

ABSTRACT

This study aims to determine the effect of new fraud diamond on financial statement fraud and mediated by financial distress. The population of this study is a state-owned enterprise company in 2018 – 2022. Determination of the research sample using purposive sampling resulted in 91 observation data as the final sample during the five-year observation periode. Data analysis using multiple regression using SPSS version 26. The results showed that financial target, ineffective monitoring, sales of growth, and change in directors had a positive effect on financial statement fraud, and financial distress partially mediated the relationship. Financial stability has a negative effect on financial statements fraud and financial distress mediates the relationship.

Keyword: financial statement fraud, financial stability, financial target, ineffective monitoring, sales growth, change in directors, financial distress