

**DETECTION OF FRAUD IN THE COMPANY'S FINANCIAL STATEMENTS
USING THE THEORY OF FRAUD DIAMONDS**

**(Case Study : Companies In The Infrastructure Sector Listed on The Indonesia Stock
Exchange For The Period 2018 to 2024)**



RESEARCH PROPOSAL

Proposed as one of the requirements for writing a thesis in the Bachelor Program, Department of Management, Faculty of Economics and Business, Andalas University

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Detection Of Fraud In The Company's Financial Statement Using The Theory Of Fraud Diamonds (Case Study : Companies In The Infrastructure Sector Listed On The Indonesia Stock Exchange)

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ABSTRACT

This study aims to detect financial statement fraud in infrastructure sector companies listed on the Indonesia Stock Exchange (IDX) for the period 2018–2024 by applying the Fraud Diamond Theory. The theory identifies four key elements that may contribute to fraudulent behavior: pressure, opportunity, rationalization, and capability. The research design employs a quantitative approach with purposive sampling, selecting companies that consistently published annual reports during the observation period. Secondary data were obtained from the IDX official website and company annual reports. The Beneish M-Score model was applied to measure the likelihood of financial statement fraud, while multiple linear regression analysis was used to test the hypotheses. The findings reveal that [replace with results once available]. These results highlight the importance of strengthening corporate governance mechanisms, enhancing transparency, and improving monitoring systems to reduce opportunities for fraudulent reporting. Theoretically, this research contributes to the literature on fraud detection by providing empirical evidence on the applicability of the Fraud Diamond Theory in the Indonesian context. Practically, the study provides valuable insights for regulators, auditors, and company management in developing preventive measures against fraudulent financial reporting.

Keywords : *Fraud Diamond Theory, financial statement fraud, Beneish M-Score, infrastructure sector, Indonesia Stock Exchange.*

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