

## **ABSTRACT**

*Financial statement uses as a communication tool between management and stakeholders. The purpose of this study is to determine the effect either simultaneously and partially of Fraud Hexagon Theory where each factor is proxied by external pressure, nature of industry, change in auditor, change in director, frequent number of CEO's pictures and cooperation with the government on fraudulent financial statement in pharmaceutical sub sector companies listed on the Indonesia Stock Exchange in 2014-2021.*

*The population used in this study are pharmaceutical sub-sector companies listed on the Indonesia Stock Exchange in 2014-2021. The sampling techniques were non-probability sampling and purposive sampling then obtained 72 samples from 9 pharmaceutical sub sector companies. The data analysis method of this study is logistic regression analysis and uses SPSS 26 software.*

*The results of this study show that fraud hexagon theory where each factor is proxied by external pressure, nature of industry, change in auditor, change in director, frequent number of CEO's pictures and cooperation with the government have a simultaneously effect on fraudulent financial statement. Partially, change in director has a positive effect on fraudulent financial statement. While the variable external pressure, nature of industry, change in auditor, frequent number of CEO's pictures and cooperation with the government show results that have no effect on fraudulent financial statement.*

*Based on the study's result that has been done, for further researchers, it is expected to use more diverse research objects or research samples and use other proxies that can be used so that they can determine the effect of the Fraud Hexagon Theory on financial statement fraud.*

**Keywords:** *fraudulent financial statements, fraud hexagon theory, f-score*