



THE INFLUENCE OF HEURISTIC AND COMPUTER-ASSISTED AUDIT TECHNIQUES (CAAT) ON FRAUD DETECTION WITH EXPERIENCE AS A MEDIATING

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ABSTRACT

This study explores the impact of Heuristics and Computer-Assisted Audit Techniques (CAAT) on fraud detection, with Experience as the mediating variable. The findings show that CAAT has no significant effect on fraud detection, while heuristics have a significant effect. Experience also directly contributes positively to fraud detection. An interesting result is that CAAT affects fraud detection through experience as a mediator, while heuristics have no significant effect when mediated by experience. Experience serves as a key bridge that strengthens the relationship between CAAT and fraud detection. The implication is that organisations can improve audit strategies by understanding the complexity of these factors, acknowledging the differential impact between CAAT and heuristics, and leveraging experience as a vital mediator tool to improve fraud detection.

Keywords: *Heuristic; Audit; CAAT; Experience; Fraud Detection*

RESEARCH HIGHLIGHTS

The impact of Heuristics and Computer-Assisted Audit Techniques (CAAT) on fraud detection was explored, with Experience as the mediating variable. CAAT was found to have no significant effect on fraud detection, while heuristics had a significant effect. Experience directly contributes positively to fraud detection, emphasizing its importance in improving audit strategies. Auditor experience plays a mediating role in optimizing the effectiveness of CAAT in detecting fraud. Heuristics and experience were found to significantly affect fraud detection, while the CAAT application did not significantly impact. The study emphasized the importance of training and developing auditors' skills in using CAAT to maximize its benefits in supporting fraud detection efforts.

Research Objectives

This study aims to investigate the effects of heuristics, the use of computer-aided audit technology (CAAT), and auditors' experience level on their ability to detect fraud. This research aims to identify the individual impact and interaction between these factors on auditors' performance in uncovering fraud involving data analysis, risk assessment, and investigation (Tang & Karim, 2019) focusing on how experience can mediate the effectiveness of CAAT use. This research also emphasizes the importance of auditor training and skill development in using CAAT and the benefits of using heuristics in detecting fraud. Heuristic methods are approaches based on experience and practical knowledge ((Simon & Newell, 1958; Tversky & Kahneman, 1974) used by auditors when facing complex, ambiguous, or unstructured audit situations. The significance of this research lies in its ability to provide organizations with insights into the complexity of factors affecting fraud detection and provide direction in improving audit strategies. In addition, this research aims to contribute to the understanding of the role of heuristics, experience, and technology in the context of fraud detection, with the hope of improving the effectiveness of the audit process in identifying potential fraudulent activity.

Methodology

The research methodology involved a cross-sectional survey using questionnaires distributed through Google Forms, WhatsApp, and Telegram to collect data from 61 respondents. The study explored the impact of heuristics, computer-assisted audit techniques (CAAT), and auditor experience on fraud detection. The research variables included heuristics, CAAT, experience, and education, with the dependent variable being the ability to detect fraud by auditors. The data collected was analyzed using statistical techniques and the Smart PLS 3 application with the Partial Least Square (PLS) method.

Results

The result is indicated that heuristics and experience significantly affect fraud detection, while the application of computer-assisted audit techniques (CAAT) did not have a significant impact on fraud detection. The study also highlighted the importance of effective implementation, limitations, adaptation, training, and human factors in using CAAT, as well as the benefits of heuristics in fraud detection and the impact of experience on auditors' ability to detect fraud. The research emphasized the importance of training and developing auditors' skills in using CAAT to maximize its benefits in supporting fraud detection efforts.

Findings

The findings show that CAAT has no significant effect on fraud detection, while heuristics have a significant effect. Experience also positively contributes to fraud detection. An interesting result is that CAAT affects fraud detection through experience as a mediator, while heuristics have no significant effect when mediated by experience. Experience is a key bridge that strengthens the CAAT and fraud detection relationship. The implication is that organizations can improve audit strategies by understanding the complexity of these factors, acknowledging the differential impact between CAAT and heuristics, and leveraging experience as a vital mediator tool to improve fraud detection (Al Natour et al., 2023; Smidt et al., 2014)

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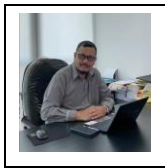
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Author's Biography



Dian Saputra is a Lecturer and also an internal auditor at Universitas Islam Riau. Dian holds several accounting certifications, including Asean Chartered Professional Accountant (ACPA), Certified Accountant (CA), and Accountant (Ak). Dian has worked as an external auditor in a leading accounting firm. As an expert in his field, Dian Saputra conducts research on accounting, auditing, and behavioral issues. He has written several academic papers and publications in national and international journals and participated in various international conferences.



Dr. Abrar, Accounting Lecturer and Internal Auditor at Universitas Islam Riau, holds a Doctorate in Sharia Economics. With a background as an External and Internal Auditor, research focus involves Auditing, Accounting, and Management Accounting. Serves as an author and instructor in scientific conferences and workshops. His goal is to contribute significantly to the development of knowledge in the accounting and auditing sector, encouraging innovation and deep understanding in the field.



Reza Ananda Rinaldy, an Accounting student at the Faculty of Economics and Business at Riau Islamic University, brings his academic passion to the world of auditing. With internship experience at an Internal Auditor, his main interests involve Auditing, Accounting, and Behavior. His dedication to explore and contribute fresh thoughts in these fields enriches his academic journey.