ABSTRAK

Financial Shenanigans, also known as fraudulent financial reporting, is the intentional act of manipulating a company's financial statements to deceive users of financial reports, including investors. This can affect the decision-making process of investors and other users of financial statements.

There are several methods to detect financial shenanigans, including the Benish M-score, Z-score, and F-score. In this study, F-score was used to calculate financial shenanigans. The aim of this research is to examine the partial influence of the Hexagon Theory on financial shenanigans. The independent variables used in this study are pressure, opportunity, rationalization, capability, and arrogance.

The research sample focuses on companies operating in the primary consumer goods sector listed on the Indonesia Stock Exchange between 2017 and 2021. The sampling technique used is non-probability sampling and purposive sampling, resulting in a total of 160 samples from 32 companies in the primary consumer goods sector. The methodology used for analysis is logistic regression, utilizing SPSS 25 software.

Based on the results of the entire research series conducted, the researcher concludes that the opportunity variable, proxied by the whistleblowing system, the rationalization variable, proxied by auditor turnover, and the collusion variable, proxied by audit fees, do not have a significant effect on financial fraud. However, the pressure variable, proxied by personal financial needs, the capability variable, proxied by board turnover, and the arrogance variable, proxied by CEO photo frequency, have an influence on financial shenanigans.

Keywords*: Financial Shenanigans, Hexagon Theory, F-Score*