

# Determinant of Financial Statement Fraud: Fraud Pentagon Perspective in Manufacturing Companies.

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- **Abstract:** This research aims to get empirical proof relating to the results of fraud determinant supported fraud pentagon such as (1) pressure consists of financial stability, external pressure, and financial targets; (2) opportunity consists of ineffective monitoring and nature of industry; (3) rationalization; (4) competence; and (5) arrogance toward financial statement fraud. The sampling technique used was purposive sampling with the final sample of 103 manufacturing companies listed in Indonesia Stock Exchange during the period 2013-2017. Data analysis used was multiple linear regression analysis. The findings showed that financial stability, external pressure, ineffective monitoring, nature of industry, competence, arrogance, and a frequent number of CEO's picture have no impact on financial statement fraud. Whereas financial targets have a significant impact on the negative direction on financial statement fraud and rationalization has a positive effect on financial statement fraud.
- **Keywords:** sampling technique, Data analysis, fraud pentagon, empirical proof