

ABSTRACT

This study aims to obtain empirical evidence about the effectiveness of the Vousinas S.C.C.O.R.E Model, which is more commonly called the fraud hexagon in detecting indications of fraud in the insurance sector's financial statements. The sampling technique uses a purposive sampling technique with a time period of 2017 – 2021 with a total sample of 80 company data. The analysis was carried out by means of panel data logistic regression using the evIEWS program

The independent variable of this study uses elements from the Vousinas S.C.C.O.R.E Model or fraud hexagon which consists of stimulus/pressure represented by the variables financial target, financial stability, and external pressure. The next element is opportunity which is represented by ineffective monitoring, the element of rationalization which is represented by the total accrual ratio (TATA) and auditor turnover, the element of capability which is represented by the change of directors, the element of ego/arrogance with the variable CEO's picture, and multiple positions, as well as the element of collusion which represented by the project variables with the government. Meanwhile, the dependent variable in this study is fraudulent financial reports proxied using the f-score and m-score as an analytical tool for comparison.

The results of the study with f-score analysis show that financial targets, financial stability, external pressure, multiple positions, and cooperation with the government have a positive and significant effect on fraud in financial statements. While research using the m-score, the results show that all independent variables have no influence on fraudulent financial reports.

Keywords : Fraudulent Financial Report, Vousinas S.C.C.O.R.E Model, Financial Target, Financial Stability, External Pressure, Ineffective Monitoring, Total Accrual Ratio, Change in Auditor, Change in Director, CEO's Picture, Dualism Position and Project with Government.