ABSTRACT

Financial statement fraud that occurs in a company causes a lot of losses to the company concerned or for investors who use financial statements in making decisions to be made. This study aims to determine the influence of fraud elements based on the Fraud Hexagon model on the occurrence of financial statement fraud.

In this study, the Beneish M-Score model was used to classify companies that were detected fraudulent or non-fraudulent. The population used is manufacturing companies listed on the Indonesia Stock Exchange in 2021-2023. The purposive sampling method was used to obtain samples that met the criteria, which was then obtained by the number of companies that met the criteria was 139 companies.

The data analysis used in this study is a logistic regression analysis technique. The results of the analysis show that financial stability has a positive effect on the occurrence of financial statement fraud. On the other hand, change of directors, political connection, ineffective monitoring, change of auditors, and dualism position have no effect on the occurrence of financial statement fraud.

Keywords: Beneish M-Score, Hexagon Fraud Theory, financial statement fraud, financial stability, change of directors, political connection, ineffective monitoring, change of auditors, dualism position.