

ABSTRACT

This research aimed to analyze fraud triangle effect on financial statement fraud detection. The dependent variable in this research is financial statement fraud measured by dummy variable, while the independent variables are financial stability, financial target, nature of industry, and rationalization. Also, this research includes audit committee as the moderation variable.

This research collects 245 samples of non-financial companies listed on Bursa Efek Indonesia in 2017. Beneish Ratio's is used to identify the companies which categorized into fraud and nonfraud companies. This research examines the hypothesis by using logistic regression analysis and MRA with SPSS 23 software.

This research results the proof that financial stability, nature of industry, and rationalization are significantly associated with financial statement fraud. Meanwhile, financial target is not associated with financial statement fraud. Also, this research proves that audit committee could give moderating effect on the relationship between financial stability with financial statement fraud, but it could not be proved that audit committee give moderating effect on the relationship between financial target, nature of industry, and rationalization with financial statement fraud.

Keywords : financial statement fraud, fraud triangle, beneish ratio's, audit committee