

ABSTRACT

This study's main objective is to determine the relationship between the fraud triangle variables and the potential for fraudulent financial statements committed by mining companies in Indonesia listed on the Indonesia Stock Exchange in the 2017-2019 period. This study has a total sample of 49 mining sector companies listed on the Indonesia Stock Exchange (IDX) during the 2017-2019 period. The sample was selected by using a purposive sampling method and the analysis technique uses multiple regression with SPSS 23 program. The fraud triangle variables studied were financial targets, financial stability, external pressure, nature of industry, effective monitoring, total accruals, and auditor change. In comparison, this study's dependent variable is the Financial Statement Fraud, measured using the Beneish M-Score Model ratio.

The results of this study indicate that several fraud triangle variables significantly affect financial statement fraud. Financial targets have a negative and significant effect on fraud, and financial stability shows a positive and significant effect on fraud. The nature of the industry represented by receivables has a positive and significant effect on fraud. Then, the variable total accruals and auditor change have a positive and significant effect on fraud.

Keywords: Financial Statement Fraud, Fraud Triangle, Beneish M-Score Model.