

## **ABSTRACT**

This study aimed to obtain empirical evidence about the influence of IFRS Convergence effect towards earning manipulation practices in Indonesia. To detect earning manipulation this study used Beneish M-Score that was developed by Messod D. Beneish in 1999. This analysis tool used eight variables to determine the score.

The population of this study was all companies listed in Indonesian Stock Exchange (IDX) in two periods. Before IFRS period is determined by year 2006 and 2007, while the period after IFRS is determined by year 2011 and 2012. Sample consists of all companies which its data is available to be analyzed using Beneish M-Score. The total sample was 51 companies therefore the total reports is 102 reports. Data analysis was performed with normality test and hypothesis testing used Wilcoxon Sign-Rank test. Statistic program in this study used SPSS 21.

The results of this study indicated that IFRS Convergence has no significant effect to earning manipulation practices in Indonesia in period before IFRS and after IFRS in accordance with Beneish M-Score. Implication of this study shows that regulator needs to review IFRS Convergence since there is no significant different to previous PSAK in dealing earning manipulation.

Keywords: fraud detection, earning manipulation, IFRS convergence