

ABSTRACT

This particular reseach is statistically aimed to examine direct effects from the defined number variabel, i.e. independency, integrity and objectivity, and other ethics rules about secrecy, bonus, competence, commisssion determination, organization form and name toward auditors' ability to detect the practices of creative accounting.

This reseach sample are consist of AKN (State Finance Auditorat) VII BPK RI (Audit Board of The Republic of Indonesia) and KAP(Public Accounting Firm) auditors which have been selected based on the simple random sampling. Simple linear regression method was used to examine the direct effects on independend variabel toward auditors' ability to detect the practices of creative accounting. In addition, the chow test was used to examine differences in ethical effect of auditors detection ability in BPK and KAP.

The study provide evidence that independency, integrity and objectivity, and other etchics rules about secrecy, bonus, competence, commisssion determination, organization form and name have a direct significant effect toward auditors' ability to detect the practices of creative accounting. In addition, there are difference ethical effect toward auditors' ability to detect the practice of creative accounting in BPK and KAP.

Keywords : Creative accounting, organization form, secrecy, audit ethics, advertising rights, auditors' independency, integrity, commission determination.