JURNAL RISET AKUNTANSI DAN AUDITING
Vol 11 Edisi 1 (Maret 2024, 64-76)

Factors Affecting Financial Statement Fraud in Food & Beverage Sub-Sector Companies

Faktor-Faktor yang Mempengaruhi Kecurangan Laporan Keuangan pada Perusahaan Sub Sektor Makanan dan Minuman

Wiwik Pratiwi[1], Adelia Permata Putri[2], Nuryadin[3]
[1,2] *(Sekolah Tinggi Ilmu Ekonomi Y.A.I, Jakarta, Indonesia)*
[3]*(Universitas Persada Indonesia Y.A.I, Jakarta, Indonesia)*
pratiwi_wiwik@yahoo.com
DOI: 10.55963/jraa.v11i1.641

Abstract - This study aims to test whether there is an effect of the nature of the industry, financial targets, and financial stability on financial statement fraud. The population used in this study are food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange in 2019–2021. Sampling was done using the purposive sampling method, so 11 companies were obtained that met the research criteria and 33 observers. The data analysis techniques used are multiple linear regression analysis and the classical assumption test, which are processed using the Views 12 program. The results of this study indicate that the nature of industry has no positive but significant effect on financial statement fraud, the financial target variable has no effect and is insignificant to financial statement fraud, and the financial stability variable has a positive and significant effect on financial statement fraud. And simultaneous testing shows that the nature of the industry, financial targets, and financial stability have a positive and significant effect on fraudulent financial statements. The renewal in this research from previous research is in the sector and year used in the sample. And there is rarely research that uses variables like the nature of industry.

Keywords: Financial Targets, Financial Stability, Financial Statement Fraud, Nature of Industry.

Abstrak *- Penelitian ini bertujuan untuk menguji apakah terdapat pengaruh nature of industry, financial target, dan financial stability terhadap kecurangan laporan keuangan. Populasi yang digunakan dalam penelitian ini adalah perusahaan manufaktur sub sektor makanan dan minuman yang terdaftar di Bursa Efek Indonesia Tahun 2019-2021. Pengambilan sample menggunakan metode purposive sampling, sehingga diperoleh sebanyak 11 perusahaan yang sesuai kriteria penelitian, jumlah observer 33, Teknik analisis data yang digunakan adalah analisis regresi liniear berganda dan uji asumsi klasik yang diolah menggunakan program eviews 12. Hasil penelitian ini menunjukkan bahwa nature of industry tidak berpengaruh positif namun signifikan terhadap kecurangan laporan keuangan, variabel financial target tidak berpengaruh dan tidak signifikan terhadap kecurangan laporan keuangan, dan variabel financial stability berpengaruh positif dan signifikan terhadap kecurangan laporan keuangan. Dan pengujian secara simultan menunjukkan bahwa nature of industry, financial target, dan financial stability berpengaruh positif signifikan terhadap kecurangan laporan keuangan . Pembaharuan dalam penelitian ini dari penelitian sebelumnya terdapat pada sektor dan tahun yang digunakan dalam sampel, serta jarang penelitian yang menggunakan variable nature of industry.*

Kata Kunci*: Financial Target, Financial Stability, Kecurangan Laporan Keuangan, Nature of Industry.*

INTRODUCTION

The financial performance and financial position of the company are displayed in the form of financial statements. In addition to reporting information, financial statements also aim to make economic agreements among users of financial statements. The form of management responsibility for the company is a financial report in the form of the use of resources provided in the financial statements as information about assets owned, the condition of liabilities, expenses borne, revenue and profit or loss generated, the use of cash in the form of cash flow, and contributions from and distributions to owners according to their capacity (IAIGlobal, 2016).

Fraud is something that is intentional and profitable for the perpetrator but is detrimental without the injured party realising it (Alison, 2006). Not only detrimental, fraud can also threaten the country's economy. In a study conducted by ACFE in 2018, it was stated that due to fraud the company suffered a loss of around 5% of revenue (ACFE Indonesia Chapter, 2020).

Based on the research of the association of certified fraud examiners (ACFE) Indonesia chapter in 2019 there were 239 fraud cases in Indonesia. Corruption contributed the most cases with 167 cases, while 22 cases of financial statement fraud were recorded and the remaining 50 cases were misuse of state & company assets. The total loss caused by this fraud is Rp 873,430,000,000. And the report became the most fraud disclosure media with a value of 38.9%. Most fraudsters have never been punished which results in the level of fraud in Indonesia always increasing. If compared, this increase is in line with research conducted by the association of certified fraud examiners (ACFE) Indonesia chapter previously in 2016 where only 229 fraud cases occurred. Corruption has always been the largest number of cases with 178 cases, misuse of organizational assets/wealth with 41 cases, and financial statement fraud with only 10 cases.

Over time, of course, there is such a thing as change and development, this also applies to fraud model theory. The fraud model was first known as the fraud triangle theory. In 1953 Donald R. Cressey initiated this theory. This fraud triangle theory, it mentions three elements that exist in corporate fraud, namely pressure consisting of financial targets, external pressure, financial stability, and personal financial need. Then in the second element, there is opportunity consisting of the nature of industry, organizational structure, and effective monitoring. And the last element or third element is rationalization. This is proven by research conducted by (Waqidatun, Wijayanti & Maulana, 2021) the nature of the industry as measured by receivables on sales shows a significant negative influence. The results of this research are also supported by research conducted by (Kabila & Suryani, 2019), (Fajrina & Rokhmatul, 2018) and (Lestari & Nuratama, 2020) which states that the greater the nature of the industry variable, the smaller the possibility of financial statement fraud.

Pressure is a situation where management or other employees feel incentives or pressure to commit fraud. This pressure encourages a person or company to commit fraud (Abimanyu, 2021). According to SAS No. 99, in the pressure element, several types of general conditions that can cause fraud are financial stability, external pressure, and financial targets.

Based on research conducted (Jao, Mardiana, Holly & Chandra, 2020) it is stated that financial targets have a positive influence on fraudulent financial reports, the pressure given to management to achieve financial targets results in management using various methods including manipulating profits to involve good management performance. Fraud also occurs because the targets given to management are excessive and difficult to achieve. The results of this research are also in line with research conducted by (Fajrina & Rokhmatul, 2018).

However, research conducted by (Syafitri, Ermaya, & Putra, 2021), (Aulia & Afiah, 2020), (Wardhani, 2020), (Pratiwi & Khairani, 2022), (Kurniati & Sopian, 2020), and (Putraa, Suryaputri & Muliana, 2022) shows the opposite results. (Kabila & Suryani, 2019) stated that the ROA value will not influence companies to commit financial report fraud, because management feels that a high ROA target cannot be a factor for management to commit financial report fraud.

According to (Aulia & Afiah, 2020) in their research, financial stability has a negative and significant effect on fraudulent financial reports. The better the financial stability, the lower the possibility of committing financial statement fraud, and vice versa. When a company's financial stability is good, it means the company can manage its assets well. So there is no need to manipulate financial reports. The results of this research are also supported by research conducted by (Syafitri, Ermaya, & Putra, 2021), (Alfian, 2020), (Wardhani, 2020) and (Jao, Mardiana, Holly & Chandra, 2020).

Financial stability is not related to the possibility of a company committing financial statement fraud. So financial stability shows that there is no significant influence on financial statement fraud (Lestari & Nuratama, 2020). The results of this research are in line with research conducted by (Kurniati & Sopian, 2020). The renewal in this research from previous research is in the food and beverage sector and year used in the sample, and there is rarely research that uses variables like the nature of the industry.

Based on the description above, the problem formulation in this study is whether there is an effect of the nature of industry, financial target, and financial stability on financial statement fraud in manufacturing companies in the food & beverage sub-sector. The purpose of this research based on the formulation of the problem is to determine and analyze how much influence the nature of industry, financial target, and financial stability together have on financial statement fraud.

LITERATURE REVIEW

Attribution Theory

Attribution theory was created to interpret a person's behaviour. Fritz Heider created attribution theory in 1958. The influence of internal and external factors on a person's behaviour is the cause of this theory. Internal factors such as nature, attitude, character and others. And external factors such as pressure in the surrounding environment, the influence of an environment, and so on. The use of attribution theory is based on the variables used in the research because this theory discusses a person's behavior. Where someone is said to comply or not comply with regulations in the form of financial reporting standards. A person's fraudulent or deviant behavior can be influenced by external factors such as the company's financial stability. A person's behavior in attribution theory is an explanation of how a person is influenced by the behavior of other people or themselves and whether they are influenced by internal or external factors. Internal factors are in the form of traits, character, attitudes, etc., while external factors include situational pressure or certain circumstances which will have an influence on a person's behavior.

Signal Theory

Spence proposed signal theory in 1973. In signal theory, a signal provided by the owner of information that explains the condition of the company can be useful for the party receiving the information. The use of signals can take the form of promotions or other information that shows that a company is better than the others. Company management that has better information about their company will encourage to provide that information to the potential investor, which aims to add value to the company through their financial statements. The use of this signal theory is based on financial reports which are signals published or reported with actual conditions or whether they are covered up. Competent assets, increasing profits, and stability in all financial processes are good signals for outside parties to assess that the company is adept in its operations. However, it does not rule out the possibility that the signal given is also a false signal whose aim is only to attract investors' attention. So it is necessary to investigate whether the financial report is a positive signal or a signal hole in fraud.

Fraud Triangle

This theory was initiated by Donald R. Cressey in 1953 and this idea was introduced in professional literature in SAS No. 99. This fraud triangle theory discusses the causes of people committing fraud. There are three elements that cause the emergence of fraud triangle theory, namely:

1. Pressure
   There are 4 conditions that cause pressure to result in fraud, namely: financial, external pressure, financial stability, and personal financial needs.
2. Opportunity
   There are 3 conditions that mention the opportunity for financial statement fraud, namely: organizational structure, ineffective monitoring, and nature of industry.
3. Rationalization.
   Rationalization as measured by audit opinion, auditor turnover cycle, and accrual situation divided by total assets.

Financial Statement Fraud

Association of Certified Fraud Examiners (1998) in (Abhimanyu, 2021) financial reporting fraud is fraud committed by management by presenting incorrect financial reports to the detriment of shareholders and those with debt. This fraud can be financial or non-financial fraudulence. It can be concluded that financial statement fraud is a form of deviation in the form of misstatement of a financial report that is carried out intentionally to deceive users of financial statements which can harm investors and creditors in making decisions.

The Nature of Industry

The nature of the industry or the nature of the industry part of the ideal is prerequisite for the overall industry environment. Companies tend to reduce the amount of receivables and do more cash receipts. This is a natural thing for a company to do if it wants to look good (Sihombing and Rahardjo, 2014).

Financial Target

Usually, companies have goals that must be achieved within a certain time. So company employees try to do their best to achieve the targets that have been set. However, these targets do not always increase employee motivation to excel, sometimes the targets set become a trigger for fraud.

Financial Stability

According to Lou and Wang (2009) in (Abhimanyu, 2021), one of the efforts to improve company quality is to manipulate asset information related to the growth of assets owned by a company.

Research Framework

The nature of the industry variable is negatively related to the possibility of a company committing financial statement fraud, this means that the greater the nature of the industry variable, the smaller the possibility of financial statement fraud (Lestari & Nuratama, 2020).

The Influence of Financial Targets on Financial Report Fraud

Management faces pressure to produce the financial performance set by the principal. Management will utilize assets to generate the profits desired by the company and demonstrate good performance. Utilization of assets to achieve company financial results encourages management to take discretionary actions or freedom in decision making. This action can cause dysfunctional behavior. This behavior has the potential to lead to fraud because it presents financial reports that are not true (Jao, Mardiana, Holly & Chandra, 2020). There are two types of variables used in this study, namely independent variables consisting of nature of industry, financial targets, and financial stability, and the dependent variable is financial statement fraud.

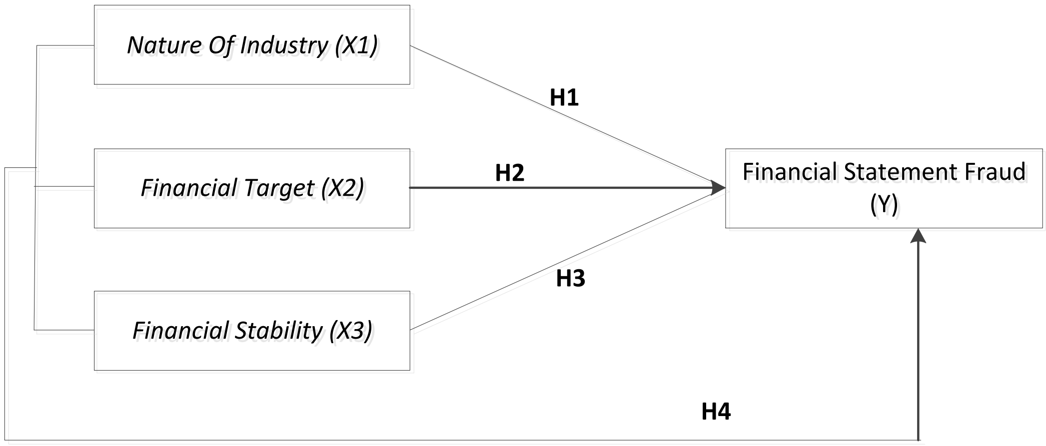

Figure 1. Frame of Mind

Based on the above framework, the hypothesis chosen by the author is:

H_1 : There is an effect of nature of industry on financial statement fraud.

H_2 : There is an effect of financiai target on financial statement fraud.

H_3 : There is an influence of financial stability on financial statement fraud.

H_4 : There is an effect of nature of industry, financial target, and financial stability together on financial statement fraud.

RESEARCH METHODS

This study is quantitative research and the techniques analysis use panel data regression analysis.

Operational Variables

The following is the operation of the research variables, namely:

Nature of Industry is measured by:

$$REC = \frac{\text{Total Liabilities (t)} - \text{Total Liabilities (t−1)}}{\text{Sales (t)}-\text{Sales (t−1)}} \quad (1)$$

Financial Target is measured by:

$$ROA = \frac{\text{Total Profit}}{\text{Total Assets}} \quad (2)$$

Financial Stability is measured by:

$$\Delta CHANGE = \frac{\text{Total Assets (t)}-\text{Total Assets (t−1)}}{\text{Total Assets (t−1)}} \quad (3)$$

Financial Statement Fraud is measured by:

F-score = accrual quality + financial performance (4)

Accrual quality = (△WC + △NCO + △FIN)/ average total assets (5)

Working capital = current assets - current liability (6)

Non-current operating = (total assets – current asset – investment & advance) – (total liabilities – current liabilities – long-term debt) (7)

Financial accrual = total investment – total liabilities (8)

Average total assets = (beginning total assets + end total assets)/2 (9)

△ = (t) – (t-1) (10)

t = Current year

t-1 = Previous year

Financial performance = change in receivables + change in inventories + change in cash sales + change in earnings (11)

Change in receivables = △receivables/average total assets (12)

Change in inventories = △inventory/ average total assets (13)

Change in cash sales = (△sales/sales) – (△receivables/receivables) (14)

Change in earnings = (earnings(t)/ATA(t)) – (earnings (t-1)/ATA(t-1)) (15)

Δ = (t) – (t-1)
t = Current year
t-1 = Previous year

Population and Sample

There are 30 manufacturing companies in the food & beverage sub-sector listed on the IDX for the 2019-2021 period which are used as a population. Based on the purposive sampling technique used with the criteria that manufacturing companies in the food & beverage sub-sector publish financial reports on the Indonesia Stock Exchange for the 2019-2021 (3-year) research period, and have complete financial reports by the data required in the research variables and also those that use rupiah currency. So the number of observations (n) is 11 x 3 periods = 33 data.

Criteria	Quantity
Food & beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange 2019-2021	30
Food & beverage sub-sector manufacturing companies that publish financial reports on the Indonesia Stock Exchange for the 2019-2021 research period, and have complete financial reports in accordance with the data required in the research variables and also use the rupiah currency.	11
Companies that publish their financial reports but the data required for research variables are presented incompletely. 19	19
Number of Companies in the Sample	11
Observation year	3

Data Collection Technique

The data used comes from the company's financial statements, www.idx.co.id and the company's own website or recorded by other parties. The data can be calculated directly or data in the form of numbers. Taken at different times and data obtained from observations of several subjects at the same time.

Data Analysis Method

Descriptive Statistical Data Analysis

This analysis describes the data based on the mean, maximum, minimum, and standard deviation of each of the variables studied.

Panel Data Regression Analysis

This analysis uses cross-section units measured over many periods. The techniques used in panel data are the common effect model (CEM), fixed effect model (FEM), and random effect model (REM). The data regression equation is as follows:

$$Y = \alpha + \beta 1X1 + \beta 2X2 + \beta 3X3 + \varepsilon \quad (16)$$

Panel Data Regression Model Selection

In determining the appropriate mode for processing panel data, various tests can be performed, namely: chow test with CEM vs FEM, the Hausman test with REM vs FEM, and the Lagrange multiplier test with CEM vs REM.

Classical Assumption Test

In the classical assumption test several measurements can be used, namely: the normality test, multicollinearity test, and heteroscedasticity test.

Hypothesis Test

According to (Sugiyono, 2013), a hypothesis is a temporary response to a research problem that is expressed in the form of a question. With hypothesis testing applied, namely: simultaneous test (f), partial test (t), and coefficient of determination (adjusted r2).

RESULTS AND DISCUSSION

Data Research Results

In determining the appropriate mode for processing panel data, various tests can be performed, namely: chow test with CEM vs FEM, Hausman test with REM vs FEM, and the Lagrange multiplier test with CEM vs REM.

Chow Test

Table 1. Chow Test Results

Redundant Fixed effects tests			
Equation: Model_FEM			
Test cross-section fixed effects			
Effects test	Statistic	d.f.	Prob.
Cross-section f	0.620536	(10,19)	0.7785
Cross-section chi-square	9.326382	10	0.5014

Source: Eviews 12 data processing results

The table above presents the cross-section f prob value of 0.7785 ≥ 0.05 which means that h_0 is agreed and h_1 is rejected, this indicates the best common effect model.

Hausman Test

Table 2. Hausman Test Results

Correlated random effects - hausman test			
Equation: Model_REM			
Test cross-section random effects			
Test summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	0.742519	3	0.8632

Source: Eviews 12 data processing results

The table above presents a random cross-section value of 0.8632 ≥ 0.05 which means that h_0 is accepted and h_1 is rejected, indicating the best random effect model.

Lagrange Multiplier Test

Table 3. Lagrange Multiplier Test Results

Lagrange Multiplier Tests for Random Effects			
Null hypotheses: No effects			
Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided			
(all others) alternatives			
	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	0.773503	1.551624	2.325127
	(0.3791)	(0.2129)	(0.1273)

Source: Eviews 12 data processing results

The table above presents a both value of 0.1273 ≥ 0.05 which means that h_0 is accepted and h_1 is rejected, indicating the common effect model is the most accurate.

Conclusion

Based on the test results, the mode chosen to be used for further testing is the common effect model.

Classical Assumption Test

The classical assumption test itself consists of normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test.

Normality Test

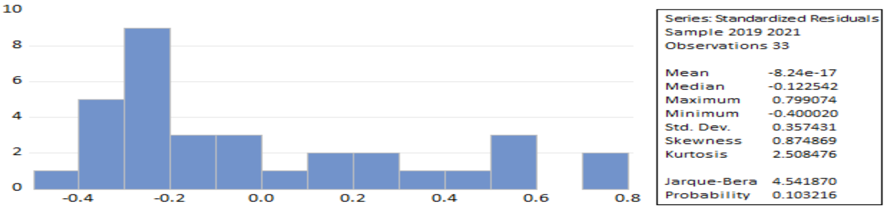

Figure 2. Normality Test

Based on the figure, it is known that the significant probability is 0.1032 ≥ 0.05. Means the data is normally distributed.

Multicollinearity Test

Table 4. Multicollinearity Test Results

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
FST	0.011779	2.757294	NA
NOI	1.559051	2.337458	1.008722
FT	0.045454	1.433214	1.026733
FS	0.035491	1.258968	1.018025

Source: Eviews 12 data processing results

Based on the test table above, the centered VIF values for the variables x_1, x_2, and x_3 are 1.008722, 1.026733, and 1.018025, respectively. These values are less than 10, which indicates that the data is free from the error of multicollinearity.

Hypothesis Discussion

Hypothesis testing is applied with simultaneous test (f), partial test (t), and coefficient of determination (adjusted r^2).

Table 5. Hypothesized Regression Equation between Variables

Variable	Coefficient	Std. Error	t-Statistic	Prob.
FST	0.346272	0.108531	3.190541	0.0034
NOI	-2.577411	1.248620	-2.064208	0.0480
FT	-0.085893	0.213199	-0.402876	0.6900
FS	0.757885	0.188391	4.022937	0.0004

Root MSE	0.351974	R-squared	0.413430
Mean dependent var	0.303030	Adjusted r-squared	0.352750
S.D. dependent var	0.466694	S.E. of regression	0.375464
Akaike info criterion	0.991903	Sum squared resid	4.088218
Schwarz criterion	1.173298	Log likelihood	-12.36640
Hannan-Quinn Criter.	1.052937	F-statistic	6.813312
Durbin-Watson stat	2.141030	Prob(f-statistic)	0.001293

Heteroscedasticity Test

Table 6. Heteroscedasticity Test Results

Heteroskedasticity test: White			
Null hypothesis: Homoskedasticity			
F-statistic	0.508568	Prob. F(9,23)	0.8532
Obs*r-squared	5.477176	Prob. Chi-Square(9)	0.7909
Scaled explained SS	3.190312	Prob. Chi-Square(9)	0.9563

Source: Eviews 12 data processing results

With a prob. chi-square of 0.9563, the probability is greater than (alpha = α = 0.05). It can be concluded that the data used has no heteroscedasticity problem.

Autocorrelation Test

In Table (4.3) the Durbin-Watson value is 2.141030 and obtained from the Durbin-Watson table α = 0.05 the value of dU = 1.6511 and dL = 1.2576. The position of the Durbin-Watson value is at dU 1.6511 < dw 2.141030 < 4-dU 2.3489, so these results indicate that there is no serial correlation so that the assumption of non-autocorrelation can be fulfilled.

T-Test

Based on the results of Table 6, it can be concluded:

1. Nature of industry results in a t-statistic value of -2.064208 with a significance level of this variable is 0.0480 <0.05, which means that nature of industry does not have a positive but significant effect on financial statement fraud, so h_1 is approved. The test results in this research show that Nature of Industry has a negative and significant influence on financial report fraud. This is proven by a significance value of 0.0480 < 0.05, with a t-statistic value of -2.064208, which means that h_0 is rejected and h_1 is tested, so nature of industry has a negative and significant effect on financial statement fraud.
2. Financial target results in a t-statistic value of -0.402876 with a significance level of this variable is 0.6900> 0.05, which means that financial target has no effect and is not significant on financial statement fraud, so h_2 is rejected. The test results in this research show that financial target has no influence and is not significant in financial report fraud. This is proven by a significance value of 0.6900 > 0.05, with a t-statistic value of -0.402876, which means that h_0 is approved and h_2 is rejected, so the financial target has no effect and is not significant on financial statement fraud.
3. Financial stability produces a t-statistic value of 4.022937 with a significance level of this variable is 0.0004 <0.05, which means that financial stability has a positive and significant effect on financial statement fraud, so h_3 is approved. The test results in this research show that financial stability has a significant influence on financial report fraud. This is proven by a significance value of 0.0004 < 0.05, with a t-statistic value of 4.022937, which means that h_0 is rejected and h_3 is approved, so financial stability has a significant and influential effect on financial report fraud.

F-Test

Based on the results of Table 6, the f-statistic is 6.813312 with a significance level of 0.001293 <0.05 which means that the nature of the industry, financial target, and financial stability together have a significant effect on financial statement fraud, so h_4 is approved. The test results in this research show that the nature of the industry, financial target, and financial stability have a joint influence on financial report fraud. This is confirmed by a significance value of 0.001293 > 0.05, with an f-statistic value of 6.813312, which means that h_0 is rejected and h_4 is approved, so the nature of industry, financial target, and financial stability have a positive and significant effect on profitability. The results of this research are an update of previous studies. This is because in previous research the independent variables used were not the same as the variables used in this research.

Adjusted R-Squared Test

Based on the results of Table 6, the adjusted r-squared value of 0.352750 or 35.27% means that the nature of the industry, financial target, and financial stability variables in financial statement fraud, while the remaining 64.73% is explained by other variables not included in this research model, such as ineffective monitoring which is measured by independent commissioners in the company, company size which is assessed from the company's total assets, change in auditor which is calculated from whether there is a change of auditor or not, external pressure, personal financial need, rationalization and so on.

Discussion

The nature of industry effect on financial statement fraud

The test results show that the nature of industry has a negative effect on financial report fraud, but it is significant. It means that if the nature of the industry decreases, financial report fraud will increase, whereas the decrease in the nature of the industry will increase the company's financial report fraud. This is in line with research conducted by (Waqidatun, Wijayanti & Maulana, 2021) and also (Kabila & Suryani, 2019), (Fajrina & Rokhmatul, 2018) and (Lestari & Nuratama, 2020) which states that the greater the nature of the industry variable, the smaller the possibility of financial statement fraud. The nature of the industry calculated from receivables has a negative but significant influence, which means that the rise and fall of receivables within the company does not affect fraud, but sharp rises and falls in the value of receivables can be a source of suspicion about fraudulent financial statements.

The financial target on the effect of financial statement fraud.

The test results show that the financial target has no effect and is not significant in reporting fraud. It is meaning that if the financial target increases, financial report fraud will decrease, whereas by decreasing financial report fraud it will be possible to increase the company's financial target. This research is in line with the study conducted by (Syafitri, Ermaya, & Putra, 2021), (Aulia & Afiah, 2020), (Wardhani, 2020), (Pratiwi & Khairani, 2022), (Kurniati & Sopian, 2020), (Kabila & Suryani, 2019), and (Putra, Suryaputri & Muliana, 2022). Financial targets in their calculations use the return on assets ratio. This can happen because the size of the company's ROA value does not influence management to commit financial report fraud. After all, managers still think that the ROA value targeted by the company is still considered reasonable and achievable.

The financial stability influence on financial statement fraud.

The test results show that financial stability has a significant and influential effect on financial report fraud. It is meaning that if financial stability increases, financial report fraud will also increase. This study in line with research conducted by (Syafitri, Ermaya, & Putra, 2021), (Alfian, 2020), (Wardhani, 2020) and (Jao, Mardiana, Holly & Chandra, 2020). The company's financial stability can be seen from the value of the company's assets. The more stable the asset value, the more stable the company's finances will be. On the other hand, a very high valuation of assets can also be a source of fraud. The asset value is shown as real or does it only look stable for the company

CONCLUSIONS

Based on The research conducted through various tests that have been mentioned previously, it can be used to draw the following conclusions: the nature of industry has a negative and significant effect on financial reporting fraud. The financial target has no effect and is not significant on financial reporting fraud. Financial stability has a positive and significant effect on financial statement fraud. The nature of the industry, financial target, and financial stability simultaneously affect financial statement fraud. Based on the findings in the study, this can have the following implications: the rise and fall of a receivable in the company has no effect on fraud, but the sharp rise and fall in the value of receivables can be a source of suspicion of financial statement fraud. The level of ROA in the company does not affect accounting fraud committed by management, because managers still believe that the targets set by the company are still considered reasonable and achievable. The financial stability of the company can be seen from the value of the company's assets. The more stable the asset value, the better the company value will be. There is a lack of research variables, because many factors can also influence fraudulent financial reports, and are only limited to the food sector. According to the conclusions presented above, the suggestions for future researchers are expected to develop independent variables that can influence financial report fraud such as rationalization, ineffective monitoring, arrogance, and so on. Future researchers are expected to examine other sectors such as the banking sector and others. For Companies, the ratio of receivables to sales must be appropriate so as not to cause losses and not make the financial statements look suspicious. A good company will reduce and reduce the amount of receivables. ROA may not influence fraudulent financial statements, but ROA calculations must still be carried out so that the company continues to have reasonable targets in its operations. Asset management is very necessary for a company to be able to manage assets well. Good management of company assets can increase the trust of all parties.

REFERENCE

Abimanyu, F. Z. (2021). Faktor - Faktor yang Mempengaruhi Kecurangan Laporan Keuangan dalam Perspektif Fraud Triangle.

ACFE Indonesia Chapter. (2017, Agustus). *Survai Fraud Indonesia 2016.* Jakarta: ACFE Indonesia Chapter. Retrieved from http://acfe-indonesia.or.id/wp-content/uploads/2017/07/SURVAI-FRAUD-INDONESIA-2016.pdf

ACFE Indonesia Chapter. (2020). *Survei Fraud Indonesia 2019.* Jakarta: ACFE Indonesia Chapter. Retrieved from https://acfe-indonesia.or.id/wp-content/uploads/2021/02/SURVEI-FRAUD-INDONESIA-2019.pdf

Aulia, V., & Afiah, E. T. (2020, Agustus). Financial Stability, Financial Targets, Effective Monitoring Laporan Keuangan. *Jurnal Revenue, 01*(01).

Jao, R., Mardiana, A., Holly, A., & Chandra, E. (2020). Pengaruh Financial Target dan Financial Stability terhadap Financial Statement Fraud. *4*(1), 27-42.

Pratiwi, R., & Khairani, S. (2022). Pengaruh Financial Target Dan Ukuran Perusahaan Terhadap Kecurangan Laporan Keuangan (Studi Kasus Perusahaan Property, Real Estate dan Building Construction Yang Terdaftar di Bursa Efek Indonesia Tahun 2019-2021). *Jurnal Ilmiah Ekonomi Dan Bisnis Universitas Multi Data Palembang, 12*(1), 70.

Suryandari, N. N., & Endiana, I. D. (2019). *Fraudulent Financial Statement.* (D. A. Yuesti, Ed.) Bali: CV Noah Aletheia.

Abdullahi, R., Mansor, N., & Nuhu, M. S. (2020, November 16). *Fraud Triangle Theory And Fraud Diamond Theory: Understanding The Convergent And Divergent For Future Research.* Perbendaharaan, Kementerian Keuangan RI Direktorat Jenderal. Retrieved from http://www.djpb.kemenkeu.go.id/kppn/tanjung/id/data-publikasi/artikel/2880-jr.html

Abimanyu, F. Z. (2021). Faktor - Faktor Yang Mempengaruhi Kecurangan Laporan Keuangan Dalam Perpektif Fraud Triangle.

ACFE Indonesia Chapter. (2017, Agustus). *Survai Fraud Indonesia 2016.* Jakarta: ACFE Indonesia Chapter. Retrieved from http://acfe-indonesia.or.id/wp-content/uploads/2017/07/SURVAI-FRAUD-INDONESIA-2016.pdf

ACFE Indonesia Chapter. (2020). *Survei Fraud Indonesia 2019.* Jakarta: ACFE Indonesia Chapter. Retrieved from https://acfe-indonesia.or.id/wp-content/uploads/2021/02/SURVEI-FRAUD-INDONESIA-2019.pdf

Alfian, N. (2020). Pengaruh *Financial Stability*, Change In Auditors, DCHANGE, CEO's Pict Pada Fraud Dalam Perspektif Fraud Pentagon. *Jurnal Akuntansi dan Investasi, 4*. Retrieved from ejournal.unira.ac.id

Aulia, V., & Afiah, E. T. (2020). *Financial Stability*, Financial Targets, Effective Monitoring Dan Rationalization Dan Kecurangan Laporan Keuangan. *Jurnal Revenue, 01*. doi:10.46306/rev.v1i1.9

Bratasiwaya, T. P. (2021). Analisis Pendeteksian Fraudulent Financial Statement Menggunakan Pendekatan Fraud Diamond Pada Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia Tahun 2014-2018. Retrieved from http://e-journal.uajy.ac.id/24074/5/16%2004%20227621.pdf

Fachmy Faiz Bentar Kabila, E. S. (2019). Pengaruh Financial Target, Nature Of Industry, Opini Audit Dan Pergantian Direksi Terhadap Kecurangan Laporan Keuangan (Studi Pada Perusahaan Perbankan yang terdaftar di Bursa efek Indonesia (BEI) pada Tahun 2015-2017). *e-Proceeding of Management, 6*, 5706-5716. Retrieved from https://openlibrarypublications.telkomuniversity.ac.id/index.php/management/article/view/11127

Fadli, Z., AW, J., & Simanjuntak, A. (2020). Analisis Deteksi Kecurangan Penyajian Laporan Keuangan Perusahaan Property Dan Real Estate Di Bursa Efek Indonesia Tahun 2018 -2019. *Jurnal Akuntansi, Keuangan & Perpajakan Indonesia*.

Fajrina, & Rokhmatul, D. (2018). Pengaruh Nature Of Industry, Profitabilitas Dan Opini Audit Terhadap Kecurangan Laporan Keuangan. Retrieved from http://eprints.umg.ac.id/id/eprint/699

Ghozali, I. (2013). *Aplikasi Analisis Multivariate Dengan Program IBM SPSS, Edisi 7.* Semarang: Penerbit Universitas Diponegoro.

Ghozali, I. (2016). *Aplikasi Analisis Multivariate Dengan Program IBM SPSS 23 (Edisi 8).* Semarang: Badan Penerbit Universitas Diponegoro.

Ghozali, I. (2018). *Aplikasi Analisis Multivariate dengan Program IBM SPSS 25.* Semarang: Badan Penerbit Universitas Diponegoro.

Hugo, J. (2019). Efektivitas Model Beneish M-Score Dan Model F-Score Dalam Mendeteksi Kecurangan Laporan Keuangan. *Jurnal Muara Ilmu Ekonomi dan Bisnis, 3*, 165-175.

Ijudien, D. (2018). Pengaruh Stabilitas Keuangan, Kondisi Industri Dan Tekanan Eksternal Terhadap Kecurangan Laporan Keuangan. *Jurnal Kajian Akuntansi*.

Ikatan Akuntansi Indonesia. (2016). *Penyusunan dan Penyajian Laporan Keuangan sesuai PSAK 1, PSAK 2, PSAK 3, PSAK 25 dan ISAK 17.* Retrieved from http://iaiglobal.or.id/v03/PPL/detail_ppl-650.html

Jao, R., Mardiana, A., Holly, A., & Chandra, E. (2020). Pengaruh Financial Target dan *Financial Stability* terhadap Financial Statement Fraud. *YUME : Journal of Management, 4*(1), 27-42. doi:10.37531/yum.v11.76

Komala, R., & Piturungsih, E. (2019). Pengaruh Asimetri Informasi, Moralitas Individu Dan Pengendalian Internal Terhadap Kecenderungan Kecurangan Akuntansi. *e-Jurnal Akuntansi*.

Kurniati, R. A., & Sopian, D. (2020). Pengaruh *Financial Stability*, Financial Target Dan External Pressure Terhadap Kecurangan Laporan Keuangan (Studi Pada Perusahaan Manufaktur Industri Barang Konsumsi yang Terdaftar di Bursa Efek Indonesia Periode 2015–2019). *JSMA (Jurnal Sains Manajemen & Akuntansi)*. Retrieved from epub.imandiri.id

Lestari, A. A., & Nuratama, I. P. (2020). Pengaruh *Financial Stability*, External Pressure, Nature Of Industry Dan Rationalization Terhadap Financial Statement Fraud Dalam Sudut Pandang Fraud Triangle Pada Perusahaan Sektor Real Estate And Property Yang Terdaftar Di Bursa Efek Indonesia Tahun 2014. *Hita Akuntansi dan Keuangan*. doi: https://doi.org/10.32795/hak.v1i1.782

Musdafia, I., & Amanda, L. (2019). Upaya Pencegahan Dan Kecenderungan Untuk Melakukan Fraud Pada Laporan Keuangan. *JRAA : Jurnal Riset Akuntansi dan Auditing, 6*. Retrieved from https://journals.stie-yai.ac.id/index.php/JRAA/article/view/311/251

Pratama, R., & Puspitasari, W. (2022). Pengaruh Financial Distress Terhadap Kecurangan Laporan Keuangan. *Jurnal Ekonomi Trisakti, 2*, 703-718.

Pratiwi, R., & Khairani, S. (2022). Pengaruh Financial Target Dan Ukuran Perusahaan Terhadap Kecurangan Laporan Keuangan (Studi Kasus Perusahaan Property, Real Estate dan Building Construction Yang Terdaftar di Bursa Efek Indonesia Tahun 2019-

2021). *Jurnal Ilmiah Ekonomi Dan Bisnis Universitas Multi Data Palembang, 12*. doi:https://doi.org/10.35957/forbiswira.v12i1.3291

Prayonggie, R. S., & Yohanes. (2022). Analisis Fraud Pentagon Theory Dalam Mendeteksi Kecurangan Laporan Keuangan. *Trilogi Accounting And Business Research, 03*, 34-38.

Putraa, A. S., Suryaputri, R. V., & Muliana, K. (2022). Pengaruh Fraud Diamond Dan Kepemilikan Institusional Terhadap Pendeteksian Kecurangan Laporan Keuangan Dengan Nature Of Industry Dan Financial Leverage Sebagai Variabel Kontrol. *11*. doi:https://doi.org/10.36418/gemaekonomi.v11i6.2443

Sandria, F. (2021). *Deretan Skandal Lapkeu di Pasar Saham RI, Indofarma-Hanson!* CNBC Indonesia. Retrieved from https://www.cnbcindonesia.com/market/20210726191301-17-263827/deretan-skandal-lapkeu-di-pasar-saham-ri-indofarma-hanson/2

Syafitri, M., Ermaya, H., & Putra, A. (2021). Dampak Corporate Governance, *Financial Stability*, Dan Financial Target Dalam Kecurangan Laporan Keuangan. *JURNAL AKUNIDA, 7*. Retrieved from https://ojs.unida.ac.id/JAKD/article/view/4457/2770

Waqidatun, A. F., Wijayanti, A., & Maulana, A. (2021). Nature Of Industry, Ketidakefektifan Pengawasan, Dan Kecurangan Laporan Keuangan: Moderasi Teknologi Informasi. *Business Management, Economic, and Accounting National Seminar, 2*, 65-79. Retrieved from https://conference.upnvj.ac.id/index.php/biema/article/view/1685

Wardhani, A. A. (2020). Pengaruh *Financial Stability*, External Pressure, Financial Target, Dan Ineffective Monitoring Terhadap Kecurangan Laporan Keuangan Pada Bank Umum Swasta Nasional Devisa Yang Terdaftar Di Bei Periode 2014-2018. Retrieved from http://eprints.perbanas.ac.id/id/eprint/6879

Stability, Dan financial Target Dalam Kecurangan Laporan Keuangan. *Jurnal Akunida, 7*(1).

Waqidatun, A. F., Wijayanti, A., & Maulana, A. (2021). Nature of Industry, Ketidakefektifan Pengawasan, dan Kecurangan Laporan Keuangan. *Business Management, Economic, and Accounting National Seminar, 2*, 65-79.

Wardhani, A. A. (2020). Pengaruh Financial Stability, External Pressure, Financial Target, dan Ineffective Monitoring Terhadap Kecurangan Laporan Keuangan Pada Bank Umum Swasta Nasional Devisa yang Terdaftar di BEI Periode 2014-2018.