

ABSTRACT

This study aims to examine the influence of fraud factors from fraud pentagon theory to detect fraudulent financial reporting on financial and banking companies in 2017-2019. Independent variable is proxies from fraud pentagon theory which are external pressure, ineffective of monitoring, changes in auditor, changes in directors, and frequent number of CEO's pictures while dependent variable is fraudulent financial reporting which is proxied by Beneish M-Score

Research population is all financial and banking companies listed on Indonesia Stock Exchange (IDX) in 2017-2019. The sampling techniques used purposive sampling and resulting 2019 companies that match with the criteria. The data analysis method used in this research is logistic regression method to obtain result of research

The result of this study shows that only ineffective monitoring which proxied by number of board commissioners meeting has an effect in detecting fraudulent financial reporting. Meanwhile, external pressure, changes in auditors, changes in directors and frequent number of CEO pictures has no effect in detecting fraudulent financial reporting.

Keywords : *Fraud Pentagon Theory, Fraudulent Financial Reporting, Beneish M-Score*

