

ABSTRACT

This study aimed to analyze the factors that can detect financial statement fraud. Indication financial statement fraud in this study obtained from Beneish M-Score. This study used five proxies for independent variables, pressures proxied with financial stability, opportunities proxied with ineffective monitoring, rationalization proxied with audit opinion, capabilities proxied with changes in directors, and arrogance proxied with frequency number of CEO pictures.

The object of research is non-financial companies listed on the stock exchange of Indonesia in 2016-2019. The sample used in this research are 500 companies. The data analysis used is multiple linear regression. The result of research refer that financial stability and audit opinion affect the financial statement fraud. While ineffective monitoring, changes of directors, and frequency number of CEO pictures does not affect the financial statement fraud.

Keywords: *fraud pentagon, fraudulent financial statement, pressure, opportunity, rationalization, competence, arrogance*