

Study of Fraud Potential with Triangle Theory in the Financial Reports of the Islamic Banking Industry in Indonesia

by Aula Ahmad Hafidh Saiful Fikri, Ngadiyono

ABSTRACT

Proof to detect fraudulent financial statements using fraud diamonds carried out in sharia banking registered on the Indonesia Stock Exchange in 2012–2021 there were 120 observation units. The sampling technique uses a purposive sampling method based on certain criteria. The dependent variable used is financial statement fraud with earnings management as a proxy, the independent variable with fraud diamond, which consists of 7 variables, namely financial stability, external pressure, financial targets, nature of industry, ineffective monitoring, change in auditor and capability. Data analysis using multiple linear regression. The research results show that: 1) Financial stability, external auditor pressure change, financial targets, rationalization and supervisory effectiveness have a negative effect on indications of financial statement fraud. 2) the ability to have a significant positive effect on indications of financial statement fraud. The sample size of 120 observations is considered unsatisfactory and the secondary data used to predict fraud is a limitation.

Kata Kunci: *Fraud, Triangle Theory*