ABSTRACT

Financial reporting fraud is the most harmed type of fraud compared to other forms of fraud. Because fraudulent financial reporting can lead to errors in decision making for the users of financial statements.

This study aims to determine whether there is influence in financial stability, financial leverage, capital turnover ratio, and ineffective monitoring against fraudulent financial reporting (earnings manajement).

This research uses the type of descriptive research verifikatif is causality. With the object of research that is, mining companies listed on Bursa Efek Indonesi *(BEI) in 2012-2016. The research data obtained by purposive sampling technique and obtained as many as 32 samples, with analysis technique used regresi panel data.*

The results of the partial test found that financial stability affected financial reporting fraud. While financial leverage, capital turnover ratio, and ineffective monitoring did not affect financial reporting fraud, while simultaneously financial stability, financial leverage, capital turnover ratios, and ineffective monitoring affected financial reporting fraud.

Based on the results of the research the company is expected to maintain financial stability, because financial stability is an illustration of the condition of the company. This can be a consideration for investors and prospective investors. If financial stability is not good, then it is likely that the company will cheat financial reporting, so that it will still look good for users of financial statements

Keywords: financial stability, financial leverage, capital turnover ratio, ineffective monitoring and fraudulent financial reporting.