

ABSTRACT

Financial statement is a document that contains information that describes a company, from which information can be known about a company. The information contained in the financial statements is very important for internal and external parties in the decision making process. Important financial information contained in the financial statements, management supports financial statements that show the company's good condition by manipulating financial statements.

This study aims to determine the effect of financial stability, external pressure, ineffective monitoring, nature on industry, total accruals, change of auditor, change of director, and frequent number of CEO's picture to detecting financial statement fraud on companies that listed on IDX30 index during 2015-2019.

This research uses secondary data based on annual reports and audited financial statements of companies. The population of this research are companies that consistently listed on IDX30 index for the period 2015-2019. The sample selection technique in this research used purposive sampling to obtain 13 companies that listed on the IDX30 during the 2015-2019 period. Data analysis techniques used are descriptive statistical analysis and logistic regression analysis using IBM SPSS statistical software.

The results showed that simultaneously the variables of financial stability, external pressure, ineffective monitoring, nature of the industry, total accrual, change of auditor, change of director and frequent number of CEO's picture had an effect on fraudulent financial reporting. The partial test results show that the variables of financial stability and total accruals have a positive effect on fraudulent financial reporting. Meanwhile, external pressure variables, ineffective monitoring, nature of the industry, change of auditor, change of director and frequent number of CEO's picture have no effect on financial reporting.

For further researchers, this research can be used as a reference, with the same or different samples and objects. Researchers suggest adding the latest references on matters relating to fraudulent financial statements. Users of financial statements are expected to pay attention to the detailed information presented in the financial statements so that they are not wrong in making decisions.

Keywords: Beneish m-score model, fraud pentagon, and fraudulent financial reporting