

ABSTRACT

Fraud is an intentionally action by a person or group with the aim of obtaining benefits. Fraudulent financial statements are one type of fraud that often occurs in Indonesia. The occurrence of fraudulent financial statements will causing internal conflicts within a company will also harm external parties in making decisions.

This study aims to detect fraudulent financial statements using pentagon fraud analysis in the form of factors of pressure, opportunity, rationalization, capability and arrogance factors in mining sector companies listed on the Indonesia Stock Exchange period of 2014-2018.

The population in this study is the mining sector companies listed on the Indonesia Stock Exchange period of 2014-2018, amounting to 31 sample companies. The analysis technique used is logistic regression using SPSS 25 software.

The results showed that simultaneously the pressure, opportunity, rationalization, capability, and arrogance have an effect on the fraudulent financial statement in mining sector companies listed on the Indonesia Stock Exchange in the 2014-2018 period. Partially test results pressure, opportunity, rationalization, capability have no effect and arrogance have a positive effect on fraudulent financial statement on mining sector companies listed on the Indonesia Stock Exchange in the 2014-2018 period.

Based on the results in this study, researcher provide theoretical advice to the next researchers and provide practical advice to companies and investors.

Keywords: Fraudulent financial statement, pressure, opportunity, rationalization, capability, arrogance, fraud pentagon