ANALYSIS OF FACTORS WHICH AFFECT THE FRAUD OF FINANCIAL STATEMENTS IN BANKING SECTOR COMPANIES REGISTERED IN INDONESIA STOCK EXCHANGE

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Abstract: This study aims to determine the effect of Return On Assets, Total Receivables Ratio, Total Accrual Ratio, Changes of Directors, and dualism of positions on Financial Statements Fraud in banking sector companies on the Indonesia Stock Exchange. In addition, this study also aims to determine whether the independence of the Audit Committee can be used as a moderating variable in the model. The research design carried out is a causal relationship research with a quantitative approach. The sample in this study was 37 banking companies listed on the Stock Exchange in 2016 to 2018. The type of data used in this study is secondary data. And data analysis techniques using multiple linear regression analysis and interaction testing (moderating) conducted with the help of Eviews software. The results in this study indicate that partially Return On Assets, Total Accrual Ratio and Changes of Directors have a positive and significant effect on Financial Statement Fraud. As well as other results which show that the Audit Committee Independence is not a moderating variable in the influence of Return On Assets, total receivables ratio, Changes of Directors, Total Accruals Ratio, and dualism of positions on Financial Statement Fraud on banking sector companies on the Indonesia Stock Exchange.

Keywords: Return On Assets, Total Receivables Ratio, Change of Directors, Total Accrual Ratio, Position Dualism, Financial Statement Fraud, Audit Committee Independence

1. INTRODUCTION

Fraud is a phenomenon that cannot be measured from the outside appearance of a company. Very naturally, fraud cannot be accurately examined or measured, fraud is generally hidden (Awang, et., Al, 2015). From the existence of fraud, the company can also experience huge losses, not only financial losses, but also losses from the company’s bad name or can reduce the company’s ability to maintain business continuity (Priantara, 2013).

Cases of fraud that horrendous the world is the bankruptcy of Enron. Enron is the largest giant energy organization registered on the New York Stock Exchange (NYSE). Fraud is done is by overstating revenue and not reporting costs so that profits rise and cause stock prices to rise. Another case of fraud in Indonesia is the case of PT Kimia Farma, who deliberately manipulated its financial statements so that they look better. There was a misstatement in PT.Kimia Farma’s financial statements, while the impact of the error resulted in overstated earnings in net income for the year ended 31 December 2001. Next was a case of fraud in the
financial statements carried out by PT Garuda Indonesia in the financial statements for the 31 December 2018. Garuda Indonesia previously collaborated with PT Mahata Aero Terknologi. The cooperation value is worth US $239.94 million or around Rp 2.98 trillion. The funds are still receivable but have been recognized by Garuda Indonesia Management as income. As a result, in 2018 surprisingly the SOE of the airline earned a net profit of US $809.85 thousand or equivalent to Rp 11.33 billion (exchange rate of Rp 14,000).

Cases that also occur in Indonesia, one of them in the banking world is the case of Century Bank and Bank Lippo. The financial statements issued by Bank Century were considered to be misleading because there were many material misstatements. Whereas at Lippo Bank there is a double report case in order to get a recapitalization from the government.

Several theories have explained the factors of fraud and there are two theories that are often quoted by most researchers, namely fraud triangle theory and fraud diamond theory (Abdullahi and Mansor, 2015). The development of fraud theory underwent changes in 2011, Crowe was also involved in the development of fraud theory. Crowe conducts research and determines that the element of arrogance also influences the detection of fraud. This research will apply Crowe's fraud pentagon theory. This is because the indicator element in pentagon fraud is more complete than compared to the previous theory of fraud triangle and diamond fraud (Junardi, 2017). One part of the companies that contributed to the preparation of financial statements with integrity is the Audit Committee. The Audit Committee is a committee appointed by the company as a liaison between the board of directors and external auditors, internal auditors and independent members, who have the task of providing auditor supervision (Nurjannah and Pratomo, 2014). Fraud detection does not escape from the supervision of internal parties that are very influential on the company (Gusnardi, 2009).

Based on existing phenomena, this study aims to analyse the factors that affect financial statement fraud in banking sector companies listed on the Indonesia Stock Exchange by using the pentagon theory fraud approach and using the audit committee independence as a moderating variable.

2. LITERATURE REVIEW

2.1 Agency Theory

Agency theory explains the existence of a cooperative relationship between the shareholders as the principal and management as the agent. Agency theory as a contract of one or more people, namely the principal uses other people (agents) to provide some services for their interests (principals) which includes delegating some decision-making rights to the agent.

Principals assume that the agent can do the best thing for the principal's interests. But in reality, both parties have a relationship to maximize their respective satisfaction, this is why principals have reason to not always believe that agents act in the interests of the principal. To overcome the agent's actions that can harm the principal, the principal will incur costs to oversee the activities of the agent.
2.2 The Quadrilateral Theory of Fraud (Pentagon Theory Fraud)

This theory was put forward by Crowe Howart in 2011. The Pentagon fraud theory is an extension of the fraud triangle theory previously proposed by Cressey 1953, and the diamond fraud theory previously proposed by Wolfe and Hermanson 2004, in this theory adding another element of fraud namely and arrogance. Pentagon fraud consists of 5 elements, namely a) Pressure (pressure) is the urge of people to commit fraud, can cover almost everything both financial and non-financial. A condition where a person has pressure to commit fraud, which is usually due to financial and non-financial burdens. b) Opportunity is a condition that gives a person the possibility to do something or occupy a place in a certain position. c) Rationalization (Rationalization) is the presence of attitudes, character, or a set of ethical values that allow certain parties to commit fraud, or people who are in a sufficiently stressful environment that makes them rationalize acts of fraud. d) Capability is the expertise of employees to ignore internal controls, develop concealment strategies, and observe social conditions to meet their personal interests. e) Arrogance is an attitude of superiority over the rights held and feels that internal controls or company policies do not apply to him.

2.3 Financial Statements Fraud

The American Institute Certified Public Accountant (AICPA) defines Financial Statements Fraud as intentional or negligent actions that result in material misstatements that mislead financial statements. One proxy that can be used to measure fraud in financial statements is earnings management. In this study earnings management is used to measure fraud in the financial statements. The calculation model is as follows, to measure discretionary accruals, first calculate the total accruals for each i company in t year using the Jones modification method, namely:

\[ TAC_{it} = Ni_{it} - CFO_{it} \]  \hspace{1cm} (1)

The total accrual value (TAC) is estimated with the OLS regression equation as follows:

\[ \frac{TAC_{it}}{A_{it-1}} = \beta_1(1/\A_{it-1}) + \beta_2(\Delta Revt/\A_{it-1}) + \beta_3(PPE_{t}/\A_{it-1}) + e \]  \hspace{1cm} (2)

By using the regression coefficient above, the value of non-discretionary accruals (NDA) can be calculated using the formula:

\[ NDA_{it} = \beta_1(1/\A_{it-1}) + \beta_2(\Delta Revt/\A_{it-1} - \Delta Rect/\A_{it-1}) + \beta_3(PPE_{t}/\A_{it-1}) \]  \hspace{1cm} (3)

Furthermore, the discretionary accrual (DA) can be calculated as follows:

\[ DA_{it} = TAC_{it}/A_{it} - NDA_{it} \]  \hspace{1cm} (4)

Information:
- \( DA_{it} \) = Discretionary Accruals of i company in t period
- \( NDA_{it} \) = Non Discretionary Accruals of i company in t period
- \( TAC_{it} \) = Total accrual i company in t period
- \( Ni_{it} \) = Net profit of i company in t period
- \( CFO_{it} \) = Cash flow from operating activities of i company in t period
\( A_{it-1} = \) Total assets of \( i \) company in \( t-1 \) period
\( \Delta \text{Revt} = \) Changes in income of \( i \) company in \( t \) period
\( \text{PPE}_t = \) Fixed assets of \( i \) company in \( t \) period
\( \Delta \text{Rect} = \) Change in receivables of \( i \) company in \( t \) period
\( e = \) error

2.4 **Return On Assets (ROA)**

The pressure in this study is proxied by financial targets. Financial target (financial target) is one of the targets of a company regarding financial performance such as return on business to be achieved within the company. Financial targets in this study are proxied by Return on Assets (ROA), which is part of the profitability ratio in the analysis of financial statements or measurements of company performance (Skousen et. Al., 2008). ROA is a measure used to show management's performance in generating overall profits.

2.5 **Total Receivables Ratio**

In banking companies, the sales system is generally carried out on credit. This situation can pressure managers to manipulate financial statements on accounts receivable and uncollectible accounts that are obsolete. Therefore, this study uses the Total Receivables Ratio as a proxy from Nature of Industry or an opportunity to do financial statement fraud.

2.6 **Total Accrual Ratio**

Rationalization relates to the company’s subjective judgments. The subjective assessment and decision making of the company will be reflected in the value of the company’s accruals (Skousen et al., 2009). Total accruals will affect financial statement fraud because the accruals are strongly influenced by management decision making in the rationalization of financial statements (Beneish, 1997). Therefore, rationalization will be proxied by the Total Accrual Ratio (TATA).

\[ \text{TATA} = \text{Changes in current assets less changes in cash, less changes in current liabilities plus changes in short-term debt less depreciation burden on amortization funds less deferred income tax plus capital} \]

2.7 **Change in directors**

Change in directors suggests that changes in the CEO or directors can cause a stress period that results in the opening of opportunities to commit fraud, changes in CEO or directors can indicate fraud (Wolfe and Hermanson, 2004).

2.8 **Dualism Position**

Dualism of position is a multi-position owned by a director. This double occupation could result in their work being disrupted because they are busy and lacking in focus to be effective monitors.
2.9 Independence of the Audit Committee

The Audit Committee is a number of Independent members who are responsible for helping the auditor maintain its independence. Skousen et.al (2009) shows that the independence of audit committee members influences the occurrence of fraud. Independent committee members also reduce the level of ineffectiveness of oversight of a company.

\[
\text{IND} = \frac{\text{Total independent commissioners}}{\text{Total board of commissioners}}
\]

2.10 Conceptual Framework

The conceptual framework in this study is as follows:

There are several conditions related to pressure that cause someone to commit fraud, one of which is a financial target. In carrying out their duties, company managers are asked to show their best performance in achieving the planned targets (Financial Target). ROA is a profitability ratio that is used to measure the effectiveness of a company in generating profits by utilizing its assets. Therefore, ROA is used as a proxy for financial target variables to measure how the effect of pressures on fraudulent financial statements. Based on the description above, a hypothesis can be taken:

**Hypothesis 1:** Return on Assets has a positive effect on financial statement fraud

One of the conditions related to opportunities is industry conditions. One form of industry conditions is the condition of trade receivables which is a form of nature of industry that can be responded to with different reactions from each company manager. In banking companies, the sales system is generally carried out on credit. A good company will try to reduce the amount of receivables and increase the company's cash receipts. Based on the description above, a hypothesis can be taken:

**Hypothesis 2:** The ratio of Total Receivables has a positive effect on financial statement fraud
The Total Accrual Ratio is an estimate used to assess the extent to which cash is based on reported income, and also estimates that higher positive accruals (less cash) are associated with the possibility of higher income manipulation. Therefore, rationalization will be proxied by the Total Accrual Ratio (TATA). Total accruals will affect the cheating of financial statements because the accruals are greatly influenced by management decisions in rationalizing financial statements. Based on the description above, a hypothesis can be taken:

**Hypothesis 3**: Total Accrual Ratio has a positive effect on financial statement fraud

Changes in the board of directors can cause a stress period so that the impact is on opening more opportunities for fraud. Changes in directors can lead to suboptimal initial performance because it requires time to adapt.

**Hypothesis 4**: Substitution of directors has a positive effect on financial statement fraud

Dualism position is a condition where a director has other positions both inside and outside the company. Good company performance should not have any relationship with the dual directors’ positions. This dual position allows for a negative effect. For example, from these multiple positions, one pushes for collusion and even sacrifices the interests of shareholders. In addition, members of the board of directors can be disrupted because they are too busy and not focused.

**Hypothesis 5**: Position dualism has a positive effect on financial statement fraud

The existence of an audit committee within the company can provide more oversight of management performance and provide accurate and accurate information on company reporting. Thus, the relationship of financial targets to detect financial statement fraud will be stronger with the presence of an audit committee in the company.

**Hypothesis 6**: Independence of the Audit Committee is able to moderate the effect of Return on Assets (ROA) on financial statement fraud

The audit committee aims to ensure the financial statements issued are not misleading and in accordance with generally accepted accounting practices, ensure that internal controls are adequate, follow up on allegations of material irregularities in the financial sector and the legal implications of the audit committee also aim to assist the board of commissioners to meet responsibilities in provide overall supervision.

**Hypothesis 7**: Independence of the Audit Committee is able to moderate the effect between the Total Receivables Ratio on financial statement fraud

An independent audit committee is an auditor who is not affected by various parties who come from outside the auditor or have no relationship with the auditor in considering the facts found in the audit process. Independent or free from influence and pressure, not controlled by other parties, or not dependent on any party. According to agency theory independent members are supervisors who can reduce information asymmetry and bridge the interests between agent and principal.
Hypothesis 8: The independence of the Audit Committee is able to moderate the effect between the Total Accrual Ratio on financial statement fraud

Financial statements fraud are increasingly vulnerable due to the change of directors in a company. Therefore, there is a need for a monitoring mechanism that can guarantee the company’s financial reporting process can take place properly. One of the monitoring of the financial reporting process is carried out by the company’s audit committee

Hypothesis 9: The independence of the Audit Committee is able to moderate the effect between the Changes of Directors on financial statement fraud

The act of cheating by means of earnings management can be minimized, one of which is by a good supervision mechanism, one of them is by. The board of commissioners has the duty to ensure the implementation of the company’s strategy and oversee management, and requires the implementation of accountability. A good company should not have a relationship with dual directorships. This dual position allows for a negative effect.

Hypothesis 10: Independence of the Audit Committee is able to moderate the effect of the Dualism of Position on financial statement fraud

3. METHOD

This type of research is included in the causal associative research. In this study, the population is a banking company listed on the Indonesian stock exchange in 2016-2018, amounting to 37 companies. While the sample used in this study was 111 samples. The data is processed using the Eviews program while for the data analysis method, researchers use 2 data analysis methods to test hypotheses, including multiple regression analysis and interaction testing. By using the multiple regression analysis method in model 1 and the moderating test in model 2, the following equation is obtained:

1. Multiple regression analysis, the equation is:

\[ Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + e \]

This method is used to determine the effect of Return On Assets (X1), Total Receivables Ratio (X2), Total Accrual Ratios (X3), Changes of Directors (X4), and dualism of positions (X5).

2. Moderating Test, the equation is:

\[ Y = \alpha + \beta_6X_1.Z + \beta_7X_2.Z + \beta_8X_3.Z + \beta_9X_4.Z + \beta_{10}X_5.Z + e \]

This method is used to determine the effect of Return On Assets (X1), Total Receivables Ratio (X2), Total Accrual Ratios (X3), Changes of Directors (X4), and dualism of positions (X5) with Audit Committee Independence (Z) as Moderating Variables.
4. RESULTS AND DISCUSSION

4.1 RESULTS

1. Determination Coefficient Test

<table>
<thead>
<tr>
<th>Cross-section Fixed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 R-squared</td>
</tr>
<tr>
<td>2 Adjusted R-squared</td>
</tr>
<tr>
<td>3 S. E. of regression</td>
</tr>
</tbody>
</table>

Based on the table above, the value of R Square (R2) is 0.462417, which means 0.462417 or (46.2%) Independent variable. While the remaining 54.9% is described or explained by other variables not included in this research model.

2. Test Statistics F (Simultaneous)

F test results show a significant value of 0.000 smaller than 0.05. The results of this F test indicate that the independent variables together (simultaneously) have a significant effect on the dependent variable, namely Financial Statement Fraud.

3. Test Statistics t (Partial)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1</td>
<td>0.034304</td>
<td>0.014493</td>
<td>2.366889</td>
<td>0.0198</td>
</tr>
<tr>
<td>X2</td>
<td>-0.002448</td>
<td>0.055433</td>
<td>-0.044154</td>
<td>0.9649</td>
</tr>
<tr>
<td>X3</td>
<td>1.239679</td>
<td>0.141906</td>
<td>8.735899</td>
<td>0.0000</td>
</tr>
<tr>
<td>X4</td>
<td>-0.142920</td>
<td>0.072006</td>
<td>-1.984827</td>
<td>0.0498</td>
</tr>
<tr>
<td>X5</td>
<td>0.046746</td>
<td>0.088540</td>
<td>0.527967</td>
<td>0.5986</td>
</tr>
</tbody>
</table>

Based on the table above, the results of the regression analysis state that Return On Assets (X1) partially (individually) have a significant effect on Financial Statement Fraud. Likewise for the variable Total Accrual Ratio (X3), and Change of Directors (X4), each of them partially has a significant effect on Financial Statement Fraud. While the Total Accounts Receivables Ratio (X2), Position Dualism (X5) do not.

4. Moderating Test Results

From the above results, it can be concluded that the Audit Committee Independence variable is a moderating variable that can moderate the relationship between the Total Accrual Ratio (X3) to Fraudulent Financial Statements (Y) in banking sector companies listed on the Indonesia Stock Exchange. Meanwhile, the Audit Committee Independence variable is not able to moderate the relationship between Return On Assets (X1), accounts receivable ratio (X2), Changes of Directors (X4), and dualism of position (X5) on Financial Statements Fraud (Y) in banking sector companies registered in Indonesia Stock Exchange in 2016-2018 because the significance value is greater than 0.05.

4.2 DISCUSSION

1. The Effect of Return on Assets (ROA) on Financial Statement Fraud

The first hypothesis in this study states that Return On Assets has a positive effect on Financial Statement Fraud on banking sector companies in the Indonesia
Stock Exchange in 2016-2018. Test results in this study indicate that Return On Assets partially have a positive and significant effect on Fraudulent Financial Statements on banking sector companies on the Indonesia Stock Exchange in 2016-2018. Excessive pressure on management to achieve financial targets set by directors or management can encourage management to commit fraud. The results of the study are in line with Setiyani, (2008) proving that companies that have large profits (measured by profitability or financial targets) are more likely to do earnings management than companies that have small profits. The results of this study are supported by Amara et al., (2013) and are in conflict with Manurung and Hardika (2015).

2. Effects of the Total Receivables Ratio to Financial Statement Fraud

The second hypothesis in this study states that the ratio of total receivables has a negative effect on Financial Statements Fraud in banking sector companies on the Indonesia Stock Exchange in 2016-2018. The test results in this study indicate that the ratio of total receivables partially does not have a significant effect on Financial Statement Fraud in banking sector companies on the Indonesia Stock Exchange. $X_2$ does not affect the fraud on financial statements in this study is probably due to the average value of changes in trade receivables ($RECEIVABLE$) the amount is not much different in the sample of fraud and non-fraud. This indicates that companies included in the fraud sub-sample and non-fraud sub-sample groups have industrial characteristics that are no different, so RECEIVABLE cannot be used to detect fraud in the company’s financial statements.

3. Effect of Total Accrual Ratio on Financial Statement Fraud

The third hypothesis in this study states that the Total Accrual Ratio has a positive effect on Financial Statement Fraud in banking sector companies on the Indonesia Stock Exchange. The test results in this study indicate that the Total Accrual Ratio partially has a positive and significant effect on Financial Statement Fraud in banking sector companies on the Indonesia Stock Exchange. Because some accounts in total accruals require estimates such as expenses and in determining depreciation of assets. Rationalization is loaded with subjective judgments of the company. The subjective assessment and decision making of the company will be reflected in the value of the company’s accruals. Total accruals will affect financial statement fraud because the accruals are strongly influenced by management decision making in the rationalization of financial statements.

4. Effect of Directors Changes in Financial Statement Fraud

The fourth hypothesis in this study states that the change of Directors has a positive effect on Financial Statement Fraud in banking sector companies on the Indonesia Stock Exchange. Test results in this study indicate that the turnover of Directors partially has a significant effect on Financial Statement Fraud in banking sector companies on the Indonesia Stock Exchange. Changes in directors can be an attempt by the company to improve the performance of the previous directors by
changing the composition of the directors or recruiting new directors who are considered more competent than the previous directors.

5. Effect of Position Dualism on Financial Statement Fraud

The fifth hypothesis in this study states that dualism of office has a positive effect on Financial Statement Fraud in banking sector companies on the Indonesia Stock Exchange. The test results in this study indicate that the dualism of positions partially does not have a positive and significant effect on Financial Statement Fraud on banking sector companies on the Indonesia Stock Exchange. This dual position allows for a negative effect. For example, from these multiple positions, one pushes for collusion and even sacrifices the interests of shareholders. In addition, members of the board of directors can be disrupted because they are too busy and unfocused. From the results of this study may occur because the CEO or directors who have multiple positions in the company do not include the dualism of the position in the member profile data in the financial statements. In addition, there may be companies that have members with dualism in their positions making more use of their positions to improve company performance and maintain their performance in order to remain in the company.

6. Effect of the Independence of the Audit Committee as a moderator of ROA on Financial Statement Fraud

The sixth hypothesis in this study states that the Independence of the Audit Committee can moderate the effect of ROA on Fraudulent Financial Statements in banking sector companies on the Indonesia Stock Exchange. The test results in this study indicate that the interaction between the Independence of the Audit Committee and ROA does not have a significant effect on Financial Statement Fraud. This research is supported by the results of the research of Sri Wahyuni (2018) and Januanto (2018) which states that the audit committee is not able to moderate the financial targets proxied by ROA for fraudulent financial statements. Even though a company is not able to achieve the target set or there is a financial target, but corporate governance or the company's audit committee is in good condition, it does not make a pressure for management to make fraudulent financial reporting.

7. Effect of Audit Committee Independence as a moderator between the Total Receivables Ratio to Financial Statement Fraud

The seventh hypothesis in this study states that the independence of the Audit Committee can moderate the effect of the Total Receivables Ratio to Fraudulent Financial Statements on banking sector companies on the Indonesia Stock Exchange. The test results in this study indicate that the interaction between the Independence of the Audit Committee and the Total Receivables Ratio does not have a significant effect on Financial Statement Fraud. SAS 99 states that the nature of the industry in this study is calculated by the company's Total Receivables Ratio that can provide opportunities for fraudulent financial reporting. According to Sihombing (2014) the condition of accounts receivable is a form of nature of
industry that can be responded to with different reactions from each company manager.

8. Effect of Audit Committee Independence as a moderator between the Total Accrual Ratio to Financial Statement Fraud

The eighth hypothesis in this study states that the Independence of the Audit Committee can moderate the effect of the Total Accrual Ratio to Fraudulent Financial Statements on banking sector companies on the Indonesia Stock Exchange. The test results in this study indicate that the interaction between the Independence of the Audit Committee and the Total Accrual Ratio does not have a significant effect on Financial Statement Fraud. The size of the total assets owned by the company is the main attraction for investors, creditors and company owners (stakeholders). However, when the total assets decline even reach negative, it will make stakeholders not interested because they think that the company's financial condition is not stable. Therefore, management uses financial statements as a tool to cover up unstable financial conditions by committing fraud.

9. Effect of the Independence of the Audit Committee as a moderator between the Change in Directors on Financial Statement Fraud

The ninth hypothesis in this study states that the Independence of the Audit Committee can moderate the effect of the Change of Directors on Financial Statement Fraud in banking sector companies on the Indonesia Stock Exchange. The test results in this study indicate that the interaction between the Independence of the Audit Committee and the Change of Directors has a significant effect on Financial Statement Fraud. The ability possessed by an agent will influence the agent in cheating financial statements. Fraud will not occur without the presence of the right people. The higher the management’s ability to manage financial statements, the greater the possibility of management to commit fraud.

10. Effect of the Independence of the Audit Committee as a moderator between the dualism of positions on Financial Statement Fraud.

The tenth hypothesis in this study states that the Independence of the Audit Committee can moderate the effect of Dualism of Position on Fraud of Financial Statements in banking sector companies on the Indonesia Stock Exchange. The test results in this study indicate that the interaction between the Independence of the Audit Committee and the Position Dualism does not have a significant effect on Financial Statement Fraud. A high level of arrogance can also lead to fraud where the arrogance and superiority of the CEO can make the CEO feel that any internal control will not apply to him because of his status and position. However, in this study, this theory cannot be proven in banking companies listed on the Indonesia Stock Exchange.
5. CONCLUSIONS AND SUGGESTIONS

5.1 Conclusions
Based on the results of research and discussion in the previous chapter, several conclusions can be drawn as follows:

1. Return On Assets has a positive and significant effect on Financial Statement Fraud in banking sector companies listed on the Indonesia Stock Exchange, thus Hypothesis 1 is accepted.
2. The Total Receivables Ratio has a negative and significant effect on Financial Statement Fraud on banking sector companies listed on the Indonesia Stock Exchange, thus Hypothesis 2 is rejected.
3. The Total Accrual Ratio has a positive and significant effect on Financial Statement Fraud in banking sector companies listed on the Indonesia Stock Exchange, thus Hypothesis 3 is accepted.
4. Change of Directors has a positive and significant effect on Fraudulent Financial Statements in banking sector companies listed on the Indonesia Stock Exchange, thus Hypothesis 4 is accepted.
5. Position Dualism has a negative and significant effect on Financial Statement Fraud on banking sector companies listed on the Indonesia Stock Exchange, thus Hypothesis 5 is rejected.
6. The independence of the Audit Committee cannot moderate the effect of Return On Assets on Financial Statement Fraud on banking sector companies on the Indonesia Stock Exchange. Thus Hypothesis 6 is rejected.
7. The independence of the Audit Committee cannot moderate the effect of the Total Receivables Ratio on Financial Statement Fraud on banking sector companies on the Indonesia Stock Exchange. Thus Hypothesis 7 was rejected.
8. The independence of the Audit Committee cannot moderate the effect of Total Accrual Ratio on Fraud Financial Statements on banking sector companies on the Indonesia Stock Exchange. So Hypothesis 8 is rejected.
9. The independence of the Audit Committee can moderate the effect of Change in Directors on Financial Statements Fraud in banking sector companies on the Indonesia Stock Exchange. So Hypothesis 9 is accepted.
10. The independence of the Audit Committee cannot moderate the effect of the Position Dualism on Financial Statement Fraud in banking sector companies on the Indonesia Stock Exchange. So Hypothesis 10 was rejected.

5.2 Suggestions
Based on the conclusions in this research, several suggestions can be made, which are as follows:

1. Future studies are expected to re-examine the influence of other variables that can affect Financial Statement Fraud on banking sector companies listed on the IDX.
2. In the results of this study it can be seen that the Independence of the Audit Committee cannot be used as a moderating variable in the influence of Return On Assets, the ratio of total receivables, turnover of Independent Auditors, Total Accruals Ratio, and dualism of positions on Financial Statement Fraud in the banking sector companies registered in IDX.

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