ABSTRACT

Fraudulent financial statement is a problem that often occurs and causes many losses. Although the proportion is lower than corruption and misuse of assets, the impact of the losses caused is the greatest. This study aims to examine the effect of the determinants of the fraud hexagon model in detecting fraudulent financial statements with the audit committee as a moderating variable. This study uses the F-Score Models measurement. Tests were conducted on manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the period 2020-2023 with a sample of 232 selected through purposive sampling method. Data analysis using multiple linear regression analysis. The results showed that financial stability, ineffective monitoring, political connection and financial stability moderated by the audit committee had a positive effect on fraudulent financial statements, while change in auditor, change in director, CEO duality, ineffective monitoring moderated by the audit committee, change in auditor moderated by the audit committee, CEO duality moderated by the audit committee, and political connection moderated by the audit committee had no effect on fraudulent financial statements. The results of this study provide implications for users of financial statements in identifying the factors that cause fraud so that they can prepare effective strategies to detect fraud.

Keywords: Fraud, fraudulent financial statement, fraud hexagon, audit committee.