

## **ABSTRACT**

### ***Fraud Detection In the Financial Statements Consumption Company's in Indonesia Stock Exchange***

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*This study aims to provide empirical evidence Fraud Triangle components are broken down into the number of independent directors, the ratio of free cash flow, the ratio of change in the assets, return on assets and ownership of those shares against fraud in the financial statements. The population in this study are all companies in the consumer sector Indonesia Stock Exchange Period 2011-2013, the company was taken as a sample of 12 companies and the number of observations made during 2011-2013 is 36 items observations. The analytical method used is multiple linear regression.*

*Research shows that, on the whole the existing independent variables, only the variable ratio change did not affect fraud asset financial statements, while the other variable is the number of independent directors, the ratio of free cash flow, return on Assets and the ownership of some shares by insiders effect on fraud financial report on consumer companies in Indonesia Stock Exchange. For investors should consider the ratio of free cash flow, because research shows that the ratio of free cash flow has a relationship with fraudulent financial statements. The ratio of free cash flow is a measurement of the performance of companies that demonstrate the ability of the company's assets to generate operating profit thus possible financial fraud greater chances*

***Key words : the number of independent directors, the ratio of free cash flow, the ratio of change in assets, Return on Assets, ownership, financial statement fraud.***