

ABSTRACT

The study has the purpose to examine and analyze the influence of free cash flow, anti fraud programs, and risk factors towards the indication of fraudulent financial statements. The dependent variable of this research is the indication of fraudulent financial statements and the independent variables are free cash flow, anti fraud programs, management override, and collusion.

The population of this study consist of all banking firms that listed in Indonesian Stock Exchange in 2017-2020. Sample of this research is determined using purposive sampling and there are 140 samples that fulfill the criteria.

This research is using logistic regression in order to test the data and hypotheses. The results show that not all the risk factors that be used in this research as independent variable such as management override and collusion have significant influence toward the indication of fraudulent financial statements. Nevertheless, the availability of free cash flow and anti fraud programs have significant influence toward the indication of fraudulent financial statements.

Keywords: Fraudulent financial statements, free cash flow, anti fraud programs, management override, collusion.