

CHAPTER V

CONCLUSION

5.1. Research Conclusion

This research investigates the influence of fraud detection factors on corporate financial reporting through the lens of the Fraud Diamond Theory, which incorporates four primary variables: Financial Targeting (represented by Return on Assets/ROA), Nature of Industry, Rationalization, and Capability—each analyzed in relation to Financial Reporting (FR). The study focuses on companies within the infrastructure sector listed on the Indonesia Stock Exchange (IDX) between 2018 and 2024, comprising a sample of 280 firms that met the specified criteria.

The findings indicate that the Financial Targeting variable has a $P > |t|$ value of 0.165 above the 0.05 significance level and a negative coefficient of -0.3855994, signifying a negative yet statistically insignificant impact on financial reporting. Similarly, the Nature of Industry variable yields a $P > |t|$ value of 0.887, also exceeding the 0.05 threshold, with a coefficient of 0.0185277, reflecting a positive but non-significant effect.

Regarding Rationalization, the variable records a $P > |t|$ value of 0.157 and a positive coefficient of 0.6458325, indicating a positive influence that lacks statistical significance. Lastly, the Capability variable demonstrates a $P > |t|$ value of 0.444 and a negative coefficient of -0.3004921, suggesting a negative yet statistically insignificant relationship with financial reporting fraud.

In summary, the analysis concludes that none of the four examined variables financial targeting, nature of industry, rationalization, or capability exhibit a statistically significant effect on fraudulent financial reporting within the scope of the study.

5.2. Implication

Based on the conclusions that have been described, the authors try to suggest implications that might be useful, including:

1. For academics

This research is very important for educational institutions because it can be used as reference material regarding certain factors that can cause a company to decline or whether there are elements of fraud as researched by researchers. specifically regarding potential fraud which can be used as a reference in further research and in other companies with related variables.

2. For companies

for companies, it can be used as an anticipatory step if something like that happens to their company. The variables used have an influence, such as financial targeting on financial reporting, the effect nature variable on financial reporting has absolutely no influence, the rationalization variable on financial reporting also has no influence and finally the capability variable which also has absolutely no influence on financials. reporting.

This happens and is different from previous studies, which is normal, because researchers only draw conclusions based on report data that researchers get

from each company concerned.

In the future, large, medium and small companies also have the potential for elements of fraud to occur, both internally and externally.

3. For Investor

The benefits for investors are: understanding the company's financial condition, measuring the company's performance, helping to make investment decisions, assessing risks and opportunities, increasing transparency and trust and supporting business prospects

5.3. Research Limitation

This research, like any other, is subject to certain limitations. These limitations are expected to be addressed and refined in future studies that explore similar topics. The specific limitations of this study are as follows:

1. This research focuses solely on projecting company value using Financial Reporting as the dependent variable, which is analyzed in relation to selected independent variables.
2. The sample used in this study represents only a limited portion of the total number of companies registered with the Financial Services Authority (OJK). Specifically, only 280 companies met the criteria and were included as research samples.
3. The study observes data over a relatively short time span, covering only five years, from 2018 to 2021, which may limit the generalizability of the findings across longer time periods.

5.4.Suggestion

The suggestions that can be given for future research are as follows:

1. Future researchers are encouraged to expand the scope of the study by including more companies in the sharia sector, as this area remains relatively underexplored, particularly regarding the potential for fraud and data breaches within Islamic-based business entities.
2. It is also recommended that intervening and moderating variables be incorporated into future models, in order to enrich the analytical framework and provide a more comprehensive understanding of the factors influencing financial reporting fraud..