

## ABSTRACT

*Mining companies have good and open potential to explore these mining resources. Mining companies have business activities such as exploration of resources, production and processing as separate business or business entities.*

*This study aims to determine the effect of financial stability, external pressure, ineffective monitoring, simultaneous rationalization on fraudulent financial statements and examine the effect of each independent variable on the dependent variable, namely fraudulent financial statements at mining companies listed on the Stock Exchange in 2013-2017. The data used in this study was obtained from financial statements.*

*This research is quantitative research. Sample selection is done by purposive sampling method. The data used is secondary data. The method of data analysis in this study is panel data regression analysis. The population of the data in this study are all mining companies listed on the Indonesia Stock Exchange (IDX) for the period 2013-2017, of which there are 42 companies. Samples of 12 companies.*

*The results of this study indicate that financial stability, external pressure, ineffective monitoring, and rationalization simultaneously affect fraudulent financial statements. Then financial stability, external pressure and ineffective monitoring have no effect on financial report fraud and rationalization has a positive effect on fraudulent financial statements.*

*Based on the results of the study, external pressure and ineffective monitoring have a positive effect, which means that external pressure and ineffective monitoring have an influence on fraudulent financial statements or the higher the level of external pressure and the low level of ineffective monitoring in a company, the more likely the company to cheat financial statements.*

**Keywords:** *financial stability, external pressure, ineffective monitoring, rationalization*