

## **ABSTRACT**

*Fraudulent financial statement is misstatement in the presentation of financial statement which is carried out by reducing or even adding the value of several accounts intentionally. So the information presented in the financial statements shows that the company achieved the specified profit target each year, despite the fact that there was some data being manipulated. This action can mislead users of financial statements in the decision making process.*

*Independent variables in this study are the characteristic of the audit committee, CEO tenure, and arrogance. Meanwhile, the dependent variable is financial statement fraud. This study aims to determine the effect of the characteristic of audit committee, CEO tenure and arrogance on fraudulent financial statements either simultaneously or partially using Beneish M-Score Model on consumer goods sector companies listed on the Indonesia Stock Exchange in 2017-2019.*

*The population in this study are all consumer goods industrial sector companies for the period 2017-2019 which are listed on the Indonesia Stock Exchange. The resulting sample is 99 companies using purposive sampling. The analytical method used is panel data regression using Eviews 10 software.*

*The results of the tests that have been carried out show that simultaneously the characteristics of the audit committee, CEO tenure, and arrogance variables have a significant effect on financial statement fraud. Partially, CEO tenure has a negative effect on financial statement fraud, while the characteristics of audit committee and arrogance have no significant effect on financial statement fraud.*

*For academics, the research results are expected to be a reference for the development of accounting science, especially in the field of financial statement fraud. Further researchers are advised to develop independent variables because the independent variables in this study were only able to explain their effect on the dependent variable of 31.6%. For companies, the results of this study can be taken into consideration in retaining CEOs who have long tenures. As for investors, it is expected to be taken into consideration in investment decisions, so that they prefer companies that have a longer tenure.*

**Keywords:** *arrogance, CEO tenure, characteristic of audit committee, and financial statement fraud.*