

ABSTRACT

An indication of fraudulent financial reporting is financial reporting where fraudulent acts involve financial manipulation by exaggerating assets, income and profits or understating liabilities, expenses or losses. Indication of fraudulent financial reporting can be measured using the M-Score.

The purpose of this research is to determine, either simultaneously or partially, the impact of financial targets, ineffective monitoring and whistleblowing systems on indications of fraudulent financial reporting. The objects studied in this study are companies in the infrastructure, transportation and logistics sectors that are listed on the Indonesia Stock Exchange (IDX) for the 2019-2021 period.

This study uses data from infrastructure, transportation and logistics companies listed on the Indonesia Stock Exchange for the 2019-2021 period. The technique used in this research is purposive sampling. The samples produced in this study were 159 samples. The analytical method used in this study is logistic regression analysis.

The results of the study show that financial targets, ineffective monitoring and a whistleblowing system simultaneously affect indications of fraudulent financial reporting. And partially, financial targets have a positive effect on indications of fraud in financial reporting. Meanwhile, the ineffective monitoring and whistleblowing system variables do not affect indications of fraudulent financial information.

It is hoped that the results of this test will guide future researchers to examine independent variables that may influence indications of fraudulent financial reporting and to conduct research on different objects. Companies are advised to present financial reports honestly and accurately. Company management and investors need to be more careful in making decisions and it is hoped that this investigation can provide additional information and insight regarding indications of fraudulent financial reporting.

Keywords: Financial Target, Indication of Financial Report Fraud, Ineffective monitoring and Whistleblowing System.