

Skills of the Forensic Accountants in Public Sector Reveal Fraud in Indonesia: An Empirical Investigation

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ABSTRACT

This research aims to investigate the effect of the skills of forensic accountants on the public sector in revealing fraud in Indonesia. This research employed quantitative approach with a survey method. Questionnaires were distributed to the auditors possessing experiences to conduct investigative auditing in the Audit Board of the Republic of Indonesia (BPK RI). In total, 44 respondents returned the questionnaires, which can be considered suitable for a descriptive survey. The results show that the investigative skill and business valuation affects significantly on the skills of forensic accountants in revealing fraud in the public sectors, while the financial accounting skill and business skill have no significant effect on the skills of forensic accountants in revealing fraud in the public sectors. The implication of the research relates to the different skills possessed by the forensic accountants in some institutions. Concerning the time and limitations, the research is focused on the public sectors, in this case, is in the Audit Board of the Republic of Indonesia representative Yogyakarta province, and on succinct respondents. In the future, it is expected that more institutions and respondents will be involved in the analysis process to gain a complete representation of the skills of forensic accountants.

Keywords: skills, forensic accountant, forensic accounting, public sector, fraud, Indonesia

1. INTRODUCTION

In the last one decade, there emerges a drawing attention issue worldwide which points to financial crimes figured in fraud or corruption, both in non-profit public/governmental sectors and profit private sectors. In accordance with a study conducted by the Association of Certified Fraud Examiners (2012), financial fraud contributes as much as 10% from the incidents of white collar crime. Misuse assets and corruption, for example, occur in a bigger frequency, but the latter crime, which is corruption, leads the most serious impact of other frauds.

In Indonesia, it is not only government officials of the executive, legislative and judiciary who are able to undertake corruption, but private individuals are able to do so (Hamdani, Kumalahadi, & Urumsah, 2017). Nevertheless, most corruption cases happen in the public sector institutions. For that reason, the government mainly focuses on the attempt to eradicate and reveal fraud cases which inflict a financial loss of the country. In this case, the role of a forensic accountant is crucial for the public sector institutions. A forensic accountant is compulsorily required to possess distinctive expertise and skills compared to a traditional accountant. Forensic accountants act a crucial role in the government system in which they are necessary to investigate suspicious financial activities and track down existing fraud (Salleh & Aziz, 2014). According to the result of the survey (Transparency International, 2015), Indonesia possesses 36 for the score of Corruption Perception Index (CPI). It places the country in the position of 88 out of 168 countries being measured. The score increased 2 points in 2015 and led the country to elevate 19 ranks compared with that was in 2014. The elevation of the score and CPI rank in 2015 is worth appreciating as the

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result of the collaboration between the governments, civil societies, and stakeholders in their attempt to prevent and eradicate corruption.

Kahan (2006) proposes that forensic accountants are continually involved in the company's financial activities along with shareholders and governmental institutions to prevent accounting fraud. It leads to extend the role of forensic accountants in detecting and preventing fraud in every financial activity. Besides, complex financial transactions are easier to be addressed by the competent experts (Rezaee, Crumbley, & Elmore, 2004). It is implied that auditing experiences are not making the auditors or forensic accountants to be skillful in detecting fraud (Krambia-Kapardis, 2002). Moreover, Rezaee et al. (2004) posit that one of the skills necessarily acquired to address financial fraud cases is the skill in the forensic accounting. Based on the mentioned opinions above, it can be concluded that a person possessing skills in the forensic accounting is more frequently involved in the investigation of fraud and will be able to detect it more easily.

Harris and Brown (2000) illuminate that forensic accountants have in essence conceived the principles of criminal law, civil law, and court procedure. In addition, the skills in investigation, including theories, methods and fraud patterns must be managed by forensic accountants. It also covers the ability to think creatively to learn and perceive tactics which are potentially played by the fraudsters (Harris & Brown, 2000). Besides, forensic accountants are necessary to communicate findings obviously and in detail with some parties, including people who are common with accounting and auditing. According to Brooks, Riley, and Thomas (2005), forensic accountants focus on investigating suspicious financial activities and fraud performed by individuals or business. They also act a more evidently job in order to assist government to evaluate accounting records and financial transactions, both through banking and direct transactions which are suspected to proceed from fraud. Based on an extensive literature study and deep understanding of forensic accounting in Indonesia, this research aims primarily to investigate the effect of the skills of forensic accountants on the public sector in revealing fraud in Indonesia. Therefore, this study will focus on the investigation of forensic accountants in the public sector.

2. LITERATURE REVIEW

2.1. Skills of Forensic Accountants

Concurrently, some researchers begin to inquire distinctive skills and technical skills possessed by forensic accountants (Cohen, Crain, & Sanders, 1996); (Harris & Brown, 2000); (Messmer, 2004); and (Ramaswamy, 2005). It is also related to experiences which are possible to be improved (Grippio & Ibex, 2003). Digabriele (2008) extends research by conducting a survey of accounting academics, forensic accounting practitioners, and forensic accounting users to determine more relevant skills which are necessarily possessed by the forensic accountants. The result shows that the three main stakeholder groups argue differently at the items of knowledge and skills, but agree to all items of performance. It is also evidence that the academics and practitioners own more agreement to the importance of skills of the forensic accountants than that of the forensic accountant users.

Hodges and Burchell (2003) opines that accounting graduates are necessary to possess the combination of cognitive skills (technical knowledge, skills, and competencies) and self-characteristics (principles, traits and motivational values) which are basically the function of individuals' personalities. In the last a few years, some academics have indicated that the skill such as emotional intelligence (the ability to recognize, utilize and control emotion) is crucial to be involved in the world because it is central to all processes of making rational decisions (MacPhail, 2004). Some other experts have suggested that emotional intelligence has been possibly triggering accountants to perform better in some parties such as leadership, client relation and even decision making (Bay & McKeage, 2006). Moreover, Akers and Porter (2003) encourage the American Institute of Certified Public Accountants (AICPA) and Management Accounting Institute to acknowledge emotional intelligence as an important skill for the success of accountants' profession in the future.

Furthermore, Tan and Libby (1997) classify auditing skills into two categories: (1) technical skills and (2) non-technical skills. Technical skills are the basic skills possessed by an auditor which are manifested in the procedural knowledge and other clerical abilities in the scope of general accounting and auditing. According to Bonner and Lewis (1990), the skills cover three types: (1) the knowledge of accounting and auditing, (2) the sub-special knowledge (derivative contract), and (3) the knowledge of the general business. Harris and Brown (2000) have identified necessary skills and technical skills of forensic accountants. They are generally familiar with criminal law and civil law and conceive the courtroom procedure and prospect. The researchers also emphasize the investigation skills, including theories, methods, and patterns of misuse or fraud. The forensic accountants think creatively about considering and conceiving the tactics used by the actors of fraud to conceal their action. Besides, they also need to communicate their findings clearly and succinctly with some parties, including some people who are common with accounting and auditing. On the other hand, non-technical skills cover interpersonal skills which include the ability of communication, leadership, cooperation and relationship (Murtanto & Gudono, 1999). Meanwhile, Tan and Libby (1997) group it into interpersonal skills, psychological characteristics and cognitive abilities.

In reference to the above classifications, it is identified that some skills of the forensic accountants such as analytical skill, communication skill, computing skill, technological skill and investigative skill are categorized into crucial or core skills (Albrecht, Albrecht, Albrecht, & Zimelman, 2012; and Davis, Farrell, & Ogilby, 2010). According to experiences, financial accounting, taxation, business valuation, business skill, risk management internal control, communication (Grippio & Ibex, 2003) and the other skill such as fraud scheme (Albrecht et al., 2012) are crucial in the future. Moreover, some forensic accountants' skills which are crucially needed to be upgraded are financial accounting, legal skill and risk management internal control (Davis et al., 2010).

Thus the classification of exposure to the expertise of a forensic accountant by (Albrecht et al., 2012; Davis et al., 2010; Grippio and Ibex, 2003; Tan and Libby, 1997; Hodges and Burchell, 2003; Bonner and Lewis, 1990; Harris and Brown, 2000; Murtanto and Gudono, 1999; Kranacher, Morris, Pearson, and Riley, 2008; Fenton and Edmund, 2011; and Digabriele, 2008) the researchers broadly classified into 4 attribute skills to be studied, namely: financial accounting, investigative skills, business valuation, and business skills.

2.2. The Quality of Forensic Accountants

Forensic accountants are currently applying its unique expertise for diverse tasks and are often hired to determine whether there has been any deliberate misrepresentation related to the company's financial records (Digabriele, 2008). Fraudulent misrepresentation can range from overvaluation of inventory and improper capitalization of costs for misstatements profit and embezzlement (Harris & Brown, 2000; and Messmer, 2004). A professional forensic accountant is measured from the possessed skills in performing the profession (Morrow & Goetz, 1988). The professionalism is also related to certain skills to reveal the fraud frequency acted by the violators (Kalbers & Fogarty, 1995). The person who possesses it in the work field shows genuine abilities to create new ideas.

Furthermore, Tuanakotta (2010) identifies the quality of a forensic accountant as being cautious, keeping confidential work, being creative, persevering, having courage, showing integrity and being persistent in collecting broader information which possibly triggers the accountant to immediately apply the skills as an investigator effectively. All of them are conducted through the knowledge of financial concepts and deriving conclusions. It also involves the ability to connect with people. Generally, it needs to deal with people in a higher position and necessarily maintains the existing status. Fraud examiners frequently meet people in restricted time for a specific reason, which is collecting information.

Further and more specific Tuanakotta (2010) said that quality must a forensic accountant namely; (1) creative, the ability to see things that other people consider a normal

situation and consider the interpretation of others, (2) curiosity, a desire to find out what really happened in a series of events and situations, (3) do not give up, when documents or information difficult to obtain, (4) common sense, the ability to maintain a real-world perspective, (5) business sense, the ability to understand how the business is actually running, and not just understanding how the transaction was recorded, and (6) self-confidence, the ability to trust yourself and the findings held.

2.3. The Occupational Fraud Problems

Fraud has been in existence for generations (Prabowo, 2013). Since before the Industrial Revolution, the financial scandals have plagued the world's economy (Pearson & Singleton, 2008). For example, in the 1970s, the Equity Funding Scandal was uncovered, and it is one of the first major financial scandals where computers were used to assist in perpetrating a fraud (Pearson & Singleton, 2008). In the banking process for lending credit and interest in Eastern Europe and Russia, bribery is done to get the access and ease the credit (Webster, 1993; and De Melo, Ofer, & Sandler, 1995). In Lebanon, the same survey shows that the lending will not be dealt without doing bribery (Yabarak & Webster, 1995). According to the Black's Law Dictionary (2009), fraud is:

A knowing misrepresentation of the truth or concealment of a material fact to induce another to act to his or her detriment [...] A misrepresentation made recklessly without belief in its truth to induce another person to act [...] A tort arising from a knowing misrepresentation, concealment of material fact, or reckless misrepresentation made to induce another to act to his or her detriment.

Furthermore, Ramamoorti (2008, p. 522) argued:

Fraud involves intentional acts and is perpetrated by human beings using deception, trickery, and cunning that can be broadly classified as comprising two types of misrepresentation: *suggestio falsi* (suggestion of falsehood) or *suppressio veri* (suppression of truth).

Based on his Ph.D. study, by examining the employees who steal company money (embezzlers), Donald Cressey interviewed 200 people imprisoned for the fraud. The study shows that the occurrence of fraud occurring through the so-called "fraud triangle" namely pressure or motivation, opportunity, and rationalization (Cressey, 1953). The increase of fraud can be caused by political, economical, and historical rationales (Damania, Fredriksson, & Mani, 2003). Those rationales are in the form of policy distortion done by the regime governing the country. Moreover, Alatas (1986) explains some factors causing the corruptions such as: (1) the weaknesses of the leader in the main position, (2) the weaknesses of religion and moral ethics, (3) colonialism, (4) low level of education, (5) poverty, (6) undemanding law, (7) unsupportive environment, (8) government structure, (9) radical transition, and (10) the bad condition of the society.

Subsequently, Association of Certified Fraud Examiners (2012) classifies fraud into three types of occupational, namely; Corruption, Asset Misappropriation, and Financial Statement Fraud. Specifically, there is an Acts regulated about corruptions in Indonesia, which is the Acts Number 20, 2001 as the revision of the Acts Number 31, 1999 about the eradication of corruptions. The act of corruption in the Acts Number 20, 2001 is mentioned in Article 1 and 3. With the existed Acts, perpetrators should have been arrested by the law upholders (KPK, Judiciary, and the Police). People who are going to do the act of corruption are supposed to be afraid of and are not willing to do the corruption because the threat mentioned in the Acts. However, the phenomenon happens vice versa – there are still many corruption acts in Indonesia. The perpetrators seem not to be afraid of. Moreover, they still can smile and wave their hands in front of the mass media and electronic media like an innocent person (Merdeka.com, 2013; Viva.co.id, 2013; and Wartabuana.com, 2014).

Corruptions obstruct the development and democracy (Cwati, 2004). According to Bayley (1988), some effects of corruptions are as follows: (1) the vanishment of efficiency and the appearing of wasting that leads to loss because obstructing the economy development, (2) the increase of administrative cost, (3) the decrease of the amount of money which is supposed to be used for society, (4) the failure of morality and attitude in the society, (5) the decrease of society' trust towards the government, and (6) the classical endless cycle which triggers others to do the same action.

According to Tanzi (1998), corruptions lead to distortion in the market and cause the inappropriateness of resources allocation because it will (1) decrease government's ability to supervise the regulations needed and to inspect to correct market failure, (2) lead incentive distortion, (3) act as an arbitrary tax with a high wealth cost, (4) decrease and distort the basic role of government, (5) decrease the legitimisation of market economy and democracy, and (6) tend to increase poverty because it decreases the potential income of the poor. Moreover, Pope (2000) states that corruptions threaten not only the environment, human rights, democratic institutions and the freedom of fundamental rights, but also obstruct the development and the solution of poverty.

In the United Nations Convention Against Corruption (UNCAC) foreword, Kofi Annan (The Former of UN General Secretary) states that the effect of corruptions is very dangerous for the world citizens such as destroying democracy and law supreme, causing the violation of human rights, distorting the market, decreasing the life quality, and increasing organized crimes, terrorisms, and other threats to humanity. Moreover, it becomes the main obstruction of solving poverty issues and development in the world (UNODC, 2004).

2.4. Hypotheses

2.4.1. Financial Accounting Skill

As a forensic accountant, a person must possess the knowledge of financial accounting which is being the basis of the skills (Ramaswamy, 2005). It is because the accountant will seek of managerial financial current and ensure whether the posting has corresponded to the standardized accounting basic system. Harris and Brown (2000) opine similar idea that the skills of financial accounting influence the performance of forensic accountants in their work of revealing fraud.

The ability to understand financial accounting is recognized by Albrecht et al. (2012; Fenton and Edmund (2011); Kranacher et al. (2008); Ramaswamy (2005); Harris and Brown (2004); Peterson (2004); and Grippo and Ibex (2003). Throughout transactional an economy still exist and use the money as legal tender, the role of accounting is always crucial for the accounting record of all business events of a financial nature. Merchandise sales, payroll and credit purchases are examples of business events recorded accounting.

H1: Financial accounting skill affects positively on the skills of the forensic accountant in revealing fraud.

2.4.2. Investigative Skill

Investigative skills are crucial factors for a forensic accountant because this type of accountant is not a traditional auditor. A forensic accountant is a financial expert who is investigating fraud acted by individuals misleading management and financial system or manipulating activities implying institution's loss in the form of fraud (Digabriele, 2008). A forensic accountant must conceive the process of fraud investigation such as detecting fraud, proofs, methods, and reports (Prabowo, 2013). Then Hopwood, Leitner, and Young (2008) argue that trained forensic accountants possess investigative knowledge and skills. The investigation is conducted in order to uncover fraud acted by the suspect (Grippo & Ibex, 2003).

Investigative skills must a forensic accountant is supported by Digabriele (2008); Harris and Brown (2004); and Grippo and Ibex (2003). The investigative skill is the ability of forensic accountants to conduct a forensic audit is an audit action combined expertise that

includes membership accounting, auditing and legal regulations in the hope that the results of these audits will be used to support the legal proceedings in the courts and other legal requirements. A forensic audit carried out in order to provide support in the process of legal expertise to testifying expert in litigation.

H2: Investigative skill affects positively on the skills of the forensic accountants in revealing fraud.

2.4.3. Business Valuation Skill

As a forensic accountant must have the skill to assess the overall business process. Forensic accountants are usually faced with several principles to assess the business processes of a person or an institution. Forensic accountant should be able to assess all aspects, both financial and non-financial. Conducting an assessment of business entities and business units into a skill that should be attached to a forensic accountant. The magnitude of the project or the volume of work in a company or public organization unit it can be assessed at a certain unit price becomes important for a forensic accountant (Messmer, 2004). With the skill to assess the business units and activities of existing projects, will facilitate forensic accountant to determine the amount of fraud occurring (Kranacher et al., 2008).

Business valuation skill as the ability for forensic accountants supported by Albrecht et al. (2012); Fenton and Edmund (2011); Kranacher et al., (2008); and Messmer (2004). Rate this business can be described as descriptive (describing business) and explanatory (explains the business) as a sound basis for assessing the evidence during the trial to uncover fraud measures.

H3: Business valuation skill affects positively on the skills of the forensic accountants in revealing fraud.

2.4.4. Business Skill

Business skills on a business level unit with regard to how a company is managed efficiently and strategically. Knowledge of the substance of things businesses to sharpen forensic accountants deepen the cases of fraud that occurred (Messmer, 2004). Then Elitaş, Karakoc, and Gorgulu (2011) argued that the skill understands the ways in managing a company or an organization in an efficient and strategic. Furthermore, Rezaee, Reinstein, and Lander (1996) suggest that the ability of a forensic accountant to understand and know the source of strengths or weaknesses an entity owned by public organizations there is a logical consequence of profession.

Business analysis capabilities to recognize the proper force capable of promoting the achievement of strategic goals, otherwise, something is said to be a weakness when it pushes stay away from the achievement of strategic goals. This skill needed a forensic accountant for further investigation because of disagreement with the vision and mission of the organization is being investigated. The ability to analyze the business, both internally and externally supported by Elitas et al., (2011); Fenton and Edmund (2011); Krachnacher et al., (2008); Messmer (2004); Grippo and Ibex (2003); and Rezae et al (1996).

H4: Business skill affects positively on the skills of the forensic accountants in revealing fraud.

3. RESEARCH METHOD

This research employed a quantitative approach with a survey method. Broad information was collected from a group of concerned subjects. The variables being investigated in this research consisted of financial accounting, investigative skill, taxation, fraud investigation, and communication skill. The dependent variable was the skills of forensic accountants. The populations were internal accountants and auditors of the Audit Board of the

Republic of Indonesia in Yogyakarta. Forty-five questionnaires were distributed to forensic accountants in the public sectors, but there were forty-four valid questionnaires to be analyzed.

The instruments of the survey were prepared to reveal five skills which were scientifically concerned as crucial factors necessarily possessed by a forensic accountant. The rank of the answer was in 6 Likert scales, starting from 1 (strongly disagree) to 6 (strongly agree).

Both dependent and independent variables in this research were measured through dynamic values showing distinctive results of the measurement based on certain scale or range (Cooper & Schindler, 2011). The conceptual scheme analyzed in this research consisted of some independent variables and one dependent variable which were all measured continually. By doing so, double regression was used to test the hypotheses.

4. RESULTS AND DISCUSSION

4.1. Data Analysis Results

To gain proper data to be analyzed, the researcher distributed a large degree of questionnaires. The ultimate questionnaires received are from 44 respondents who succinctly complete the form. The characteristics of the respondents are available to check in the appendices. Five hypotheses were tested using double regression. Normality, multi-collinearity, and homoscedasticity tests were also conducted. The results show that all assumptions are fulfilled. The results of the double regression are shown in Table 1 and Table 2.

Table 1. Model Summary^b

Model	Overall Model P-Value	R	R Square	Adjusted R Square	Std. Error of the Estimate
Skills of Forensic Accountant	0.015*	.514 ^a	.264	.189	.23002

*significant at 5%

Source: Original Figure

In Table 1, it is figured out that P-Value 0.015 model is smaller than the significant level of 0.05. It means that the regression model in this research is significant. For that reason, it depicts that the regression model is able to predict the skills of forensic accountants. In the other words, there is sufficient proof to indicate that the regression model can predict the variables of the skills of forensic accountants.

Table 1 also shows that the value of Adjusted R Square is 0.189. This result indicates that the skills of forensic accountants can be explained by the independent variables in the regression model as much as 18.9%. The rest, which is 81.1%, is explained by other variables of the models which are not tested in this research. Following this step, the process of analysis on the hypotheses was done. The result of the analysis is shown in Table 2.

Table 2. Hypotheses Test

Variable	Unstandardized Coefficients (B-value)	P Value
(Constant)	4.469	
Financial Accounting Skill	-0.088	0.334
Investigative Skill	0.154	0.009
Business Valuation Skill	0.173	0.047
Business Skills	-0.105	0.082

Source: Original Figure

Based on the information in Table 2, it is indicated that there is two variable proved to influence skills of forensic accountants significantly, which is investigative skill and business valuation skill. It is because P-Value of those two variables is smaller than the significant level of 5% (0.009 for investigative skill and 0.047 for business valuation skill). The coefficients of that two variables are positive (0.154 and 0.173). It shows that the investigative skill and business valuation skill have significant and positively to the skills of forensic accountants. These results are consistent with Hypothesis 2 and 3. For that reason, it can be concluded that the hypothesis is accepted. Detail explanations of the result of regression of each independent variable are depicted in the section below.

4.2. Discussion

4.2.1. The Effect of Financial Accounting Skill on the Skills of Forensic Accountants

Concerning the result is shown in Table 2 above, it is derived that P-value of a t-test of financial accounting is 0.334. P-value is larger than the significant $\alpha = 5\%$ or $0.334 > 0.05$, so H1 is rejected. It means that the financial accounting skill has no significant effect on the skills of forensic accountants in revealing fraud. It is concluded that H1 in this research states that financial accounting skill affects negatively on the skills of forensic accountants in revealing fraud. In the other words, a forensic accountant possessing financial accounting skill does not affect significantly on the skills. It is implied that there is only a small chance to successfully reveal fraud in the public sectors in Indonesia. Differently stated, Harris and Brown (2000) discover that the financial accounting skill affects the performance of forensic accountants in conducting their job to reveal fraud.

This can be caused that the fraud itself has a lot of classification, so that when fraud occurs, particularly forensic accountant who served in the public sector requires the combination of skills that are considered relevant enough so as to help its performance in uncovering fraud happens.

4.2.2. The Effect of Investigative Skill on the Skills of Forensic Accountants

Based on the result in Table 2 above, it is gained that P-value of a t-test of investigative skill is 0.009. P-value is smaller than the significant $\alpha = 5\%$ or $0.009 < 0.05$. It means that H1 is accepted, in which the investigative skill affects positively and significantly on the skills of forensic accountants. The data analysis result is in line with the research conducted by Grippo and Ibex (2003) who state that the action of an investigation by forensic accountants is aimed at revealing fraud acted by the suspects. In the other words, the possession of a high investigative skill will ease them to reveal the fraud. Likewise with Prabowo (2013) which states that a forensic accountant must understand the fraud investigation process such as fraud detection, evidence, investigation methods, and investigation report.

From the result of the test, hypothesis 2 affects positively. It is concluded that a forensic accountant possessing investigative skill will have a bigger chance to reveal fraud.

4.2.3. The Effect of Business Valuation Skill on the Skills of Forensic Accountants

According to the result in Table 2 above, P-value of a t-test of business valuation skill is 0.047. P-value is smaller than the significant $\alpha = 5\%$ or $0.047 < 0.05$. It means that H3 is accepted, in which the business valuation skill affects positively and significantly on the skills of forensic accountants

From the test of H3 above, it is found that the business valuation skill affects positively. It leads to an implication that a forensic accountant possessing business valuation skill will affect significantly on the possessed skills in revealing fraud. This is in line with research Fenton and Edmund (2011) which states that the ability to assess a business for the forensic accountant will greatly assist performance in uncovering fraud occurring in a business unit, due to a number of losses from acts of fraud that can be estimated based on the value of capitalization owned by the organization.

4.2.4. The Effect of Business Skill on the Skills of Forensic Accountants

According to the result shown in Table 2 above, it is gained that P-value of a t-test of business skill is 0.082. P-value is bigger than the significant $\alpha = 5\%$ or $0.082 > 0.05$. It means that H4 is rejected. In the other words, business skill has no significant effect on the skills of a forensic accountant in revealing fraud.

The result of H4 test figures out the business skill has no effect on the skills of forensic accountants in revealing fraud. The results of the above testing the hypothesis that the negative effect constructs business skill. It can be said that when a forensic accountant has the business skill is high then not necessarily affect the forensic accountant to be able to expose cases of fraud, more like what is proposed Kranacher et al. (2008) that the relationship between the skill to understand the business cycle owned by an accountant forensics to uncover cases of fraud are handled. This is due to the few cases involving corporate fraud are handled directly by the forensic accountants in the Audit Board of the Republic of Indonesia representative Yogyakarta.

5. CONCLUSION

Based on the result of hypotheses test, there is two independent variable which has a significant effect on the skills of a forensic accountant. Investigative skill and business valuation skill are proven to affect positively on the skills of forensic accountants in revealing fraud. From the empirical test, it is implied that the finding can be used as the basis of institutions' concerns such as recruiting future forensic accountants in the public sectors, and training and upgrading related to the investigative skill and business valuation which is compulsorily possessed by forensic accountants. By doing so, the quality and the skills of forensic accountants as fraud examiners can be improved to ease them revealing fraud, especially in the public sectors.

This research has some limitations. First, the number of the respondents is limited to be taken from the public sectors in the the Audit Board of the Republic of Indonesia in Yogyakarta and some public sectors in Yogyakarta. Second, there is also the possibility of bias and dishonest answers on the questionnaires. In short, the data in this research are only concerned with the perception of the respondents' answers.

Finally, the researcher proposes two suggestions for the future research, namely; (1) The future researcher had better enlarge the number of the research sample from distinctive types of forensic accountants in some institutions such as the the Audit Board of the Republic of Indonesia, the Finance and Development Supervisory Agency (BPKP), the Corruption Eradication Commission (KPK), the Police, and the Attorney, and (2) Further research can use mixed method, if you want to do a similar study, so the results of the research will be lead to the conclusion that more in-depth research.

APPENDIXES

The Demographic of Respondents

Table A1: The Classification Based On Gender

Gender	Number	%
Male	19	43%
Female	25	57%
Total	44	100%

Table A2: The Classification of Respondents Based on Age

Age	Number	%
< 30	-	-
31- 40	42	95%
41- 50	2	5%
> 50	-	-
Total	44	100%

Table A3: The Classification of Respondents Based on Educational Background

Educational Degree	Number	%
Diploma-3 (D3)	-	-
Under Graduate (S1)	27	61%
Master Degree (S2)	17	39%
Doctoral Degree (S3)	-	-
Total	44	100%

Table A4: The Classification of Respondents Based on the Old Work

(years)	Number	%
<5	-	-
5-10	35	80%
10-20	9	20%
>20	-	-
Total	44	100%

Table A5: The Classification of Respondents Based on Profession Degree

Profession Degree	Number
Accountant (Ak)	35
Chartered Accountant (CA)	15
Certified Public Accountant (CPA)	-
Certified Fraud Examiner (CFE)	-
Other Profession Degree	9

Table A6: The Classification of Respondents Based on Level of Auditor

Level of Auditor	Number	%
Junior Auditor	4	10%
Senior Auditor	40	90%
Total	44	100%

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