

ABSTRACT

The financial accounts of a corporation can reveal the company's excellent and bad financial health. Then, from the financial reports, they must be true, accurate, relevant, and free of fraud so that they can be utilized as guidance in making economic decisions and acquire the trust of financial statement users. However, management is not always able to recognize what is actually on, a problem that leads to management engaging in financial statement fraud.

The agency theory is the fundamental principle of the company's usage as a guide in doing its operations. In a collaboration contract, the principal and management act as agents. The relationship between the theory of agents and financial fraud reports is, where the management (agent) is responsible for managing the company and producing financial reports, this is a good example of liability management. Financial reports are those that will later display information such as the state of the company's finances, which will be used by the investor (the principal) to make decisions.

The purpose of this study is to analyze the variables independently and see if the variables that have an effect on the detection of fraud reports on finances are significant. In this study, 96 data points were collected and processed using SPSS 25, and fraud reports were calculated using the Dechow F-Score method. The research will be tested with the help of the software SPSS 25.

The independent variable and the dependent variable are the two types of variables in this study. Financial targets (pressure) are measured using methods ROA, and the nature of the industry (opportunity) is measured using the approach Inventory. Changes in auditors (rationalization) and changes in directors (capability) are tracked using indicators from the corporate financial report. Fraud reports finances is a variable that is based on the research.

By the simultaneous effect of the fraud reports finances, variables independent of pressure, opportunity, rationalization, and capability Variable financial targets and the nature of the industry influence on fraud reports financial, while variable changes in auditors and changes in the board of directors have no effect on fraud reports finances.

Keywords: *Financial Statement Fraud, Fraud Diamond, Dechow F-Score.*