

## **ABSTRACT**

*Fraud is an intentional unlawful act for a particular purpose to obtain personal gain which is detrimental to the other party. Fraudulent financial statements are omissions in the financial statements that are presented not in accordance with accounting principles. So that it can influence the decisions to be taken by interested parties.*

*This study aims to determine the effect of corporate governance, whistleblowing system, financial stability, and external pressure on financial statement fraud, both simultaneously and partially. The population in this study is non-financial public companies that were included in the Indonesian Institute for Corporate Directorship (IICD) award in the 2014-2018 period. This study uses purposive sampling with 90 company samples, of which 19 are outlier data, so 71 final samples are obtained. Statistical analysis uses descriptive analysis and logistic regression analysis.*

*The results showed that corporate governance, whistleblowing system, financial stability, and external pressure had a simultaneous effect on financial statement fraud. Partially, the whistleblowing system has a negative effect on financial statement fraud, financial stability, and external pressure has a positive effect on financial statement fraud. While corporate governance variables do not affect financial statement fraud.*

*This research is expected to be used as a reference and it is recommended for researchers to be able to reuse the objects and factors of corporate governance and whistleblowing systems, because these objects and factors have not been much explained about the relationship with fraudulent financial statements, and researchers can add to the research period in order to obtain more data good or accurate. For companies, to review in implementing the whistleblowing system procedures, in order to reduce or detect the occurrence of fraudulent financial statements. For investors, it is advisable to pay attention to factors of the company's financial condition by looking at financial stability and external pressure before investing funds.*

*Keywords: Fraud, Fraudulent Financial Statements, Corporate Governance, Whistleblowing System, Financial Stability, and External Pressure.*