ABSTRACT

THE EFFECT OF FINANCIAL STABILITY, FINANCIAL TARGET, AND INEFFECTIVE MONITORING ON THE POTENTIAL FOR FINANCIAL STATEMENT FRAUD

(Survey on Mining Sector Companies Listed on the Indonesia Stock Exchange (IDX) for the 2019 – 2024 period)

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This study aims to: 1) Examine financial stability, financial targets, ineffective monitoring, and the potential for financial statement fraud in mining companies listed on the Indonesia Stock Exchange from 2019 to 2024. 2) To examine and analyze the simultaneous and partial effects of Financial Stability, Financial Targets, and Ineffective Monitoring on the Potential for Financial Statement Fraud in Mining Sector Companies listed on the Indonesia Stock Exchange from 2019 to 2024. The sample selection in this study employed a purposive sampling method, resulting in 24 companies as the sample. Data analysis employed logistic regression using SPSS 25 software. The results indicate that: 1) Financial Stability, Financial Targets, and Ineffective Monitoring simultaneously influence the Potential for Financial Statement Fraud. 2) Financial Stability has a partial, positive, effect on the Potential for Financial Statement Fraud. 3) Financial Targets and Ineffective Monitoring do not have a partial effect on the Potential for Financial Statement Fraud. The Nagelkerke R^2 coefficient value of 0.113 indicates that the three independent variables account for 11.3% of the variation in the potential for financial statement fraud, while the remaining 88.7% is explained by other factors outside the scope of this study.

Keywords: *Financial Stability, Financial Target, Ineffective Monitoring, Financial Statement Fraud.*