THE INFLUENCE OF FRAUD HEXAGON THEORY IN DETECTING FRAUDULENT FINANCIAL STATEMENTS IN TRANSPORTATION AND LOGISTICS COMPANIES

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ABSTRACT

This study aims to empirically prove the effect of Fraud hexagon theory in detecting fraudulent financial statements. In the Fraud hexagon theory there are six elements that are dominant in triggering fraudulent financial statements, as for the elements in question are pressure, opportunity, rationalization, capability, arrogance and collusion. The dependent variable in this study is measured using the F-Score Model in order to determine how much potential there is for fraudulent financial statements. The population of this study is Transportation and Logistics Companies Listed on the IDX for the 2019-2021 Period. The data in this study are quantitative data with secondary data types. The sampling technique used the Purposive Sampling method. The tool used to analyze data is SPSS version 23. Data analysis in this study is logistic regression analysis. The results of this study indicate that Financial Stability, Financial Targets and also the Total Accrual Ratio have an effect on financial statement fraud while External Pressure, Ineffective Monitoring, Nature Of Industry, External Auditor Quality, Change In Auditor, Change In Director, Company Existence, Frequent Number Of CEO's Picture and Cooperation With Government Projects have no significant effect on financial statement fraud.

Keywords: Financial Statement Fraud, Fraud Hexagon, F-Score