

ABSTRACT

DETECTING FINANCIAL STATEMENT FRAUD BASED THE EFFECTIVENESS OF THE FRAUD TRIANGLE IN MANUFACTURING COMPANIES

By

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This study aims to detect financial statement fraud based on the analysis of fraud triangle. According to Cressey theory, there are three conditions that are always present in the acts of fraud that pressure, opportunity, and rationalization known as the fraud triangle. Based on the theory of Cressey's fraud triangle, researchers developed a variable that can be used in detecting fraud, ie ineffective monitoring , external pressure, financial stability, financial targets and personal financial need.

The population in this study are all companies listed in 2010-2012 in Indonesia Stock Exchange (**IDX**). Companies that were sampled 12 companies and the number of observations made during the years 2010-2012 was 36 observation items. Data were analyzed using logistic regression analysis with SPSS 17.0 software.

Statistical tests showed that the variables empirically ineffective monitoring , external pressure, financial targets, and personal financial need on the financial statements fraud and financial stability has no effect on financial statement fraud.

Keywords : Fraud Triangle, Financial Statement Fraud