

CHAPTER V

CONCLUSION

5.1 Conclusion

This study seeks to rigorously assess the impact of IT Governance, as the independent variable, on key audit outcomes namely, Audit Fees and Audit Quality as well as on the Readability of Financial Reporting Footnotes, which serve as the dependent variables. The analysis focuses on a sample of seven telecommunications firms listed on the Indonesia Stock Exchange (IDX) over the period from 2021 to 2023. Drawing upon hypothesis testing, the study presents the following findings and conclusions:

1. The first hypothesis (H1) is rejected since IT governance has no significant influence on audit fees for the telecommunication subsector listed in IDX.
2. The second hypothesis (H2) is accepted since IT governance significantly influence the audit quality of the telecommunication subsector listed in IDX.
3. The third hypothesis (H3) is accepted since IT governance significantly influence the readability of financial reporting footnotes of the telecommunications subsector listed in IDX.

5.2 Research Implication

This study has practical implications regarding the influence of IT governance on audit fees, audit quality, and the readability of financial reporting footnotes in the telecommunications subsector. Through this research, it is expected to offer insightful information for companies, auditors, and regulators. For companies, the findings of this research could be used as the foundation for designing and strengthening the information technology governance system as part of risk management and financial reporting strategies. Although the study finds that IT governance does not have a significant influence on audit fees, its

implementation has proven to enhance audit quality and the readability of financial reporting footnotes, which ultimately could strengthen the reputation of the business and increase investor confidence. For auditors, the findings provide insight that IT governance can be an important indicator while evaluating internal control systems' efficacy and the integrity of financial information. Thus, auditors can consider IT governance aspects in the audit risk assessment process and the development of more effective and efficient examination strategies. Meanwhile, for regulators and policymakers, the expected results of this study include strengthen policies and regulations related to IT governance and financial reporting, thereby encouraging companies to take IT governance more seriously in order to achieve high-quality reporting standards and better information transparency.

5.3 Research Limitation

There are several of limitations to this study as well, which may be taken into account and improved upon in subsequent research. The limitations are as follows:

1. This study only uses data from publicly listed companies in IDX during the period from 2021 to 2023. Out of the total sample, only about seven telecommunications companies have complete information based on the predetermined criteria.
2. The research sample focus is limited to a single industry, telecommunications companies, as this company is highly dependent on information technology and digitalization. As a result, the study's conclusions might not apply as well to other industries with distinct features.
3. In this study, the readability of financial reporting footnotes is assessed using the FOG Index, which focuses solely on structural features of the text, including sentence length and the number of syllables.

5.4 Suggestions

The author proposes several suggestions that could be considered for future research and practical development, as follows:

1. Future studies are encouraged to extend the observation period, so that more historical data can be gathered from companies that previously did not meet the criteria.
2. It is recommended that future research not only focus on the telecommunications subsector but also include various other industrial sectors, in order to enhance the generalization of the research results. This is important considering that each sector has different operational characteristics and levels of dependence on information technology.
3. Subsequent research is expected to use more than one method of readability measurement, such as Flesch Reading Ease, SMOG Index, etc.

