

ABSTRACT

Financial statements are prepared to give corporate accounting information and communication tools for corporate economic activities with external parties of the company. Financial statement fraud according to the Association of Certified Fraud Examiners (ACFE) in 2016 was the biggest cause of losses in the world. This causes business people to deliver company financial information containing material misstatements that have an impact on future decision making.

This study aims to determine the effect of fraud triangle factors on financial statement fraud. The simultaneous and partial influence of pressure on financial statement fraud is proxied by asset growth (ACHANGE). Simultaneous or partial opportunity effects on the financial statement fraud are proxied by changes in directors (DIRCHG). Whereas, for the simultaneous or partial effect of rationalization on financial statement fraud is proxied by auditor change (AUDCHANGE).

The population in this study is a manufacturing company listed on the Stock Exchange in 2016-2017. The number of samples used was 100 companies during 2016-2017. The analysis technique used is panel data regression by processing data using Eviews9.

Based on the test results, fraud triangle simultaneously has a significant effect on financial statement fraud. Partially it can be concluded that the pressure variable has a significant positive effect on financial statement fraud. Opportunity variables have a significant negative effect on financial statement fraud. While the rationalization variable has no effect on financial statement fraud.

For further researchers it is recommended to try another proxy for these fraud factors and expand the research sample. For companies it is expected to be responsive and comply with applicable rules so that financial statement fraud is not done. Shareholders are expected to be selective in choosing the company that will be the place to invest

Keywords: Fraud Triangle; Financial Statement Fraud