

## **ABSTRACT**

*Fraudulent financial reporting is an act of deliberately manipulating financial reports or presenting financial reports that are not in accordance with the actual situation which can result in irrelevant financial information. And financial statement fraud can also result in internal and external conflicts of the company so that it will affect decision making.*

*This study aims to determine the effect simultaneously and partially fraud hexagon which consists of pressure (financial stability), opportunities (nature of industry), rationalization (ineffectiveness monitoring), capability (change of directors), arrogance (CEO duality), and collusion (market performance) on fraudulent financial reports in sub-manufacturing companies sektor food and beverage listed on the Indonesia Stock Exchange (IDX) for the 2017-2021 period.*

*The population in this study consisted of 72 populations of sub-sector manufacturing companies food and beverage. And using a sampling technique purposive sampling in determining the sample so that the research sample totaled 15 or 75 observation data of sub-sector manufacturing companies food and beverage listed on the Indonesia Stock Exchange (IDX) for the 2017-2021 period. This research is a descriptive study with panel data analysis techniques using Eviews 12 software.*

*The results of this study indicate that variable pressure, opportunity, rationalization, capability, arrogance, and collusion effect simultaneously on fraudulent financial statements. Partially variable opportunity and rationalization positive effect on fraudulent financial statements. While variables pressure, capability, arrogance, and collusion has no effect on fraudulent financial statements.*

*This research can be taken into consideration by investors in investing in companies and considerations for management in making decisions to be more careful in presenting financial reports. Further researchers are advised to use other proxies in detecting fraudulent financial statements.*

**Keywords :** *fraudulent financial reporting, fraud hexagon.*