

ABSTRACT

Financial statement fraud is the intentional misstatement and concealment of facts related to the value of accounts in the financial statements which results in the creation of irrelevant financial information. Financial statement fraud can cause internal and external conflicts within the company which can harm decision makers.

This study aims to test the fraud hexagon theory in detecting fraudulent financial reporting in companies included in the Jakarta Islamic Index 70 (JII70) for the period 2018 - 2021.

The population in this study are companies included in the Jakarta Islamic Index 70 (JII70) during 2018 - 2021 with a total of 35 companies.

This study used purposive sampling technique to determine the sample with a total sample of 140 samples for 4 years. This research uses descriptive research with logistic regression analysis techniques using SPSS 26 software.

The results of this study indicate that the fraud hexagon theory simultaneously affects financial statement fraud. Partially, pressure and rationalization have a positive effect on fraudulent financial statements, while opportunity, ability, arrogance and collusion have no effect on fraudulent financial statements.

This research can be used as a reference for stakeholders in the company to consider the ratio of changes in total assets and consider the ratio of total accruals in detecting fraud in the company.

Keywords: *Fraud hexagon, Financial statement fraud, Jakarta Islamic Index 70 (JII70).*