

ABSTRACT

Fraudulent financial statement is the type of fraud that has the most detrimental impact among other types of fraud because it can lead wrong economic decisions to the users of financial statements. This research aims to analyze fraudulent financial statement in fraud diamond perspective that from factor of pressure, opportunity, rationalization, and capability. The population in this research is a company listing on the Indonesia Stock Exchange who received sanctions from the Indonesia Financial Services Authority. Data in this research are 14 sample companies from 2011 to 2015, selected using purposive sampling techniques. Technical analysis used logistic regression. The result showed simultaneously pressure, opportunity, rationalization, and capability had an influence to fraudulent financial statement. The result showed partially that pressure proxied by change in assets (ACHANGE) and return on asset (ROA) had an influence to fraudulent financial statement. While opportunity proxied by receivable to sales (RECEIVABLE) and independent board of commissioners ratio (IND), rationalization proxied by auditor's change (AUDCHANGE), capability proxied by CEO's change (CEOCHANGE) and CEO's education (CEOEDU) had no an influence to fraudulent financial statement.

Keywords: fraud diamond and fraudulent financial statement