

ABSTRACT

This research aims to test managers' and external auditors' perceptions regarding the effectiveness of detection and prevention methods of financial fraud action, procedures or techniques and software or technology in detecting and preventing financial fraud.

This research was conducted by distributing questionnaires directly to the Master of Management students which represents managers and auditors working in Public Accounting Firms in Semarang, data were analysed using independent sample t-test.

Result of this research shows that there is no difference between managers' and external auditors' perceptions regarding the effectiveness of detection and prevention methods of financial fraud action; corporate code of conduct/ethics policy, bank reconciliations, internal control review and improvement, fraud vulnerability reviews, and fraud reporting policy are procedures or techniques which is believed to be effective in reducing financial fraud; and password protection, virus protection, and firewall are software or technology which is effective in detecting and preventing financial fraud.

Keywords : perceptions, financial fraud action, managers, external auditors, the effectiveness of detection and prevention methods of financial fraud action.

