

ABSTRACT

This study aims to examine and determine the influence of the factors that cause events to occur on financial reporting. These factors are based on the elements of pressure, opportunity, rationalization and capability in the fraud diamond theory. These factors include financial target, ineffective monitoring, auditor report, and changes in directors.

The population in this study are manufacturing companies in the food and beverages which are listed on the Indonesia Stock Exchange (IDX) for the 2020-2022 period. The sample was selected using purposive sampling technique and obtained final sample of 117. The data used was processed with SPSS software version 25.

The research results show that financial targets calculated by ROA or the division between net profit and total assets, ineffective monitoring which is calculated by dividing the number of independent commissioners by the number of board of commissioners, auditor reports and changes in directors calculated using dummy variables produce no influence on financial statement fraud.

Keywords: fraud, financial statements fraud, financial target, ineffective monitoring, auditor report, changes in directors, f score.