

## **ABSTRACT**

*This study aims to examine the influence of the pentagon fraud risk factors developed by Crowe Howart on fraudulent financial reporting in health and technology sector companies listed on the Indonesia Stock Exchange in 2019 to 2021. The pentagon fraud risk factors are proxied by external pressure, supervision ineffectiveness, changes in auditors, changes in directors, and CEO narcissism.*

*The research population consists of all companies in the technology and health sectors listed on Indonesia Stock Exchange in 2019 to 2021. The sample in this study consists of 33 companies which are a combination of both sectors. Samples were taken using the purposive sampling method. The type of data is secondary data using financial report data. Data was collected using the documentation method. Data were processed using the logistic regression analysis method.*

*The research results show that external pressure variable has a positive effect on fraudulent financial reporting and the supervision ineffectiveness has a negative effect on fraudulent financial reporting. Meanwhile, the variables of changes in auditors, changes in directors, and CEO narcissism have no significant effect on fraudulent financial reporting. On the other hand, Beneish M-score model detected that 22 out of 99 sample companies were suspected of fraudulent financial reporting. This result is only a possibility and needs further study to prove whether the company is actually committing fraud.*

**Keyword:** *Financial reporting fraud, fraud pentagon, Beneish M-score*