ABSTRACT

Financial statement fraud is an attempt to manipulate financial statements. This aims to deceive and mislead users of financial statements, especially investors and creditors. This results in information presented in the financial statements being irrelevant and will affect decision making to the detriment of many parties.

This study aims to analyze the effect of financial stability, ineffective monitoring, change in auditor, and change in director on financial statement fraud. This research was conducted on energy sector companies listed on the Indonesia Stock Exchange for the 2017-2021 period.

The method in this study uses quantitative methods and the data collection method uses purposive sampling techniques. The data used is secondary data in the form of annual financial statements belonging to energy sector companies. This study had 250 observational data obtained from 50 companies. The analysis method used in this study is logistic regression analysis using SPSS.

The results showed that financial stability, ineffective monitoring, change in auditor and change in director simultaneously affect financial statement fraud. Partially, financial stability affect in a positive direction, while ineffective monitoring, change in auditor, and change in director negatively affects financial statement fraud.

Further researchers are advised to add and expand other variables besides financial stability, ineffective monitoring, change in auditor, and change in director as well as conduct research with objects other than energy sector companies listed on the Indonesia Stock Exchange. Furthermore, investors are expected to calculate or analyze financial statements first in order to find out the financial stability of a company.

Keywords*: *Change in Auditor. Change in Director, Financial Stability, Financial Statement Fraud, Ineffective Monitoring