

ABSTRACT

Information in financial statements is a source that an important role in decision making and has a purpose as a medium of communication for the company. Financial reports must be complete, easy to understand, transparent and relevant information. This causes the management to try their best and even do various things so that the financial statements can reflect the company's stable and ideal financial condition. This situation is a factor in the occurrence of financial statement fraud.

This study aims to find out how the influence of stimulus is proxied as financial stability, capability is proxied as change of director, collusion is proxied as a government project, opportunity is proxied as nature of industry, rationalization is proxied as total accrual ratio, and ego is proxied as frequent number of CEO's picture on financial statement fraud in primary consumer goods sector companies listed on the Indonesia Stock Exchange in 2016-2020.

The population in this study are the primary consumer goods sector. The number of samples in this study were 54 companies for 5 (five) years and produced 270 samples. The sampling technique is purposive sampling. The data analysis method used in this study is panel data regression analysis using Eviews 12 software.

The results of this study indicate that the variables of stimulus, capability, collusion, opportunity, rationalization and ego simultaneously affect financial statement fraud. The partial test results show that the stimulus, opportunity, and rationalization have an effect on financial statement fraud. Meanwhile, capability, collusion, and ego partially have no effect on financial statement fraud.

For academics, it is hoped that this research can provide additional knowledge or information to readers regarding financial statement fraud. Then further researchers can conduct research with an unlimited scope of research, using other proxies for the variables and using data and time periods that have not been studied by previous researchers.

Keywords: *Dechow f-score, financial statement fraud, and fraud hexagon*