

ABSTRACT

In financial management in a company, it certainly does not escape from fraudulent financial statements or the bad intentions of someone who wants to abuse company finances which has an impact on causing losses to the company and can be said to be a criminal act called Fraud. The occurrence of financial statement fraud requires a detection tool to detect manipulation, one of which is the Beneish M-Score.

This study aims to determine the effect of external pressure, ineffective monitoring, audit opinion and change of directors of financial statement fraud in financial sector companies in the banking sub-sector listed on the Indonesia Stock Exchange for the 2016-2020 period, either simultaneously or partially. The population in this study are financial sector companies in the banking sub-sector listed on the Indonesia Stock Exchange for the 2016-2020 period. The sampling technique used purposive sampling in order to obtain 170 samples from 34 companies with a study period of five years. The data analysis method in this study is logistic regression analysis using IBM SPSS 26.

This study shows that external pressure, monitoring ineffectiveness, audit opinion, and change of directors simultaneously have a significant effect on financial statement fraud. Partially, external pressure has a significant negative effect on financial statement fraud. Meanwhile, the ineffectiveness of monitoring, audit opinion, and change of directors have no effect on fraudulent financial statements. The results of this study are expected to be additional information by analyzing the possibility of fraud in financial statements for making decisions when investing.

Keywords: *ineffective monitoring, audit opinion, change of director, external pressure, financial statement fraud*