

Financial Statement Analysis for Fraud Detection

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Abstract: *The study evaluated the performance measures of fraud detection models on the detection of financial statement fraud. Financial statement fraud is a serious problem that harms businesses and investors. This study examines what causes fraud and how to stop it. After reviewing 30 research papers, we identified four main factors that lead to fraud: pressure, opportunity, rationalization, and ability. We also found effective ways to detect fraud, such as analyzing financial ratios and using audit committees. To prevent fraud, companies should take key steps. These include encouraging whistle blowing, fostering honest cultures, governing effectively, controlling risks, and leveraging technology. By implementing these measures, businesses can protect themselves and their stakeholders. Our findings provide practical solutions for policymakers, auditors, and business leaders to reduce fraud risks and safeguard financial markets.*

Keywords: Financial statement analysis, Fraud detection, Financial forensic analysis, accounting irregularities, financial reporting fraud