

ABSTRACT

The financial statements of a company are used to analyze how the condition of a company and are used as the main basis for decision making. Financial statements contain a lot of important information in them, therefore it is important to make detection efforts that allow manipulation and misstatement of the data available in the financial statements. This study was conducted to analyze the effect of the fraud diamond concept proposed by Wolfe and Hermanson, that financial targets, ineffective monitoring, audit opinion and board director change as independent variable towards financial statement fraud as variabel dependent proxied by the Beneish M-Score formula.

The samples used in this study are 19 healthcare companies listed during the period 2019-2022 in the Indonesia Stock Exchange. Secondary data are used in this study, in the financial statements of healthcare sector companies in the period 2019-2022 in the IDX. Hypothesis testing was conducted using the logistic regression method with SPSS 25 software.

The results showed that the ineffective monitoring variable proxied by the ratio of the number of independent commissioners to the total number of commissioners and the board of directors turnover variable proved to have an effect on financial statement fraud. Meanwhile, for the financial target variable proxied by return on assets and audit opinion in this study does not prove that these variables have an effect on financial statement fraud.

Keywords: *Fraud Triangle, Fraud Diamond, Financial Statement Fraud, Fraud, Beneish M-Score.*