

ABSTRACT

The purpose of this study was to examine and to analyze of the factors that influence the likelihood of fraudulent financial reporting. In addition, this study also purposed to determine whether firm size, financial stability, leverage, profitability, independency board of commissioners, nature of industry, change of external auditor, opinion audit, and change of direction.

The population of this research were manufacturing companies listed on the Indonesia Stock Exchange from 2016 to 2018 among 175 companies. The sample selection used purposive sampling method and obtained 420 unit of analyse as samples. Furthermore, the research analysis technique used descriptive statistics and logistic regression.

Based on the results of regression tests that firm size, financial stability, leverage, profitability, composition of the board of commissioners, managerial ownership, nature of industry, change in auditor, and change in members of directors have no effect on the likelihood of fraudulent financial reporting. Meanwhile, audit opinion has a negative effect on the likelihood of fraudulent financial reporting.

Keyword: *fraudulent financial reporting, firm size, leverage, profitability, composition of the board of commissioners, managerial ownership, nature of industry, change in auditor, audit opinion, and change in members of directors.*