

ABSTRACT

Financial statement fraud is a deliberate attempt to manipulate or present financial reports that are not in accordance with actual conditions, which can cause financial information to become irrelevant. This can also cause conflict internally and externally in the company so that it will affect decision making.

This research aims to determine simultaneously and partially financial stability, nature of industry, and audit opinion on indications of fraud in financial reports in manufacturing companies listed on the Indonesia Stock Exchange in 2019-2022. This research uses secondary data in the form of annual financial reports and company annual reports which can be accessed on the Indonesia Stock Exchange website for 2019-2022.

The population in this study consisted of 226 manufacturing company populations. This research uses a purposive sampling method to determine sampling so that there are 44 companies or 176 observation data of manufacturing companies listed on the Indonesia Stock Exchange in 2019-2022. This research is descriptive in nature using panel data analysis techniques using Eviews 12.

The results of this research show that the variables financial stability, industry nature, and audit opinion simultaneously influence the conditions in the financial statements. Partially, the financial stability variable has a positive effect on the condition of the financial reports, while the nature of the industry and audit opinion have no effect on the conditions in the financial reports.

The results of this research can be a reference for investors in investing in companies and can also be a consideration for management in the decision-making process, related to the presentation of financial reports. For future researchers, it is recommended to consider the use of other peroxidants in detecting indications of fraud in financial reports.

Keywords: *Indications of Fraudulent Financial Reporting, Financial Stability, Nature of Industry, Audit Opinion*