

## **ABSTRACT**

*This study aims to analyze indications of fraudulent financial reporting in banking before and during the Covid-19 pandemic. Indications of fraudulent financial reporting can be seen through liquidity, effective monitoring, external auditor quality, managerial ability, and the prominence of the CEO's photograph.*

*This study uses secondary data in the form of annual financial reports and data from the Bloomberg FEB Diponegoro University laboratory. This research was conducted on banking companies listed on the Indonesia Stock Exchange in 2017-2021. The number of observations used was 114 observations for research samples before the Covid-19 pandemic (2017-2019) and 81 observations for research samples during the Covid-19 pandemic (2020-2021). Multiple linear regression analysis is used to test the effect of each variable.*

*The results showed that external auditor quality had a negative effect on financial statement fraud both before and during the Covid-19 pandemic, while managerial ability had a positive effect on financial statement fraud only before the Covid-19 pandemic. The variables of liquidity, effective monitoring, and the prominence of the CEO's photograph could not identify fraudulent financial reporting before and during the Covid-19 pandemic. This research has implications for the strong independence of external auditors that will assist banks in finding fraudulent financial statements, while the ability of managers in maintaining company efficiency is an indicator of increased fraudulent financial reporting in the pre-Covid-19 pandemic.*

*Keywords: Banking, Covid-19, financial statement fraud, pentagon.*

