strengthens the argument that fraud risk assessment competence is not merely a matter of standard compliance, but rather a cognitive-professional capability shaped by experience, skepticism, and the way auditors process information.

On the other hand, the “red flags” approach has evolved as a practical tool for identifying early warning signals, both at the level of financial indicators and behavioral or governance dimensions. Empirical studies using red flag frameworks emphasize that red flags function as early warning systems; however, their effectiveness depends on whether auditors (i) pay attention to the signals, (ii) follow them up skeptically, and (iii) modify audit responses accordingly (Munteanu et al., 2024). Consequently, a key scientific question becomes increasingly relevant: which auditor-related factors determine whether red flags are genuinely transformed into more effective audit decisions.

Auditor Experience as a Foundation of Expertise in Fraud Detection

In this study, auditor experience is positioned as a determinant of fraud detection capability and is examined separately for male and female auditors. This framework is consistent with recent research indicating that audit experience is associated with improved risk assessment quality and more accurate audit actions, particularly in fraud-related contexts. Survey-based evidence shows that auditor experience is positively associated with fraud detection; more experienced auditors tend to be better at recognizing anomalous patterns, interpreting risk signals, and performing relevant follow-up procedures (Aulia et al., 2025; Kinanti & Novita, 2025).

Conceptually, experience operates through three main pathways. First, experience enhances auditors' knowledge structures, namely mental schemas regarding misstatement patterns, fraud schemes, and client or industry characteristics, enabling auditors to identify subtle irregularities more efficiently. Second, experience strengthens pattern recognition and diagnostic reasoning; senior auditors are generally more capable of interpreting seemingly minor evidence as meaningful clues when combined with broader risk contexts (Rizkiana Iskandar et al., 2022). Third, experience affects risk response, namely the ability to translate risk assessments into modifications of audit strategies (e.g., expanding substantive testing, altering timing, intensifying analytical procedures, or deepening investigation of high-risk transactions). Experimental evidence suggests that when auditors adopt a forensic perspective, fraud risk assessments become higher and audit responses more robust than under conventional audit perspectives (Wahyuandari, 2025). This supports the argument that experience especially experience in fraud cases or investigative procedures enhances auditors' cognitive readiness to respond more aggressively and accurately to fraud risks.

Nevertheless, recent literature also highlights that experience alone is not automatically effective unless accompanied by professional skepticism and psychological ownership of audit procedures. Research on audit data analytics (ADA) indicates that auditors who inherit analytical tests from others tend to behave less skeptically than those who design their own tests, an effect explained by reduced psychological ownership (Li et al., 2025). This implies that experience should not be understood merely as tenure, but rather as the quality of learning-by-doing, involvement in procedural design, and internalization of audit reasoning.

At the organizational level, strengthening internal audit functions is also viewed as contributing to fraud prevention and detection through more mature risk-based auditing practices. Studies in the International Journal of Auditing demonstrate that internal audit plays a significant role in preventing and detecting fraud when practices are well-structured, integrated with risk management, and supported by strong governance mandates (Bonrath & Eulerich, 2024). Although the present study focuses on external auditors, this insight reinforces the notion that auditor experience evolves within a broader ecosystem of governance, methodological support, and a culture of skepticism.

Gender as a Source of Differences in Information Processing and Audit Judgment Quality

The gender dimension (male vs. female auditors) in this study can be positioned as a scientific contribution that examines auditor heterogeneity in judgment formation. Auditing and organizational behavior literature has long discussed potential gender-based differences in risk preferences, communication styles, diligence, and ethical sensitivity. Large-scale evidence in the U.S. audit context shows that female representation in audit teams is associated with higher audit quality (measured by lower misstatements) and lower audit fees, with the strongest effects observed at the staff and senior levels (Khavis et al., 2025). These findings suggest that gender composition is not merely a matter of representation, but relates to team processes, prudence, and detection accuracy.

Two mechanisms can be proposed to link gender with fraud detection capability. (1) Fierce risk orientation and cautiousness mechanism. If female auditors, on average, exhibit greater risk aversion and detail orientation, then in high-risk and ambiguous fraud contexts, they may be more consistent in following up risk signals and red flags. Such consistency would manifest as a stronger relationship between experience and fraud detection, as experience is more reliably translated into skeptical action. Supporting evidence can be drawn from studies on audit team gender composition emphasizing women's contributions to audit quality and supportive work environments that enhance such contributions, (2) Sensitivity and ethical decision-making mechanism. In auditing, fraud detection capability is closely linked to sensitivity toward irregularities and motivation to investigate. Experimental studies highlight the relevance of moral sensitivity in explaining female auditors' behavioral differences in complex judgment situations (Hao et al., 2022). Furthermore, research in ethical behavior and fraud suggests that gender differences may be associated with variations in unethical or fraudulent tendencies (Carrera & Kolk, 2021). Although (Basri et al., 2022) do not focus directly on auditors, their findings provide theoretical support that gender may influence moral preferences, perceptions of unethical behavior, and responses to fraud signals.

Hypothesis Development

Effect of Auditor Experience on Fraud Detection among Female Auditor

Among female auditors, professional experience is also expected to significantly enhance fraud detection capability, as experience strengthens diligence, cautiousness, and consistency in evaluating audit evidence. Female auditors with greater experience tend to exhibit more stable professional skepticism and stronger sensitivity to irregularities, particularly in audit contexts involving ethical considerations and material misstatement risks (Atmaja & Sukartha, 2021). Empirical studies indicate that audit experience is positively associated with female auditors' ability to identify red flags and conduct more in-depth investigations of potential fraud (Oktaroza et al., 2022). Furthermore, Ghio et al. (2023) find that work experience enhances female auditors' judgment quality in ambiguous and high-pressure audit situations. Therefore, auditor experience is expected to positively affect fraud detection capability among female auditors.

H1: Auditor experience has a positive effect on financial statement fraud detection capability among female auditors.

Effect of Auditor Experience on Fraud Detection among Male Auditors

Among male auditors, professional experience is expected to play a crucial role in enhancing financial statement fraud detection capability through accumulated technical knowledge and risk pattern understanding developed from repeated audit engagements. Male auditors with longer experience tend to possess higher professional confidence in assessing risks and making audit decisions in complex situations, including identifying financial manipulation (Gandhi & Solanki, 2024). Empirical evidence indicates that among male auditors, experience is positively associated with the accuracy of fraud risk assessment, audit judgment and the effectiveness of follow-up audit procedures, particularly under time pressure and transactional complexity (Nekhili et al., 2022; Susilawati et al., 2024). Moreover, (Kassem & Omoteso, 2023; Razali et al., 2025) find that audit experience improves male auditors' ability to integrate audit evidence and evaluate informational inconsistencies indicative of fraud. Therefore, auditor experience is expected to have a positive effect on fraud detection capability among male auditors.

H2: Auditor experience has a positive effect on financial statement fraud detection capability among male auditors.

Differences in the Strength of Experience Effects between Male and Female Auditors

In behavioral auditing literature, gender is viewed as an individual characteristic that may influence decision-making styles, risk preferences, and ethical sensitivity. Recent studies suggest that female auditors tend to be more cautious and responsive to financial irregularities, enabling professional experience to be more effectively translated into fraud detection capability (Porcuna-Enguix et al., 2021; Sari & Andrian, 2023). The proposed claim that female auditors tend to be more cautious and responsive to financial irregularities, enabling professional experience to be more effectively translated into fraud detection capability, finds partial support in the cited literature. There is evidence of gender-linked differences in perceived effectiveness and in certain contexts of detection behavior, and several studies highlight that professional skepticism can mediate the experience–detection relationship, which would enable experience to translate more effectively into fraud detection under appropriate conditions. However, the evidence is nuanced and context-dependent; some studies report no gender effect or mixed results regarding the moderation role of experience, and others emphasize that skepticism, independence, and competence are critical mediators or moderators of the experience (Adhikara & Widodo, 2023; Blum & Hatfield, 2025; Bustos-contell et al., 2022) Accordingly, auditor gender is expected to moderate the relationship between auditor experience and fraud detection capability, implying that experience effects are not homogeneous across auditor populations

H3: There is a significant difference in the effect of auditor experience on financial statement fraud detection capability between male and female auditors.

METHODS

Research Design and Approach

This study employs a causal quantitative approach to examine the causal relationship between auditor experience and financial statement fraud detection capability, as well as to test whether this relationship differs by auditor gender. A causal approach is adopted because the primary objective of the study is to investigate structural effects among latent variables and to compare the strength of these relationships across male and female auditor groups.

Methodologically, this study applies Multi-Group Analysis (MGA) based on Structural Equation Modeling using Partial Least Squares (SEM-PLS), commonly referred to as MGA-PLS. This technique is selected for several reasons: (1) SEM-PLS is suitable for predictive and exploratory models with a variance-based orientation; (2) it does not require multivariate normal distribution; (3) it is capable of handling moderate sample sizes and models with reflective indicators; and (4) it allows for cross-group comparison through Multi-Group Analysis (MGA) (Sarstedt et al., 2022)

Population and Sample

The study was conducted in Public Accounting Firms (PAFs) located in South Jakarta, Indonesia, in 2024. This location was selected due to the high concentration of PAFs in the area. In addition, Indonesia represents an academically relevant context as an emerging market characterized by complex governance dynamics, increasing audit litigation risk, and persistent challenges in fraud detection (Fariana & Nugrahanti, 2022). Therefore, the findings of this study are expected to provide cross-national empirical contributions.

The sampling technique used was area-based Cluster Random Sampling, with PAFs serving as clusters. The sampling procedure was conducted in two stages: (1) randomly selecting PAFs from the official registry of active firms, and (2) including all auditors within the selected PAFs as potential respondents. A total of 10 PAFs were randomly selected, and 100 questionnaires were distributed directly. Of these, 78 valid responses were obtained and analyzed, consisting of 47 male auditors (60.3%) and 31 female auditors (39.7%).

Operational Definitions and Construct Measurement

Independent Variable: Auditor Experience

Auditor experience is defined as the accumulation of knowledge, skills, and professional judgment acquired through formal education, training, and repeated exposure to diverse audit cases (Barr-Pulliam et al., 2024; Hanum, 2024). Measurement indicators include: length of work experience as an auditor, frequency of audit assignments, ability to make audit decisions, ability to identify errors, ability to analyze audit problems, ability to handle complex cases, ability to detect fraud indications, and professional career development. These indicators are consistent with behavioral auditing literature that positions experience as a key factor in enhancing professional judgment and fraud risk sensitivity (Gracia & Kurnia, 2021)

Dependent Variable: Fraud Detection Capability

Fraud detection capability is defined as the auditor's capacity to systematically and evidence-based identify, assess, and respond to the risk of material misstatements arising from fraud (Chui et al., 2022; Putri et al., 2022). This construct is measured using three dimensions: fraud characteristics, audit methods, and detection procedures. These dimensions are aligned with fraud risk assessment frameworks based on red flags and substantive audit procedures (Wahidahwati & Asyik, 2022).

Data Analysis Techniques

Data analysis was conducted using variance-based Structural Equation Modeling Partial Least Squares (SEM-PLS) and Multi-Group Analysis (MGA-PLS) with SmartPLS 4.0 software. Two groups were analyzed: male auditors and female auditors. This analytical approach was chosen because it is suitable for predictive and exploratory models, does not require multivariate normality, can accommodate moderate sample sizes with reflective indicators, and enables cross-group comparison through MGA (Johan et al., 2021).

Prior to hypothesis testing, the adequacy of the structural model was assessed through evaluation of the outer model and inner model. The outer model was assessed in terms of validity and reliability. Validity was evaluated using outer loading values, Average Variance Extracted (AVE), cross-loadings, and the Fornell–Larcker criterion. In this study, outer loading values were primarily used for validity assessment; indicators with loading values above 0.70 were considered to demonstrate adequate convergent validity.

Reliability of the outer model was evaluated using Cronbach's alpha and composite reliability, with threshold values above 0.70 indicating acceptable reliability (Hair et al., 2020). Both indices were employed to ensure measurement consistency and accuracy. The inner model was evaluated using the coefficient of determination (R^2) and the Goodness of Fit (GoF) index. R^2 measures the simultaneous explanatory power of exogenous variables on endogenous variables. R^2 values of 0.67, 0.33, and 0.19 indicate strong, moderate, and weak models, respectively (Kamranfar et al., 2023). The GoF index reflects the predictive strength of the structural model, with values of 0.10, 0.25, and 0.36 representing weak, moderate, and strong predictive power. Hypothesis testing was conducted using t-statistics and p-values. A hypothesis was considered supported if the t-statistic was equal to or greater than 1.96 ($t \geq 1.96$) and the p-value was equal to or less than 0.05 ($p \leq 0.05$).

For cross-group comparison between male and female auditors, Multi-Group Analysis (MGA) was applied. Methodological literature emphasizes the importance of establishing measurement invariance across groups to ensure that observed differences in path coefficients reflect genuine structural differences rather than measurement artifacts. Group differences were evaluated using the same statistical criteria ($t \geq 1.96$ and $p \leq 0.05$), indicating significant differences in the strength of relationships between the two groups. Through this

comprehensive evaluation process, model quality was rigorously assessed before drawing theoretical and practical implications.

RESULTS AND DISCUSSION

Respondent Profile

This study involved 78 external auditors working in Public Accounting Firms (PAFs) in South Jakarta, Indonesia, selected using a cluster random sampling technique based on audit firms. The respondent composition reflects the demographic structure of the auditing profession in Indonesia, where male auditors remain more dominant than female auditors; however, female participation has continued to increase in line with governance transformation and workforce diversity in the auditing sector (Utama & Islam, 2024). of the total respondents, 47 auditors (60.3%) were male and 31 auditors (39.7%) were female, a proportion considered adequate for SEM-PLS-based multi-group analysis.

Figure 1 presents the respondent profile based on gender and experience. The distribution of experience indicates that 24 respondents (30.8%) had less than one year of experience, 34 respondents (43.6%) had 1–5 years of experience, 12 respondents (15.4%) had 5–10 years of experience, and the remaining 8 respondents (10.3%) had more than 10 years of professional experience.

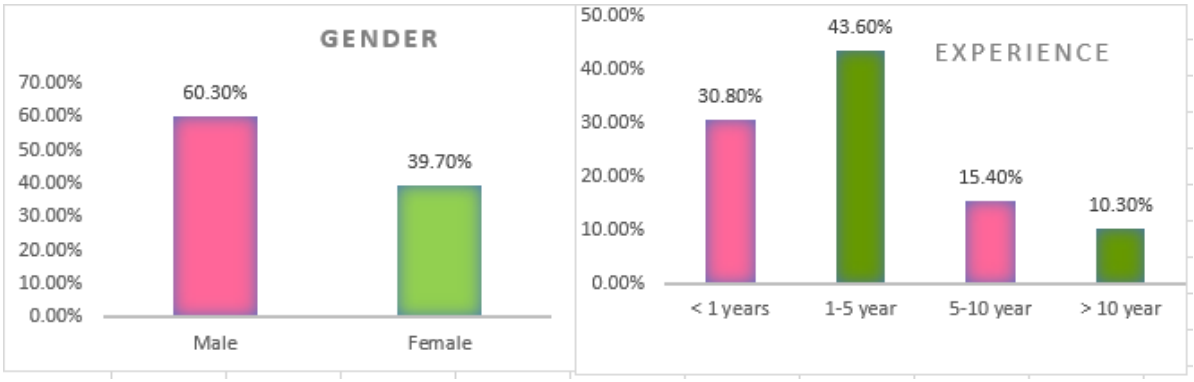


Figure 1: The Respondent Profile based on Gender and Experience

Figure 2 illustrates the respondent profile in terms of educational background and organizational position within PAFs. The results show that 12 respondents (15.5%) held a Diploma (D3), 65 respondents (83.3%) held a Bachelor's degree (S1), one respondent (1.3%) held a Master's degree (S2), and none held a doctoral degree (S3). Regarding professional position, three respondents (3.8%) were managers, one respondent (1.3%) was a supervisor, 25 respondents (32.1%) were senior auditors, and the remaining 49 respondents (63.0%) were junior auditors.

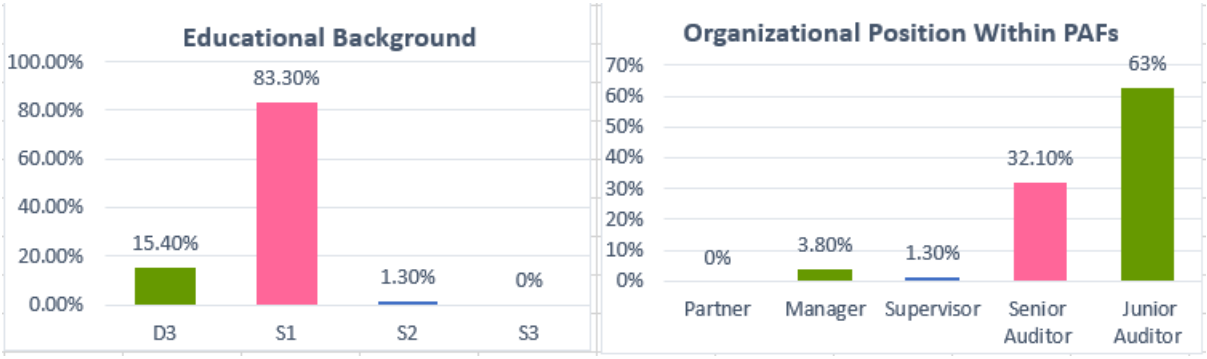


Figure 2: The Respondent Profile in Terms of Educational Background and Organizational Position Within PAF`s

Outer Model Evaluation

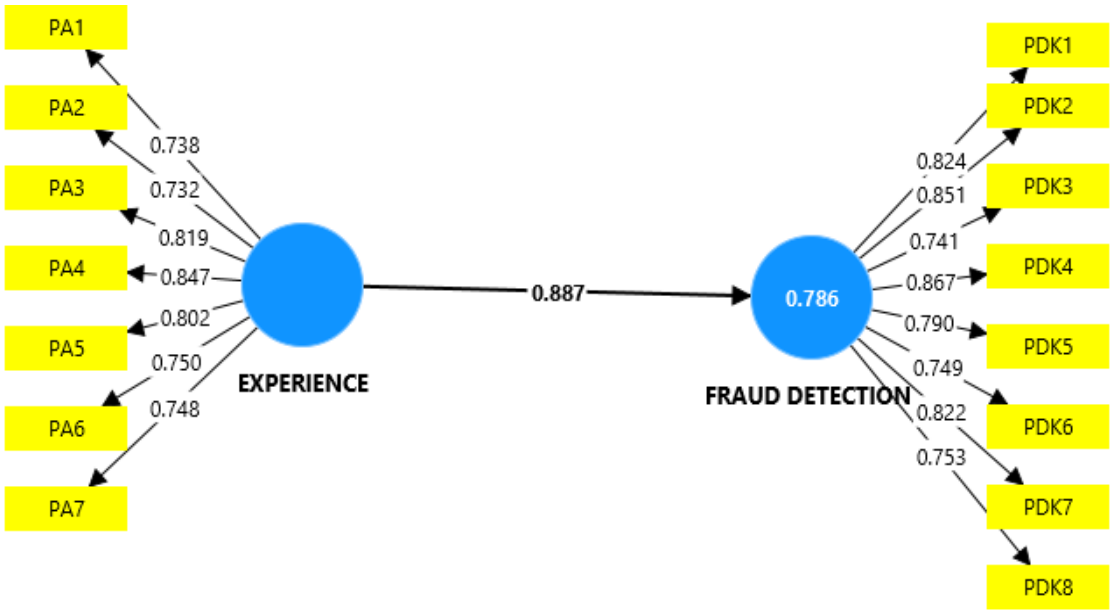


Figure 3: Multi-Group Analysis (MGA-PLS) Test Results for the Female Auditor Group

The adequacy of the outer model in terms of validity was assessed by examining outer loading values. Indicators were considered valid if their loading values were equal to or greater than 0.70. The results of the Multi-Group Analysis (MGA-PLS) indicate that all outer loading values for indicators of auditor experience and fraud detection both in the female group (Figure 3) and the male group (Figure 4) met the validity criteria, as all loading values exceeded 0.70.

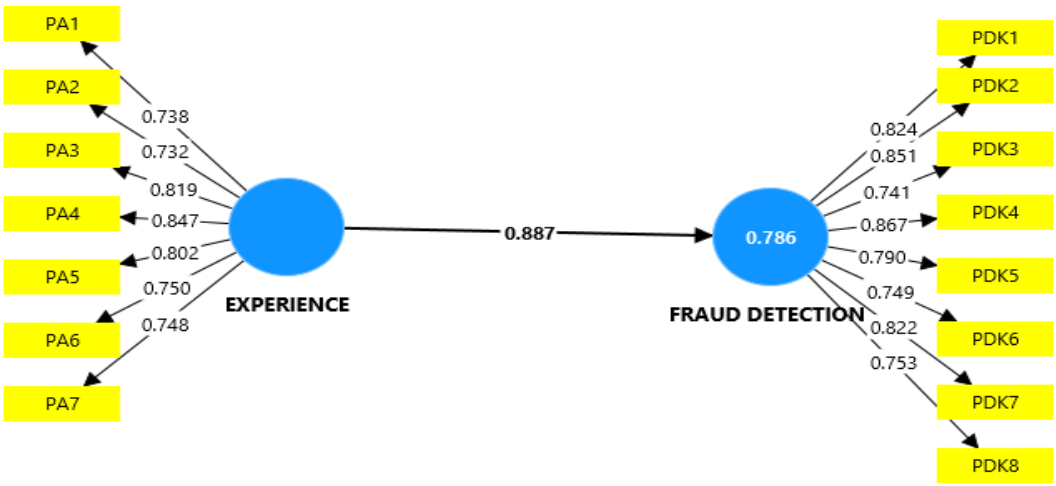


Figure 4: Multi-Group Analysis (MGA-PLS) Test Results for the Male Auditor Group

The reliability of the outer model was evaluated using Cronbach's alpha and composite reliability values. Indicators were deemed reliable if both values exceeded 0.70. The MGA-PLS results show that all Cronbach's alpha and composite reliability values for auditor experience and fraud detection constructs, for both female and male groups (Table 1), satisfied the reliability criteria, indicating that the measurement instruments were accurate, consistent, and reliable.

Table1. Value of Cronbach`a Alpha dan Composite Reliability

Variable	*Cronbach's Alpha*	Composite Reliability	Explanation
Female Gorup			
Auditor Experience	0.848	0,914	Reliability
Fraud Detection	0.784	0,934	Reliability
Male Group			
Auditor Experience	0.897	0.917	Reliability
Fraud Detection	0.933	0.945	Reliability

Inner Model Evaluation

The inner model evaluation using SEM-PLS to measure predictive strength indicates an R^2 value of 0.786 for the female auditor group. This suggests that 78.6% of the variance in financial statement fraud detection capability among female auditors is explained by auditor experience, while the remaining variance is attributable to other variables outside the model.
For the male auditor group, the SEM-PLS results show an R^2 value of 0.795. This implies that 79.5% of the variance in fraud detection capability among male auditors is explained by auditor experience, with the remainder explained by factors not included in the model. These values indicate that the variation in fraud detection capability can be substantially explained by auditor experience in both groups. Practically, the model demonstrates strong explanatory power in the context of external auditing.

The hypothesis testing results reveal that, for the female auditor group, the relationship between auditor experience and fraud detection capability produced a t-value of 22.57 (greater than 1.96) and a p-value of 0.000 (less than 0.05). Therefore, Hypothesis 1 is supported, indicating a significant effect of auditor experience on fraud detection capability among female auditors.

Similarly, for the male auditor group, the relationship between auditor experience and fraud detection capability yielded a t-value of 22.57 (greater than 1.96) and a p-value of 0.000 (less than 0.05). Thus, Hypothesis 2 is supported, indicating a significant effect of auditor experience on fraud detection capability among male auditors.
Table 2 presents the detailed results of the inner model testing and hypothesis evaluation, including original sample values, sample means, standard deviations, t-statistics, and p-values. These results confirm that auditor experience has a strong and statistically significant influence on fraud detection capability for both male and female auditors.

Table 2. The Results of the Inner Model and Hypothesis Testing

Description	Original Sample (O)	Sample Mean (M)	Standard Deviatian (STDEV)	T Statistics	P Values	Hypothesis Testing
Female Group						
Auditor Experience --> Fraud Detection	0,887	0,897	0,039	22,57	0,000	H1 Accepted
Male Group						
Auditor Experience --> Fraud Detection	0,892	0,897	0,035	22,57	0,00	H2 Accepted
MGA Test						

			Difference Male - Female	1-tailed (Male vs Female) p value	2-tailed (Male vs Female) p value	Hypothesis Testing
Experience Detection	-→	Fraud	-0.013	0.608	0.783	H3 Rejected

Discussion

The findings of this study indicate that auditor experience has a positive and significant effect on financial statement fraud detection capability for both male and female auditors. These results confirm a central assumption in behavioral auditing literature that experience functions as a primary source in the formation of professional judgment and auditors' cognitive structures in recognizing fraud risk patterns (Hanum et al., 2024). Experienced auditors do not rely solely on standard procedures, but also utilize pattern recognition derived from prior case exposure to interpret ambiguous and unstructured risk signals (Prianthara et al., 2023). Thus, experience operates as a situational learning mechanism that enhances the quality of risk assessment and audit responses to potential fraud.

These findings are also consistent with(Fathurohmah & Wasfini, 2025; Fujianti, 2019; Wicaksono, 2023), the studies emphasizing the role of professional skepticism as an indirect mediator between experience and fraud detection quality. Experienced auditors tend to be more skeptical of management explanations, more systematic in evaluating evidence, and more consistent in following up red flags (Yuliana & Puspita, 2025). In the increasingly complex context of modern auditing, the ability to integrate financial and non-financial information has become crucial, and experience serves as a variable in this integration process (Maulida & Novianti, 2023).

Interestingly, the results of the Multi-Group Analysis (MGA) reveal no significant difference between male and female auditors in the strength of the relationship between experience and fraud detection capability. This finding suggests that professional standards, structured audit procedures, and layered review mechanisms in KAP and experience improve fraud detection capabilities, regardless of auditor gender (Husnah et al., 2024). In highly regulated auditing environments, auditors' decisions are framed by formal methodologies, documentation requirements, and supervision, thereby reducing the influence of individual gender-based differences on audit outcomes.

These results challenge stereotypical assumptions in parts of the literature suggesting that female auditors are inherently more effective in detecting fraud due to higher levels of cautiousness and ethical sensitivity. The present findings demonstrate that when experience and professional standards are controlled, fraud detection effectiveness becomes relatively equivalent across genders (Khavis et al., 2025). This reinforces the argument that experience, rather than gender, constitutes the key determinant of fraud detection capability**.**

From a practical perspective, these findings carry important implications for the management of Public Accounting Firms. The development of fraud detection competence should prioritize structured learning experiences such as rotation in high-risk engagements, fraud case simulations, and case-based mentoring, rather than relying on gender differences as a basis for task allocation. Furthermore, strengthening a culture of professional skepticism and layered supervision can amplify the effect of experience on audit quality.

From a professional policy perspective, these results support the importance of continuous training and specialized certification in forensic auditing as instruments for enhancing fraud detection quality across genders. The findings are also relevant for regulators in designing auditing standards that emphasize substantive experience development rather than mere procedural compliance.

Nevertheless, these findings should be interpreted with caution, as they are based on self-reported perception data from auditors in a single geographic region. Future research is recommended to integrate objective audit quality indicators, such as financial restatements or regulatory findings, to test the consistency of these results at the level of observable audit outcomes.

CONCLUSION

This study aimed to examine the effect of auditor experience on financial statement fraud detection capability and to assess whether this effect differs between male and female auditors. Using SEM-PLS and Multi-Group Analysis (MGA) on a sample of 78 external auditors working in Public Accounting Firms (PAFs) in South Jakarta, this study provides three main findings.

First, auditor experience is proven to have a positive and significant effect on financial statement fraud detection capability. This finding strengthens the core argument in behavioral auditing literature that experience functions as a cognitive foundation that enriches professional judgment, increases sensitivity to red flags, and improves the quality of fraud risk assessment. Experienced auditors are better able to make sense of ambiguous information, integrate financial and non-financial evidence, and adapt audit strategies accordingly. Thus, experience should not be viewed merely as tenure, but as a professional learning mechanism that shapes audit decision quality.

Second, the effect of experience on fraud detection remains significant for both female auditors (H1) and male auditors (H2). This indicates that experience has strong predictive value across genders in enhancing fraud detection capability. This result aligns with the view that professional competence in auditing is more strongly determined by practice-based learning, case exposure, and supervisory quality than by demographic characteristics of auditors.

Third, the MGA SEM-PLS results show no significant difference between male and female auditors in the strength of the experience fraud detection relationship (H3 rejected). In other words, experience operates similarly across gender groups. This suggests that structured auditing standards, documentation procedures, and multi-layered review mechanisms in PAFs can neutralize potential gender-based individual differences. When auditing environments are highly standardized and closely supervised, fraud detection quality is determined more by experience and organizational systems than by auditor gender.

Overall, this study confirms that auditor experience is a key determinant of fraud detection quality, while gender does not constitute a substantive differentiating factor in the context of this research. These findings have important implications for audit human resource development, professional policy formulation, and future research agendas.

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