

ABSTRACT

Financial report is a financial representation of company that describe the company situation in good or not. The goals of making financial report is to inform users to make invesment decisions. However, there are still some cases of fraud financial statements. The incident resulted in a loss of use of financial statement and the cause of existence of the company will be down.

The purpose of this research is to know the effect of financial stability, financial target, personal financial need, nature of industry, effective monitoring and auditor changed partially or simultaneously in detecting fraud financial statements in mining sector listed to the Indonesia Stock Exchange for the period 2013 until 2017.

The population on this research is mining sector company listed on the Indonesia Stock Exchange for period 2013 until 2017. The sampling technique on this research is purposive sampling and obtained 85 companies unit samples. Technique analysis on this research is using panel data regression analysis with Eviews 9 Version.

Based on this results of the research variable financial stability, financial target, personal financial need, nature of industry, effective monitoring and auditor changed simultaneously influence the fraud financial statements. Partially, the variable financial stability, financial target, nature of industry, and ineffective monitoring has an effect on fraud financial statements, while the variable personal financial need and auditor changed did not effect the fraud financial statements.

For the next research it was expected to replace the proxi on the fraud financial statements. For the investor to be more careful in making decisions to invest in a company. And for the companies,they need to increase the performance and compliance so in future there are no more fraud financial statements.

Keywords: financial stability, financial target, personal financial need, nature of industry, effective monitoring, auditor change, fraud financial statement.