

Board Characteristics and Big Data Optimization: Prevailing Pythonic Accounting in Fraudulent Financial Reports in Indonesia

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Abstract

There are two-fold purposes of this study. First, we explore the association between board characteristics proxied by CEO duality, board independence, and board remuneration and fraudulent financial reporting measured by F_Score. Second, we examine fraudulent financial reporting by using Python Sentiment Analysis. Our findings show that CEO duality and board remuneration significantly lead to fraudulent financial reporting. In contrast, board independence is not able to affect fraudulent financial reporting. By utilizing Pythonic Sentiment Analysis, we find that all observed samples have -1 (negative 1), noting that the article contains many negative meaning vocabularies (negative sentiment). This result confirms the significant measurement of F_Score in examining fraudulent financial reporting. This study provides insights for regulators in developing a strong ground of corporate governance structure in preventing fraudulent financial reporting and sustain confidence in the Indonesian stock market and economy.

Keywords—board characteristics, fraudulent financial reporting, pythonic accounting, big data optimization

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