

Investigating the effect of the presence of females in management positions of companies on reducing fraudulent financial reporting: Evidence from Iran

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Abstract

Financial reporting is an important source of information and tools for making decisions by managers, investors, and other participants in the capital market. Thus, it is necessary to pay attention to the executive and influential factors in the accuracy, correctness, and trustworthiness of accounting information systems. The high rate of financial frauds and related failures has reduced public trust in capital markets. Also, in recent years, females' participation in economic activities and their presence in senior management positions have increased significantly. In this study, the data of 174 companies listed on the stock exchange were used. To analyze the data, logistic regression was used due to the duality of the dependent variable (likelihood of fraudulent financial reporting). Results suggest that the presence of a female member in the board and the audit committee has a negative and significant effect on fraudulent financial reporting of companies.

Keywords: Gender Diversity, Audit Committee, Fraudulent Reporting, Financial Abuse, Female Financial Officer.

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