

ABTRACT

The aim of this research is to analyze the effect of fraud diamond elements to detect financial statement fraud in property and real estate sector companies. The technique used to choose the sample is purposive sampling technique in the 2017 – 2019 time period and total sample is 55 companies. The analysis was performed by panel data regression using the STATA program.

The independent variable of this study are financial target proxied by ROA, external pressure proxied by Debt to Equity Ratio / DER, external pressure proxied by Debt to Total Asset Ratio / DAR, nature of industry proxied by Receivable / RECV, ineffective monitoring proxied by number of board director / BDIND, ineffective monitoring proxied by related parties receivable / RECRTLTD, rationalization proxied by Accrual to Total Asset Ratio / AAR, rationalization proxied by Auditor replacement / AUDCHG, dan capability proxied by director replacement / DIRCHG while the dependent variable is financial statement fraud proxied by earning management / EM. The result showed that nature of industry proxied by Receivable / RECV and rationalization proxied by Accrual to Total Asset Ratio / AAR had an effect on financial statement fraud.

Keywords : financial statement fraud, Fraud Diamond, financial target, external pressure, nature of industry, ineffective monitoring, rationalization, dan capability