

ABSTRACT

The purpose of this research is to investigate the effect of Hexagon Fraud Theory (financial stability, external pressure, financial target, nature of industry, ineffective monitoring, external auditor quality, change in auditor, change in director, arrogance, state-owned enterprises) on Financial Statement Fraud. The sample is based on 15 construction companies listed on The Indonesia Stock Exchange during perion 2018-2022. This research uses multiple regression analysis to test the research hyphotesis. The result of this study show that external pressure, financial target, nature of industry, external auditor quality, change in auditor, change in director and arrogance are affect on financial statement fraud.

Keywords: construction industry, fraud, external pressure, financial target, hexagon fraud theory.