

ABSTRACT

This study aims to obtain empirical evidence about the effectiveness of the fraud triangle are pressure/insentive. opportunity, and rationalization in detecting financial statement fraud. The variables of the fraud triangle that is used is a proxy financial stability and external pressure with HIGHGR, LOSS, NCFO, and LEV, industry conditions need that proxy by RPT%, turn over of the company KAP's by Δ CPA proxy. Indication financial statement fraud in this study uses a proxy restatement as the dependent variable.

The population of this study is the manufacturing companies listed in Indonesia Stock Exchange in 2007 until 2010. Total sample of this study is 98 non financial companies, that perform restatement. Data analysis was performed with the classical assumption and hypothesis testing using logistic regression.

The results of this study indicate that financial stability and external pressure with HIGHGR, LOSS, NCFO, and LEV, industry conditions need that proxy by RPT%, has significant impact on financial statement fraud, and turn over of the company KAP's by Δ CPA has no significant impact on financial statement fraud.

Keywords: financial statement fraud, financial stability and external pressure, related parties transaction, turn over of the company KAP's, restatement