ABSTRACT

This study aimed to analyze the influence of the effectiveness of internal control, compensation system, compliance with accounting rules, asymmetry of information, and morality of management to accounting fraud tendencies. This study is a replication of a study that conducted by Wilopo (2006), but the study was conducted at the government agencies.

Data was collected through questionnaire that given directly to respondents in the Governance Official of Semarang City, especially at the Departement of Finance and Asset Management Areas (DPKAD). The hypothesis of this study stated that th eeffectiveness of internal control, compensation system, compliance with accounting rules, and morality of management have a negative effect to accounting fraud tendencies and asymmetry of information has a positive effect to accounting fraud tendencies. Multivariate regression used for examine the data of this study.

Result of this study indicated that the effectiveness of internal control, compliance with accounting rules, and morality of management significantly affect the occurance of accounting fraud tendencies, but compensation system and asymmetry of information don't affect the accounting fraud tendencies significantly.

Key words : Agency theory, Accounting fraud tendencies.

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