FINANCIAL STATEMENT FRAUD IN HEALTH SECTOR COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE (IDX) IN 2019–2021: THE IMPACT OF FRAUD HEXAGON VARIABLES

By :

Fransiskus Hari Susanto

NPM : 1912120129

ABSTRACT

The objective of this study is to empirically test the Fraud Hexagon Theory as a detector of Financial Statement Fraud. Specifically, this research examines the Fraud Hexagon Theory proxied by Financial Stability, External Pressure, Financial Target, Nature of Industry, Ineffective Monitoring, Change in Auditors, Change in Directors, Frequent Number of CEO Picture, and Collusion, where each of the nine proxies represents aspects within the Fraud Hexagon, namely Pressure, Opportunity, Rationalization, Capability, Arrogance, and Collusion. The population in this study consists of Health Sector Companies listed on the Indonesia Stock Exchange (IDX) in 2019-2021. This research uses a logistic regression model. The results of this study indicate that Ineffective Monitoring and Frequent Number of CEO Picture significantly influence Financial Statement Fraud in Health Sector Companies. Meanwhile, Financial Stability, Financial Pressure, Financial Target, Nature of Industry, Change in Auditors, Change in Directors, and Collusion do not significantly affect Financial Statement Fraud in Health Sector Companies.

Keywords : Financial Statement Fraud, Fraud Hexagon, Health Sector Companies