

ABSTRACT

Financial reports are a form of communication between company owners and company managers. The purpose of financial reports is to provide information about the company's financial position, financial performance and cash flow, which is useful for most users of financial statements in making economic decisions. The importance of the information contained in the financial statements makes management make every effort to produce financial reports that illustrate that the company is in a healthy state. This encourages management to manipulate financial statements. This act of fraud is known as fraud. So that it can mislead users of financial statements when making decisions.

This study aims to determine and analyze the effect partially and simultaneously of pressure, opportunity, rationalization and capability included in the fraud diamond on fraudulent financial statements of mining companies listed on the Indonesia Stock Exchange (IDX) 2016-2019.

The data used in this study is secondary data in the form of annual financial reports which are sampled in this study. The sampling technique in this research is purposive sampling technique and obtained as many as 31 companies in a period of 4 years and obtained a total sample of 124 companies. The analysis technique used in this research is logistic regression analysis using SPSS software.

The results of this study indicate that the variables of pressure, opportunity, rationalization, and ability simultaneously have a significant effect on fraudulent financial statements in mining companies during the study period 2016-2019. The partial test results show that pressure, rationalization, ability have no effect and opportunity has a negative effect on fraudulent financial reporting in mining sector companies listed on the Indonesia Stock Exchange for the period 2016-2019.

Based on the results of this study, researchers provide theoretical suggestions to further researchers and provide practical advice to companies and investors.

Keywords: *Pressure, Capability, Opportunity, Rationalization. Fraud Diamond,, Financial Statement Fraud.*