

ABSTRACT

This study aims to examine the effect of the fraud hexagon on possible fraudulent financial statements in property and real estate companies in 2019 – 2021. The independent variables used in this study are financial stability, external pressure, financial target, ineffective monitoring, nature of industry, change in auditor, change in director, frequent number of CEO's picture, and cooperation with government project. The dependent variable used in this study is fraudulent financial statement.

Research population is property and real estate companies listed on Indonesia Stock Exchange (IDX) in 2019 – 2021. The sampling techniques used purposive judgment sampling and resulting 159 samples. The data analysis method uses is logistic regression analysis method with SPSS 26 software.

The result of this study shows that nature of industry has a positive effect on possible fraudulent financial statements. Meanwhile, financial stability, external pressure, financial target, ineffective monitoring, change in auditor, change in director, total photo of CEO, and cooperation with government project have no effect on possible fraudulent financial statements.

Keywords: *fraud hexagon, financial stability, external pressure, financial target, ineffective monitoring, nature of industry, change in auditor, change in director, total photo of CEO, cooperation with government project, fraudulent financial statements*