

Literature Review: Fraud Triangle Trends In Indonesia During 2016-2021

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Article Info

Article history:

Received 2023-03-17

Revised 2023-04-07

Accepted 2023-04-11

Keywords:

Fraud financial statement

Fraud triangle

Financial crime

Financial Accounting

ABSTRACT

Fraud is one of the behaviors that are a problem in every country, both in developing and developed countries. This study aims to review financial statement fraud research development to provide findings on financial statement fraud trends in Indonesia. Researchers used a qualitative method with literature review techniques on several journals indexed by google scholar, garuda, sinta 2, and sinta 4 during 2016-2021 in Indonesia. The total number of studies reviewed was 15 journals. This study concludes that the three elements of the fraud triangle impacted financial statement fraud for eight company sectors during 2016-2021. Pressure, followed by opportunity and rationalization, has the most substantial impact on financial statement fraud.

Meanwhile, external pressure, organizational structure, change in auditor, and auditor opinion do not affect the occurrence of financial statement fraud. These findings open up opportunities for future research to present literature on studies with a broader range of sectors and other fraud analyses (fraud diamond, fraud pentagon, and fraud hexagon) in Indonesia. This research aims to provide findings in a literature review of financial statement fraud trends in Indonesia.

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1. INTRODUCTION

Fraud is one of the behaviors that are a problem in every country, both in developing and developed countries [1]. Fraud is an action taken by an individual or organization in a group to obtain benefits from various aspects with various actions, abuse of authority, or actions that can harm various parties, including individuals and other corporate entities [2]. One of the frauds that often occurs is fraud on financial statements.

Financial statements are essential for evaluating company performance and considering decisions [3]. Therefore, financial statements should not be affected by material misstatements and must be easy to understand, reliable, comparable, accountable, and transparent. Not affected by material misstatement means that the financial statements must be presented fairly and as they are. Financial statements must be easy to understand so that users can understand and the information contained in the financial statements can be used correctly [4]. Reliable means that financial statements must be prepared based on applicable rules so that they can be trusted. Comparability means that financial statements are expected to be compared with the financial statements of the previous period. Accountable and transparent means that the financial statements are presented honestly and openly and can be accounted for [5].

If there is fraud in the financial statements, there will be changes in the presentation of the financial statements. Changes in the presentation of financial statements will also result in a material misstatement. Of course, this causes the company to take the wrong steps in making decisions. Fraud is a deliberate act that deviates and cannot be justified [1]. There are several possible purposes for financial statement fraud, improving financial statement results, pursuing bonuses, or enriching. Financial statement fraud is the third highest fraud case after corruption and asset misuse [3], [6], [7]. ACFE also states that financial statement fraud is the most straightforward fraud to commit.

Factors that cause fraud, according to Cressey in 1953, occur by three conditions, pressure, opportunity, and rationalization [8]. Pressure for management will arise in unstable company conditions due to a decrease in public confidence in the company's performance, thus disrupting investment in the coming year [9]. When the stability and economic conditions of the company are threatened, the expectations of third parties that must be met, the financial needs of managers, and the targets that must be achieved result in fraudulent financial statements being carried out by managers. Rationalization can also be one of the causes of fraudulent financial statements. Rationalization is a product of a person's justification of value, the existence of an ethical attitude of humanity so that he/she feels innocent when committing fraud.

Fraud is an illegal and harmful act committed intentionally by the company's internal or external parties to enrich themselves or specific groups [10]–[14]. The presence of three causative conditions always accompanies the occurrence of fraudulent financial statements. The three conditions consist of pressure, opportunity, and rationalization. Pressure has four conditions that can cause fraud: financial stability, external pressure, personal financial need, and financial targets. Then for opportunities, three conditions can cause fraud: the nature of the industry, ineffective monitoring, and organizational structure. The last factor that causes fraud to occur is rationalization. Rationalization is an attitude to justify his/her fraudulent actions [15].

Practitioners currently use the Fraud Triangle Theory (FTT) coined by Cressey to detect fraud. FTT is a theory of fraud that occurs due to three factors, namely pressure, opportunity, and rationalization [16]. Pressure is a factor that supports someone to commit fraud. In this condition, someone commits fraud because there is an urgent matter. This can occur due to financial and non-financial factors. Financial occurs because the perpetrator

has economic problems that force him to commit fraud. Non-financial occur because of tasks and responsibilities from superiors that exceed their capacity. Several previous studies examined financial statement fraud [17]–[19] in their research, stating that financial stability has no effect on financial statement fraud, but other research states that financial stability has a positive effect on financial statement fraud [20]–[22].

Cressey found that people commit fraud when they have financial problems that cannot be resolved together, know and believe that the problem can be solved secretly with the position they have, and change their mindset from the initial concept of a person who is trusted to hold assets to the concept as a user of the assets entrusted to them. Cressey also added that many of these trust violators know the actions are illegal, but they try to think that what they do is normal.

Based on several previous studies, the factors that influence financial statement fraud show different results, and inconsistencies are still found in these studies [23]–[25], so researchers are motivated to review the development of this financial statement fraud research in more depth in order to provide findings in a literature review of financial statement fraud trends in Indonesia. This literature review was conducted from 2016-2021 on research journals in Indonesia on the fraud triangle.

2. METHOD

The research used qualitative methods with literature study techniques. A literature study is the researcher's effort to collect relevant materials and information for review. The data used is secondary data, as many as 15 indexed research journals from 2016 to 2021. Researchers try to describe various previous research analyses to determine the factors of financial statement fraud that occur in companies in Indonesia with fraud triangle analysis, and conclusions will be obtained from the research studied. The following is the grouping.

Table 1. Number of Researches in 2016-2021

Year's	Total Research
2016	4
2017	6
2018	11
2019	12
2020	6
2021	4

Table 2. Research Journal Index

Description	Index	Journal name
Research 1	Google scholar	Jurnal Riset Akuntansi dan Perbankan
Research 2	Sinta 2	Jurnal ASET
Research 3	Garuda	<i>ResearchGate</i>
Research 4	Garuda	Jurnal Studi Ekonomi dan Bisnis Islam
Research 5	Google Scholar	Jurnal Kajian Akuntansi
Research 6	Google Scholar	Jurnal Liabilitas
Research 7	Sinta 4	<i>Financial</i> : Jurnal Akuntansi
Research 8	Google Scholar	Jurnal Ilmiah Ekonomi dan Bisnis
Research 9	Garuda	E_ Jurnal Ilmiah Riset Akuntansi
Research 10	Sinta 4	<i>Journal of Applied Managerial Accounting</i>
Research 11	Google Scholar	Jurnal Analisa Akuntansi dan Perpajakan
Research 12	Garuda	Jurnal Bina Akuntansi

Description	Index	Journal name
Research 13	Google Scholar	E-Qien : Jurnal Ekonomi dan Bisnis
Research 14	Google Scholar	Bandung <i>Conference Series: Accountancy</i>
Research 15	Google Scholar	Portofolio : Jurnal Ekonomi, Bisnis, Manajemen, dan Akuntansi

Table 3. Sector Researched

Sector Researched	Qty
Transportation sector	2
Manufacturing Sector	5
Banking Sector	2
Infrastructure, Utilities and Transportation Sector	1
Food and Beverage Sector	1
Stock market LQ-45 Sector	1
Mining Sector	1
Consumer Sector	2
Total	8

3. RESULTS AND DISCUSSION

In this chapter, we will explain the findings that have been made during the article identification process, and are described as follows:

Table 4. Article Identification

Research 1	Research 2	Research 3	Research 4	Research 5	Research 6	Research 7	Research 8	Research 9	Research 10	Research 11	Research 12	Research 13	Research 14	Research 15	
Title	THE EFFECT OF INTERNAL CONTROL AND FRAUD TRIANGLE ON FRAUD BEHAVIOR (STUDY AT PT GOJEK BANDUNG)	THE EFFECT OF THE FACTORS OF THE FRAUD TRIANGLE FINANCIAL STATEMENT S OF FRAUD	DETECTION OF FRAUD IN FINANCIAL STATEMENTS WITH FINANCIAL PERFORMANC E AS A MODERATING VARIABLE USING THE FRAUD TRIANGLE IN MANUFACTURING COMPANIES ON THE INDONESIA STOCK EXCHANGE 2016-2018	THE INFLUENCE OF FACTORS IN THE FRAUD TRIANGLE WITH FRAUD ANALYSIS IN BANKING LISTED ON THE INDONESIA STOCK EXCHANGE	FRAUD DETECTION OF FINANCIAL REPORTS WITH FRAUD ANALYSIS IN TRIANGLE	FRAUD OF FINANCIAL STATEMENTS IN THE PERSPECTIVE OF THE FINANCIAL TRIANGLE	FRAUD TRIANGLE ANALYSIS IN FINANCIAL STATEMENT FRAUD THEORY	STUDY OF FRAUD FINANCIAL STATEMENTS WITH THE FRAUD TRIANGLE THEORY	FRAUD ANALYSIS OF FINANCIAL REPORTS USING THE FRAUD TRIANGLE (CASE STUDY OF MANUFACTURING COMPANIES LISTED ON THE IDX IN 2018-2020)	THE EFFECT OF THE FRAUD TRIANGLE ON FRAUD REPORTING WITH THE BENEISH M-Score MODEL	THE INFLUENCE OF FINANCIAL STABILITY, INDUSTRIAL CONDITIONS, AND EXTERNAL PRESSURE ON FRAUD REPORTS IN THE FRAUD TRIANGLE	FRAUDULENT FINANCIAL STATEMENT DETECTION WITH FRAUD TRIANGLE ANALYSIS	IS THE FRAUD TRIANGLE APPROACH EFFECTIVE TO DETECT FRAUD OF FINANCIAL REPORTS WITH THE AUDIT COMMITTEE AS A MODERATION VARIABLE	THE INFLUENCE OF FRAUD TRIANGLE STATEMENT FRAUD THEORY OF FINANCIAL REPORTS WITH THE AUDIT COMMITTEE AS A MODERATION VARIABLE	<i>FRAUD TRIANGLE GAINST FINANCIAL STATEMENT FRAUD</i>
Writer	Ahmad Alif Arrafi Ubaidillah and Nurul Fatimah	Dhea Violin Rahma and Elly Suryani	Trianawati	Lailatul Mukarohmah	Abdul Rahman, Deliana, and Daniel Gopas	Indira Devi	Shinta	Muhammad Azmi Fatkhurriqzi and Aida Nahar	Novalia Budi Chandrawati and Dyah Ratnawati	A'idatul Khoir, Maslichah, and Afifudin	Grenadi Boermawan and Rizka Indri Arfianti	Lailatus Sa'adah, Vidiанти Gita Wahyu Kristina, Sugeng Hariadi, and Abdul Kadir Ustry	Made Irma Lestari	Soni Agus Irwandi, Diyah Pujiati, and Winda Rudy Hartanto	Steven and Carmel Meiden
Publication Year	2019	2019	2019	2020	2021	2021	2021	2021	2022	2022	2022	2022	2022	2022	
Research Methods	Quantitative method	Quantitative method	Quantitative method	Quantitative method	Documentation method	Quantitative method	Quantitative method	Quantitative method	Quantitative method	Quantitative method	Quantitative method	Proportional random sampling method	Quantitative method	Quantitative method	Quantitative method

Research 1	Research 2	Research 3	Research 4	Research 5	Research 6	Research 7	Research 8	Research 9	Research 10	Research 11	Research 12	Research 13	Research 14	Research 15	
Object of research	PT Gojek Bandung.	Manufacturing companies listed on IDX 2016-2017.	Manufacturing companies listed on IDX 2016-2018.	PT Bank BRI Mempawah branch.	Banking companies listed on IDX 2016-2019.	Manufacturing companies listed on IDX 2018-2020.	Infrastructure, utilities and transportation companies 2018-2019.	Manufacturing companies listed on IDX 2018-2019.	Manufacturing companies listed on IDX 2018-2020.	Transportation company period 2018-2020.	Manufacturing companies in food and beverage sub-sector listed on IDX 2018-2020.	Companies go public on IDX 2016-2020.	Mining companies listed on IDX 2017-2021.	Primary consumer industry sector companies listed on IDX 2018-2020.	Companies in consumer goods industry sector listed on IDX 2017-2019.
Discussion	There are 100 samples. The results of research on testing fraudulent financial statements: - <i>I</i> neffective monitoring negative impact. The fraud that occurred was based on the company's internal controls. The better the company's control, the less fraud that occurs. - <i>E</i> lements of the fraud triangle have a positive impact [26]	There are 100 companies. The results of research on testing fraudulent financial statements are: - <i>P</i> ressurre positive impact. Financial stability has an impact on the risk of fraud. The company's instability will pressure the company to create financial stability. - <i>O</i> pportunity negative impact. Opportunities occur because the company wants to improve performance by hiring competent directors. <i>Rationalization</i> no impact at all. Change in auditors are	There are 162 companies. The results of research on testing fraudulent financial statements are: - <i>Per</i> ssonal financial need impact. If internal party finances depend on company assets, there is a high potential for fraud to occur. - <i>Rati</i> onalization impact. There is the potential for companies to manipulate profits at will. <i>Nature</i> of industry no impact. The company is able to suppress uncollectible accounts [27]	There are 36 respondents. The results of research on testing fraudulent financial statements are: - <i>P</i> ressurre have a positive impact. Accumulating debt motivates employees to act fraudulently. - <i>O</i> pportunity have a positive influence. This is due to experience and expertise to act fraudulently. <i>Rationalization</i> no positive impact [28]	The total sample is 37 companies. The results of research on testing fraudulent financial statements are: - <i>fin</i> ncial stability no impact. - <i>Per</i> ssonal financial need (proxy shareholding level) has no impact. - <i>Ext</i> ernal pressure (leverage proxies) has no impact. - <i>Inef</i> fective monitoring (audit independent member proxies) had no effect. The composition of the commissioners does not cause management to act fraudulently. - <i>Rati</i> onalization (proxy change of public accounting firm) has no impact. Whether there is	Sample 88 financial statements. The results of research on testing fraudulent financial statements are: - <i>Nat</i> ional stability no impact. - <i>Org</i> anizational structure no impact. - <i>Inef</i> fective monitoring, no impact. <i>Rationalization</i> no impact.	The results of research on testing fraudulent financial statements show: - <i>P</i> ersonal financial need impact. If the company's finances are good, then executive's personal needs will be met. So, management commits fraud so that the financial statements look good. - <i>f</i> inancial stability no impact. This happens because if the stability of the company is low. But similar companies also have low stability as well. So that management has no	There are 143 sample companies. The results of research on testing fraudulent financial statements show that: - <i>F</i> inancial stability (ACHANGE proxies) impact. A stable financial position is to be expected. Then the company (managemen t) does everything to achieve this goal. - <i>E</i> xternal pressure (LAVERAG E proxy) has no effect. Because the company can pay its obligations. - <i>T</i> he nature of the industry (RECEIVAB LE proxy)	A sample of 35 companies. The results of research on testing fraudulent financial statements show: - <i>Opp</i> ortunity have a positive influence. - <i>Pres</i> sure have a positive influence. This is done by reducing efficiency and asset management and reflecting a deflection of investment funding sources. <i>Rationalization</i> have a positive impact [30]	A sample of 24 companies. The results of research on testing fraudulent financial statements show: - <i>Nat</i> ional stability no impact. Companies reduce the level of fraud because they have the responsibility to pay debts. - <i>Per</i> ssonal financial need no impact. Because the average internal share ownership is low. - <i>Fin</i> ancial targets no impact. Due to efficient asset management.	A sample of 19 companies. The results of research on testing fraudulent financial statements show: - <i>F</i> inancial stability has a positive impact. When a company experiences economic pressure, management is under pressure and has the potential to make fake financial reports to make it look successful. - <i>I</i> ndustrial conditions did not have a positive impact. External pressure does not have a negative impact. It can be concluded	A sample of 110 data. The results of research on testing fraudulent financial statements show: - <i>F</i> inancial targets no significant positive impact. Because it already has good operational quality. - <i>f</i> inancial stability no significant positive impact. Because management tries to keep the company's financial condition stable. - <i>E</i> xternal pressure no positive impact. Because the source of	A sample of 145 companies. The results of research on testing fraudulent financial statements show: - <i>F</i> inancial statement s show: <i>financial stability</i> no impact. Manipulat ion of financial statement s to improve the financial image causes the company' s condition to get worse. <i>Ineffectiv e</i> monitoring (proxy of the proportio n of independe nt commissi oners) has a negative	A sample of 29 companies. The results of research on testing fraudulent financial statements show: <i>financial stability</i> have a positive impact. The higher the level of change in assets, the higher the possibility of financial statement fraud. <i>Financial targets</i> have a positive impact. The company tries to fulfill the wishes of its investors. Managers chase bonuses to achieve targets, then commit fraud. <i>Nature</i> of industry have a positive impact.	A sample of 19 companies. The results of research on testing fraudulent financial statements show: <i>financial stability</i> have a positive impact. The higher the level of change in assets, the higher the possibility of financial statement fraud. <i>Financial targets</i> have a positive impact. The company tries to fulfill the wishes of its investors. Managers chase bonuses to achieve targets, then commit fraud. <i>Nature</i> of industry have a positive impact.

Research 1	Research 2	Research 3	Research 4	Research 5	Research 6	Research 7	Research 8	Research 9	Research 10	Research 11	Research 12	Research 13	Research 14	Research 15
	only held to comply with government regulations [18]			a change in auditor has no impact on fraud. - <i>Financial targets</i> (ROA proxy) impact. <i>Nature of industry</i> (Proxy of Privileged Party Transaction level) impact. If management participates in making decisions, it can easily manipulate finances [28]		pressure to commit fraud. - <i>Financial targets</i> no impact. Because the amount of ROA is still relatively reasonable and the company is still in the introduction stage. - <i>External pressure</i> no impact. Because companies do not always depend on creditors to get additional capital. Companies prefer to issue new shares that are not bound by debt. - <i>Effective monitoring</i> no impact. Because the addition of the number of commissioners by the company is only to fulfill the IDX and OJK requirements. - <i>Change auditors</i> no	has no impact. Shows if the ability of the company's receivables is good. Rationalization (AUDCHAN GE proxy) has no effect. The possible reason for changing the auditor is because the company is dissatisfied with the performance of the previous auditor [19]		- <i>Ineffective monitoring</i> , no impact. Because the company has strict monitoring by commissioners, directors and auditors. - <i>Organizational structure</i> no impact. Because the term of office is determined by the GMS. <i>Rationalization</i> no impact. Because the change of auditor is determined by CPA [31].	that management's excessive pressure to satisfy shareholders does not increase debt [20].	funding comes from debt and tries to present good financial reports. - <i>Nature of industry</i> has a significant negative impact. Due to the low accounts receivable turnover ratio. <i>Change in auditors</i> no significant impact. Because the company believes in the ability of existing auditors [17].	any impact. Inventory control has been carried out by the company to prevent fraud. <i>Rationalization</i> not found any impact [21]	impact. Independent entities commissioners become a guarantee in supervision. <i>Change in auditors</i> (proxy whether to change auditors) has no effect. Occurs because the company wants a competent auditor. <i>Financial stability</i> audit committee moderation had no effect. <i>Ineffective monitoring</i> audit committee moderation had no effect. <i>Change in auditors</i> with moderation of the audit committee has no	Because there are no rules regarding total uncollectible accounts. Then the amount of cash decreases. <i>Personal financial need</i> negative impact. Because the division of tasks is clear between management functions. <i>Ineffective monitoring</i> negative impact. Because the commissioners comply with the criteria of the OJK Regulations. <i>External pressure</i> no impact at all. Because the company is able to pay debts without any pressure. <i>Rationalization</i> no impact at all. Because the company complies with OJK regulations [32].

Research 1	Research 2	Research 3	Research 4	Research 5	Research 6	Research 7	Research 8	Research 9	Research 10	Research 11	Research 12	Research 13	Research 14	Research 15
						impact. This happens because the auditor's task has been completed. <i>Auditor opinion</i> no impact. Because the auditor does not change the fairness of the financial statements [29]							impact [22].	

From these 15 studies, the level of the essential elements of the fraud triangle that affect financial statement fraud in the 2016-2021 data year can be arranged.

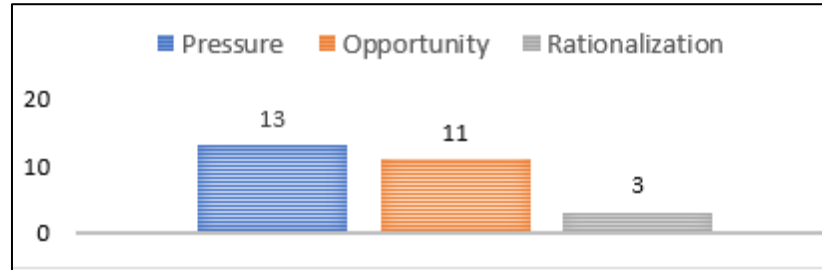


Figure 1. Elements of the Fraud Triangle that affect Financial Statement Fraud in Indonesia 2016-2021

Discussions

Based on the findings of the 15 journals discussed, the fraud triangle factor that has the most substantial impact on fraudulent financial statements is pressure, the second opportunity, and the third is rationalization. Meanwhile, those that have a positive and negative impact on fraudulent financial statements are pressure four times, financial stability four times, personal financial need three times, financial targets two times, opportunity three times, nature of industry five times, ineffective monitoring three times, rationalization three times. Factors that have absolutely no impact on financial statement fraud are external pressure, organizational structure, change in auditor, and auditor opinion. This means that fraud in financial statements occurs primarily due to internal pressure factors. Pressure in non-financial matters can encourage a person to commit fraud. The pressure arises from financial needs or problems caused by someone's greed for company wealth. This pressure encourages someone within the company to commit financial statement fraud. Meanwhile, when the company experiences below-average conditions, company management will be encouraged to manipulate profits because this decrease in profit can threaten an entity to obtain loans within a certain period. Thus, the stability of financial conditions can minimize the risk of fraudulent financial statements [33].

Pressure is related to a person's intention to commit fraud. Someone who commits fraud must have motivation or encouragement. For example, an employee has embezzled company funds and used them to meet a high lifestyle. Personal financial problems are one of the most significant pressures to encourage someone to commit fraud [34]. Examples of pressures that can force someone to commit fraud include:

1. Must pay hospital fees
2. Having to pay for children's school fees
3. Drug addiction
4. Addicted to alcohol
5. Getting into credit card debt
6. Getting into gambling debts
7. Being laid off
8. Have to pay a mortgage or car payment
9. To fulfill the needs of their consumptive lifestyle

Opportunity is the chance for a worker to commit fraud [35]. The opportunity to commit fraud is usually caused by several things, including:

1. Controls from companies that are still weak;
2. SOPs that are not conducive;
3. The existence of multi-job on an employee;
4. The work situation is not conducive.

Therefore, the company must closely supervise its employees, especially for divisions related to the use or expenditure of money, such as purchasing, cashiers, and sales. Every company director must also be able to read financial reports to know the company's financial condition to make the right strategic policies. Internal control is significant in preventing fraud opportunities in your business. Internal control in companies can be preventive or reactive. One preventive way is to conduct audits at specific periods in each division. Second, you can implement strict regulations but still centered on the interests of employees. This is done so that employees are disciplined and comfortable working with you. The reactive step is the whistleblowing process. This step is rarely done because it is risky for friction in the company's corporate body and even more serious crimes. Another reactive step is to conduct coaching and a warning letter to the employee concerned.

Rationalize When fraud has been detected. Usually, the perpetrator will provide rational reasons for self-defense [36]. This rationalization occurs to make the mistakes that occur are reasonable actions. Examples of reasons often used by fraudsters are the alibi that the salary given is not following the benefits the company has received. Until now, fraud is a mistake that is a fundamental problem for internal business. Examples of justification or rationalization reasons include:

1. The salary given is not following the profits earned by the company
2. Disappointed not to get a promotion
3. The company will not lose or go bankrupt just because of his actions
4. Feeling that the company is unfair to him
5. It was the only way he was free from the financial problems he faced

The fraud triangle is something that requires special attention. On the one hand, you have to trust employees to do their jobs desks. On the other hand, employees can be allowed to commit fraud at any time and by anyone, including employees you trust. The objects of fraud from the fraud triangle in business finance are:

1. Theft of company financial data
2. Markup of reimbursement costs and company project costs
3. Misuse of company billing costs
4. Employee payroll
5. Misuse of company-owned resources
6. Theft of financial statements
7. Misappropriation of financial statements, namely replacing or omitting financial statements in a certain period.

FTT is a theory that explains the causes of fraud that occur in the workplace. FTT is very effective in uncovering financial fraud practices within the company. This theory can be a solution for management or related parties in uncovering and discovering why and to whom the employees are committing fraud [1]. Of course, fraud can affect the company's financial condition if it results in considerable losses. An example of a fraud triangle case in Indonesia is an employee who embezzles company funds for personal use because of his

luxurious lifestyle. Another example is an employee who steals company products because he needs money for his sick child's medical expenses. In general, the object of fraud from the Fraud Triangle in business finance includes:

1. Markup of raw material or product purchase costs
2. Use of company money for personal purposes
3. Stealing products
4. Manipulating product stock data
5. Theft of company financial data
6. Embezzling sales money
7. Fraud in financial statements

No business is free from the risk of fraud. Ironically, the perpetrators of these fraudulent acts can be anyone, including people you trust. Why is that? Because fraud depends not only on a person's character but is influenced by three main elements: the fraud triangle. This theory explains the determining factors that encourage someone to commit fraud. The fraud triangle includes pressure, opportunity, and rationalization or justification. These three things often take place as a flow or stage. A pressured employee thinking of cheating will carry out his intention when he meets the opportunity.

Furthermore, when fraud is detected, the perpetrator will reveal various reasons as justification. The goal is that the action is considered reasonable. Even so, you can still prevent fraud in the business. One is ensuring that your business has an optimal control and supervision function.

4. CONCLUSION

The fraud triangle analysis has three stages to detect the causes of fraud in a worker. These stages are pressure, opportunity, and justification. The three stages of the fraud triangle are interrelated. This means a worker will not have an opportunity if he does not get encouragement or pressure to cheat [1]. Management is often under pressure to manage the company to remain stable because if the company is in an unstable condition, the attractiveness of investors and creditors will decrease. When the total change in assets decreases even to a negative number, it causes stakeholders to be uninterested because they think the company's financial performance is unstable. From this situation, management will also use financial reports to cover up this unstable situation, resulting in fraud or fraud. So, if the ratio of changes in total assets of a company is high, the indication of fraudulent financial statements by the company is also high [37]. In other words, a declining performance due to poor company conditions can encourage management to commit financial statement fraud [38].

The limitation in the literature study research conducted is the small number of studies on fraud analysis using the fraud triangle. It seems this is due to the difficulty of researching financial statement fraud. Suggestions for future research can present literature on studies with a broader range of sectors and with other fraud analyses (fraud diamond, fraud pentagon, and fraud hexagon). Future researchers can also use the fraud diamond or fraud pentagon theory because in this theory, other driving factors for fraud are not only

three, but there are five, so it will likely be able to increase the findings of the determining factors for financial statement fraud.

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