

## The Influence of Internal Control, Company SOP and Auditor Professionalism on Fraud Prevention Measures

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**Tujuan Utama** - Tujuan utama penelitian ini bertujuan untuk mengetahui pengaruh antar variabel yaitu pengendalian internal, SOP perusahaan, dan auditor professionalism dengan tindakan pencegahan fraud secara simultan dan parsial yang terjadi pada perusahaan roti.

**Metode** - Sampling secara purposive dalam penelitian saat berupa sampel jenuh dari 105 karyawan perusahaan roti yang terdaftar di Bursa Efek Jakarta untuk periode 2017-2020. Penelitian ini bersifat kuantitatif sebagai metodenya sehingga data diuji dengan SPSS IBM 22 melalui pendekatan regresi berganda.

**Temuan Utama** – Pengendalian internal (PI) berpengaruh positif dan signifikan terhadap tindakan pencegahan fraud karena pengendalian internal yang tinggi mencerminkan risiko fraud yang lebih rendah sesuai kompleksitas prosedur perusahaan dan kompleksitas bisnis itu sendiri. SOP perusahaan (SP) berpengaruh positif dan signifikan terhadap tindakan pencegahan fraud sebab SOP perusahaan yang dijalankan dengan baik oleh semua karyawan perusahaan akan memberikan pedoman bagi semua karyawan untuk tunduk dan melakukannya. Auditor professionalism (AP) berpengaruh positif dan signifikan terhadap tindakan pencegahan fraud karena dapat diasumsikan bahwa adanya kualitas dan kompetensi profesional auditor dapat mengimplementasikan standar yang lebih tinggi dalam menyajikan informasi keuangan secara transparan dan akuntabel.

**Implikasi Teori dan Kebijakan** – Implikasi penelitian saat ini difokuskan pada investor, perusahaan dan peneliti yang akan datang. Implikasi dari penelitian ini menyimpulkan bahwa dengan diterapkannya pengendalian internal, SOP perusahaan serta auditor profesional yang tinggi dan frekuensi audit yang rutin dapat menjamin tingginya kualitas informasi keuangan perusahaan dan bebas dari fraud.

**Kebaruan Penelitian** – Peneliti sebelumnya hanya fokus pada teori triangle fraud dengan lokasi perusahaan jasa sebagai indikator untuk tekanan, kesempatan dan rasionalisasi, namun dalam penelitian ini peneliti mengambil teori gone yang berfokus pada wewenang kekuasaan, tuntutan kebutuhan hidup dan prestise gaya hidup pimpinan yang terjadi pada perusahaan roti.

**Keyword** : Auditor Professionalism; Company SOP; Fraud Prevention; Internal Control

### Abstract

**Main Purpose** - The main objective of this study is to determine the effect between variables, namely internal control, company SOPs, and auditor professionalism with simultaneous and partial fraud prevention actions that occur in bakery companies.

**Method** - Purposive sampling in the study when it was a saturated sample of 105 employees of a bakery company listed on the Jakarta Stock Exchange for the 2017-2021 period. This research is quantitative as the method so that the data is tested with SPSS IBM 22 through multiple regression approach.

**Main Findings** - Internal control (PI) has a positive and significant effect on fraud prevention measures because high internal control reflects lower fraud risk according to the complexity of company procedures and the complexity of the business itself. The company's SOP (SP) has a positive and significant effect on fraud prevention because the company's SOP that is carried out properly by all company employees will provide guidelines for all employees to submit and do it. Auditor professionalism (AP) has a positive and significant effect on fraud prevention measures because it can be assumed that the quality and professional competence of auditors can implement higher standards in presenting financial information in a transparent and accountable manner.

**Theory and Practical Implications** - The current research implications are focused on future investors, companies and researchers. The implication of this research concludes that with the implementation of internal control, company SOPs as well as high professional auditors and regular audit frequency can guarantee high quality of company financial information and free from fraud.

**Novelty** – Previous researchers only focused on the fraud triangle theory with the location of service companies as indicators for pressure, opportunity and rationalization, but in this study the researchers took Gone theory which focused on the authority of power, the demands of life needs and the prestige of the leadership lifestyle that occurred in bread company.

**Keyword** : Auditor Professionalism; Company SOP; Fraud Prevention; Internal Control

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## INTRODUCTION

Fraud is any intentional action, benefiting oneself and harming other parties, which in Indonesia is known as corruption, is a big challenge for anyone to intervene together to prevent it. The bad impact of fraud is not only in terms of material losses but also the shift in moral values that are entrenched in this country. Fraud to date has become a phenomenal thing in both developing and developed countries. Fraud occurs in almost all government and private sectors.

Many factors encourage someone to commit fraud (corruption), such as the opportunity to commit fraud, weak control, lack of monitoring and review, stress due to personal problems, and the possibility of profit. Symptoms that exist in management that encourage fraud are as follows: lack of attention from management on fraud prevention and disclosure, lack of supervision or internal control over employees, not running an honest and clean work environment, lack of adequate or inadequate internal control and supervision structures, effective, less stringent company operating system procedures, frequent changes of external

auditors, in the sense of the word lack of professionalism of an auditor, and the absence of an internal audit function or less effective.

The existence of symptoms arising from the occurrence of this fraud needs to be watched out for so that it can be detected immediately, so that fraud that has occurred can be immediately identified and resolved (Zulkarnain, 2013). Some of the phenomena of fraud and corruption cases that occur today are as follows: insurance companies that have to bear losses of up to IDR 100 million for fraudulent actions since 2018 is MNC Insurance (Walfajri & Mahadi, 2019). The results of Garuda Indonesia's financial statements for the 2018 financial year. In these financial statements, the Garuda Indonesia Group recorded a net profit of USD 809.85 thousand or equivalent to IDR 11.33 billion (assuming an exchange rate of IDR 14,000 per US dollar).

This figure jumped sharply compared to 2017 which suffered a loss of USD 216.5 million. However, the financial report caused a polemic, because it was considered that Garuda Indonesia's 2018 financial statements were not in

accordance with the Statement of Financial Accounting Standards (PSAK) by including the income of PT. Mahata Aero Technology, which was originally a cooperation partner of a subsidiary of Garuda Indonesia, so that the OJK froze the registration certificate for 1 year to KAP Kasner Sirumapea and the Ministry of Finance also suspended the permit for AP Kasner Sirumapea for 12 months due to the financial scandal experienced by Garuda Indonesia is a fraudulent statement (Hartomo, 2019).

PT. Nippon Indosari Corpindo Tbk (ROTI) producer of Sari Roti was fined IDR 2.8 billion by the Business Competition Supervisory Commission (KPPU) in 2018 related to the delay in the Notice of Acquisition of Shares of PT. Prima Top Catering by the Management of PT. Nippon Indosari Corpindo Tbk so that the company suffered losses (Hamdani, 2018), the incident of embezzlement of Bank BRI customers' money worth IDR 2.3 billion with a total of 47 customers who were harmed with a total of 50 account books. The fraud that occurred was a BRI teller falsifying the customer's signature and changing the deposit data that occurred on January 30, 2019 (Detikcom, 2019), In early December 2020, the Corruption Eradication Commission (KPK) named Social Minister J. B. Bara as a suspect in the alleged bribery case for COVID-19 social assistance who received Rp. 8.2 billion in cash (Bisniscom, 2021) and finally in 2021 there was a corruption case involving the Governor of South Sulawesi, N. Abdullah, who was suspected of receiving IDR 5.4 billion for alleged bribery of infrastructure projects within the South Sulawesi Provincial Government (Shalihah, 2021).

The phenomenon or case that occurs above can be said to be the cause or

trigger is financial pressure where there is greed (greed), opportunities caused by a work environment that is less honest and unclean, weak controls that can prevent and detect behavior that leads to acts of fraud, inability assessing the quality of performance, the inability to provide a deterrent effect on fraud perpetrators and weaknesses in the audit trail (incompetent auditor professionalism or collaboration with fraud perpetrators to gain profits) and the last reason is that fraud perpetrators think that the company or the place where the perpetrator works is already indebted to him, because he has contributed to the survival of the company so that the fraudsters assume that other people are also doing it, if I don't do it, later I will not get it.

If fraud has been detected, the response to fraud is immediately carried out by carrying out further investigations. The company must determine how the fraud investigation process is carried out. Investigations must be carried out on any suspected, reported and detected fraud.

Each detected case will be followed up with enforcement of sanctions to prevent fraud and prevent the same incident from happening again. Fraud Prevention Program requires continuous monitoring and evaluation to improve day by day. To clean up fraud effectively, the company must have a good internal control function, the existence of applicable company SOPs and the existence of an independent and reliable professional auditor to ensure that the prevention and prevention of fraud has been running according to what has been set in the Fraud Prevention Program. If there are deviations from what has been established in the program, enforcement must be carried out immediately. Evaluation can be carried out in various forms and can be carried out by the Board

of Commissioners and the Audit Committee. A proactive approach to preventing fraud is the best step that companies can take to mitigate vulnerability to fraudulent practices. Companies can take constructive and positive steps to reduce the threat. The combination of internal control, company SOPs and auditor professionalism which is a strong fraud prevention coordinated with timely corrective actions, can mitigate fraud risk significantly.

There are many prevention techniques or methods commonly applied in companies. In this study, researchers use internal controls such as creating a positive work environment, using company SOPs such as building and strengthening an anti-fraud culture, using auditor professionalism such as having an effective internal audit team that can play a role in assisting the implementation of the supervisory function. In addition, the internal audit team can identify indicators that indicate fraud has occurred, so that the internal audit team can play a role in fraud prevention by reviewing and evaluating the adequacy and effectiveness of the company's internal control system and assessing the threat of fraud risk within the company. So the three variables above are the basis for researchers' reference in the field of bread company business lines in continuing previous research.

Muthmainnah, D.M. (2019) shows that organizational commitment, organizational culture and the effectiveness of the internal control system affect the prevention of procurement fraud. Dewi, I.P. Prayoga, F. N. (2017) which shows that internal control has an insignificant negative effect on fraud prevention.

Zarlis, D. (2018) states that internal control has a significant effect on fraud

prevention. Puspitarani, D. (2019) found that internal control and the implementation of SOPs had a positive and significant effect on preventing fraud in the procurement of goods and services. The analysis of the moderating variable with the absolute difference value approach shows that ethical reasoning is able to moderate internal control and the application of Standard Operating Procedures to prevent fraudulent procurement of goods and services.

Sari, H.S.Y (2010) shows that the independence and professionalism of auditors have a significant effect on fraud prevention. Wulandari, D.N. & Nuryatno, M. (2018) menyimpulkan bahwa pengendalian internal, integritas, independensi, dan profesionalisme berpengaruh positif terhadap pencegahan kecurangan.

Meanwhile, anti-fraud awareness does not have a positive effect on fraud prevention. Made, Y.W. & Juliarsa, G. (2016) shows that the competence, independence and professionalism of internal auditors have a significant effect on fraud prevention.

The difference with previous research is that the research subject is a bakery company and the research object focuses on the company's internal strategies such as Internal Control, Company SOPs and Auditor Professionalism, where the location and time of the study and the research sample used saturated samples and different business lines. The high potential for the possibility of fraud, this makes the company must try to be careful to prevent and anticipate it because it will harm the company. Not only in terms of finances but also time and energy. Therefore, top management needs to think about the right way to prevent fraud in the company so

that this research focuses on three independent variables in the formulation of the problem to the company's efforts or actions to suppress fraud and the causes of fraud like the authority of power, the demands of life needs and the prestige of the leadership lifestyle so that a clean work environment will be created in bread company and information conveyed are completely transparent and accountable for decision makers.

The benefits of this research problem, which the authors hope are as follows: for researchers, it is hoped that this research can be an intellectual training that is expected to increase understanding of the factors that influence the occurrence of fraud in a company and fraud prevention measures such as internal control, company SOPs, and the professionalism of the auditors at the company is different or the same for several companies similar to PT. Nippon Indosari Corpindo, Tbk, for research objects in the form of private institutions can be useful as input in efforts to prevent fraud in the private sector, by suppressing the causes of fraud and fraud prevention measures such as internal control, company SOPs and auditor professionalism on the quality of financial reports in the sector. For the private sector, all company employees must comply with all the rules and company SOPs that have been set and implement them properly and the company management always carries out internal control and company SOPs periodically and routinely over the daily operations of the company so that if symptoms or signs of occurrence are found direct fraud can be prevented and resolved as soon as possible, for further research, this research is expected to be a reference for researchers who will conduct further research related to this issue.

Based on the background described above, the title of this research is the Effect of Internal Control, Company SOPs and Auditor Professionalism on Fraud Prevention Measures. This study addresses the following research questions: How does internal control affect fraud prevention measures at PT. Nippon Indosari Corpindo Tbk? How is the influence of the company's SOP on fraud prevention measures at PT. Nippon Indosari Corpindo Tbk? How is the effect of auditor professionalism on fraud prevention measures at PT. Nippon Indosari Corpindo Tbk? How is the influence of internal control, company SOP and auditor professionalism on fraud prevention measures at PT. Nippon Indosari Corpindo Tbk ?

The term fraud is better known by the Indonesian people as corruption to refer to all forms of abuse or abuse of power in order to enrich themselves or groups of perpetrators (Purba,B.P., 2015:1). The term fraud is generally used to describe acts such as fraud, bribery, forgery, coercion, corruption, theft, conspiracy, embezzlement, abuse, concealment of facts, and collusion. (Yuniarti, Rozmita Dewi ,2017:2).

#### Forms of Fraud Tindakan

Association of Certified Fraud Examiners (ACFE, 2016) and states that fraud is an act of fraud within the company which is grouped into three types, namely: 1. Asset Misappropriation, 2. Fraudulent Statement, 3. Corruption. Arens in his book entitled "Auditing & Assurance Service: An Integrated Approach" says the form of Fraudulent Financial Reporting (Arens et al., 2012), where fraud in financial statements can involve the following actions: manipulation, falsification, or alteration of accounting records or supporting documents that are the source of data for the presentation of

financial statements, deep representation or omission of financial statements, significant events, transactions, or information and misapplication intentionally accounting principles relating to the amount, classification, presentation or disclosure.

Agency theory states that agency relationships occur when one or more people (principals) hire another person (agent) to provide a service and then delegate decision-making authority (Jensen dan Meckling, 1976). Agents will try to find their own profit to get bonuses from the company in various ways such as committing fraud in financial reporting (fraudulent financial). Agency theory says that giving trust to management (managers, staff and employees) is difficult, because management (agents) are assumed to not always act in the interests of shareholders (Prasetya, 2019).

*Fraud Triangle Theory is known as the Fraud Triangle Theory which states about the causes of fraud/fraud there are 3 stages, namely: pressure, opportunity and rationalization (Cressey, 1953). The three mutually support each other and form a pillar of fraud known as the fraud triangle. The perpetrator of an act of fraud in carrying out his fraudulent act is usually caused by several reasons, both from within himself and from outside himself (Yuniarti, Rozmita Dewi, 2017:14).*

The following is an explanation of each of the fraud triangles, namely:

### **Pressure**

A person's desire to live a better life and escape from a bad economic situation as well as encouragement from the environment for a luxurious lifestyle makes a person get pressure to fulfill all

his desires so that he commits an act of fraud.

### **Opportunity**

Weak internal control and inadequate management of management causes someone to dare to commit fraud on the grounds that no one will know about their actions, thus making perpetrators dare to take the opportunity to commit fraud.

### **Rationalization**

Fraud perpetrators usually look for various rational reasons to cover up their actions so that the actions they take seem to be considered normal by the public.

### **Gone Theory**

Cheating can occur due to greed in power, the opportunity to commit fraud, and because of being squeezed by the demands of life, both in the form of primary demands such as individual families, or because of prestige. there are still many conflicts with ethics that should not be violated.

### **Fraud Prevention**

As we already know that fraud is an act that is capable of harming other people or companies. Therefore, fraud must be prevented as soon as possible Pencegahan Fraud (Ismail, 2020).

Several ways that can be used to prevent fraud are: internal control, company SOPs and Auditor Professionalism.

### **Internal Control**

Internal control is a broadly defined process designed to provide reasonable assurance regarding the achievement of objectives (Purba, B.P., 2015:197): reliability/reliability of financial statements, Effectiveness and efficiency of operations and compliance with regulations and laws. Fraud prevention strategy is related to controlling the factors driving the emergence of fraud by creating conditions that are able to encourage fraud prevention

efforts, so to implement this strategy, internal control must be implemented effectively (Dimitrijevic, 2015).

#### **Company SOPs**

Purba, B.P. (2015:53), The fraud eradication policy will be effective if it is supported by the right company SOPs and reviewed periodically to be effective and not outdated. SOPs need to be understood by all employees. A company needs to convey important information about anti-corruption through socialization of SOP discipline. This activity needs to be socialized to all employees accompanied by strict sanctions from the company if there are employees who dare to commit fraud or corruption. This punishment must be carried out indiscriminately, both to lawbreakers and the perpetrators of corruption themselves (Ismail, 2020), thus, it is hoped that acts of fraud or corruption will be minimized or no longer exist in the company.

#### **Auditor Professionalism**

Fraud prevention measures can also be carried out in other ways, namely by analyzing finances properly so that the opportunity or opportunity for employees to commit fraud can also be reduced. This action is important to take as a form of anticipation so that it can minimize fraud (Ismail, 2020). Yuniarti, Rozmita Dewi (2017:16-17), Fraud on the presentation of financial statements can generally be detected through financial statement analysis such as vertical analysis, horizontal analysis and ratio analysis.

#### **The Influence of Internal Control on Fraud Prevention Measures**

Internal control is a process influenced by the board of directors, management, and other parties designed to provide reasonable assurance about the achievement of objectives related to operations, reporting and compliance

activities. These three objectives can be achieved by taking into account the components of internal control, namely the control environment, risk assessment, control activities, information and communication, and monitoring activities (COSO, 2013).

Fraud prevention strategy is related to controlling the factors driving the emergence of fraud by creating conditions that are able to encourage fraud prevention efforts, so to implement this strategy, internal control must be implemented effectively (Dimitrijevic, 2015).

Based on the description above, the hypotheses made are:

H1: Internal control has an effect on fraud prevention measures.

#### **The Influence of Company SOPs on Fraud Prevention Measures**

The fraud eradication policy should establish training programs on Fraud Eradication and Code of Conduct including employee training and education regarding fraud, fraud awareness, fraud eradication programs and behavioral rules related to fraud eradication efforts within the company (Purba, B.P., 2015:66-67). SOP is a description of the work steps (systems, mechanisms and internal work procedures) needed in carrying out tasks so that company goals are achieved. Anti-Fraud socialization as a company slogan and SOP as a document/instrument containing processes and procedures for an activity that is effective and efficient based on standardized standards. SOPs are based on a quality management system, which is a set of documented procedures and standard practices for system management aimed at ensuring the conformity of a process and product (goods and/or services) to specific needs or requirements (Puspitarani, D., 2019).

Agency theory and Gagne theory show the results that the stricter the company's SOPs are, the better the company's condition, especially the company's financial condition so that it can reduce fraud in the company, there is the possibility of fraud prevention actions in the company (Puspitarani, D., 2019).

Based on the description above, the hypotheses made are:

H2: Company SOPs have an effect on fraud prevention measures.

The Influence of Auditor Professionalism on Fraud Prevention Measures

Auditor professionalism is the ability to analyze financial statements, expertise, and professional commitment in carrying out their duties accompanied by the principles of prudence, thoroughness, and accuracy, as well as guided by the standards and provisions of laws and regulations. The professionalism variable is measured using indicators sourced from Aren dkk (2012), namely responsibility, public interest, thoroughness, as well as the scope and nature of services.

Financial statement analysis is a method that helps decision makers to find out the strengths and weaknesses of the company through information obtained from financial statements to improve company performance in order to maintain the integrity of financial statements in order to achieve company goals so that financial statement analysis is also useful for investors and creditors in making decisions. investment and credit decisions (Herry, 2015:132-133).

Information in financial statements must be presented correctly and honestly by revealing actual facts that are of interest to many parties. Thus, financial statements are required to be presented with high quality. In order for the quality of financial

reports to be achieved, companies need to apply good company financial analysis (Herry, 2015:132-133).

The application of fraud theory shows the results that the better the financial analysis carried out by the company, the better the financial statement information that is presented correctly and honestly so as to reduce fraud within the company, there is the possibility of fraud prevention actions in the company (Verya et al., 2017).

Based on the description above, the hypotheses made are:

H3: Auditor professionalism has an effect on fraud prevention measures.

The Influence of Internal Control, Company SOPs and Auditor Professionalism on Fraud Prevention Measures

A proactive approach to preventing fraud is the best step that companies can take to mitigate vulnerability to fraudulent practices. Companies can take constructive and positive steps to reduce the threat (Purba, B.P., 2015:29). The combination of internal control, company SOPs and auditor professionalism which is a strong fraud prevention coordinated with timely corrective actions, can mitigate fraud risk effectively. significant.

Based on the description above, the hypotheses made are:

H4: There are a positive and significant influence of internal control, company SOPs and auditor professionalism on fraud prevention measures.

## **METHODS**

Multiple regression analysis was used to test the ability of the variables of Internal Control (PI), Company SOP (SP), Auditor Professionalism (AP) in influencing Fraud Prevention Actions (TPF). The equation is formulated as follows:



$$TPF = a + b_1PI + b_2SP + b_3AP + e$$

Explanation:

TPF = Tindakan Pencegahan *Fraud*

a = Constanta

b<sub>1</sub> b<sub>2</sub>b<sub>3</sub> = Regression Coefficient

PI = Internal Control

SP = Company SOPs

AP = Auditor Professionalism

e = Error terms

Sugiyono (2016) "Population is a generalization area consisting of objects/subjects that have certain qualities and characteristics determined by researchers to be studied and then drawn conclusions". The population in this study were all employees of bakery company. The total number of employees in 2019 was 150 employees located at Bekasi.

Sample

Sugiyono (2016) said that the sample is part of the number of characteristics possessed by the population. The basis for sampling is a saturated sample. Saturated sampling is a sampling technique when all members of the population are used as samples. The selected sample is bakery company based on a saturated sample, namely all employees who work at the company seen from the length of work, so that it can support this research according to the company's organizational structure. The samples in question are representative divisions such as the warehouse division, operational division, production division,

purchasing division, sales division including marketing/sales, finance division, accounting division, internal audit division, HR division, legal division, business development division, business technology division and the board of directors and commissioners.

The data collected in this study is primary data through a questionnaire at bakery company. The type of data used in this study is quantitative data, where data is based on numbers and shows the value of the variables it represents. In this study, the results of the answers from respondents in the form of scores will be processed in hypothesis testing. The research data was collected through the method of distributing research questionnaires which were distributed directly to the respondents. The distribution of questionnaires was carried out throughout May 2021, with the distribution of 150 questionnaires.

The details of the distribution of the questionnaire are as follows:

Information	Amount
Questionnaire distributed/shared	150
Questionnaire that returns and can be processed	105
Questionnaire that is not returned/cannot be processed	45

Respon rate = $105/150 \times 100\%$	70 %
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Source: Processed Data, June 2021

Questionnaires that can be processed that are used as research samples are 105 respondents. Questionnaires that are not returned or cannot be processed are 45 questionnaires consisting of 40 missing questionnaires and 5 damaged questionnaires.

#### Variable Indicators

The dependent variable used in this study is fraud prevention measures. Fraud prevention measures are measured on a Likert scale (scale 1-5) by looking at indicators such as creating honesty, creating openness and transparency, honest recruitment processes, fraud awareness and sanctions against all forms of fraud as a reference for filling out the questionnaire (Pratiwi, F.S., 2016). While the independent variable consists of several variables, including Internal Control as measured by a Likert scale (scale value 1-5) by looking at indicators

Table 1. Descriptive Statistical Test Results

such as the control environment, risk assessment, control activities, information and communication and monitoring as a reference for filling out the questionnaire (Kasdiarto, R., 2015).

Company SOP variable as measured by Likert scale (value scale 1-5) by looking at indicators such as ease and clarity, effectiveness and efficiency, dynamic, legal compliance and legal certainty as a reference for filling out the questionnaire (Puspitarani, D., 2019). Auditor professionalism is measured by a Likert scale (scale 1-5) looking at indicators such as devotion to the profession, social obligations, independence, confidence in the profession and relationships with fellow professions as a reference for filling out the questionnaire (Kasdiarto, R., 2015).

## RESULTS AND DISCUSSION

### Descriptive Statistics

	PI	SP	AP	TPF
N Valid	105	105	105	105
Mean	40,8952	40,7810	40,7810	39,0095
Median	41,0000	41,0000	41,0000	40,0000
Std. Deviation	2,51887	2,39383	2,38981	3,55045
Skewness	,076	-,032	-,041	-,229
Std. Err. Skewness	,236	,236	,236	,236
Kurtosis	,476	,647	,623	,884
Std. Err. Kurtosis	,467	,467	,467	,467
Min	36,00	36,00	36,00	31,00
Max	46,00	46,00	46,00	46,00

Source: Processed Data, September 2021

Based on table 1, the results of the descriptive statistical test of the variables can be interpreted that the number of observations (n) in the study is 105, the dependent variable has an average of 39.0095 with a standard deviation of 3.55045 which when divided by 10 questions, the average respondent's answer is obtained is on a scale of 4 for the average score of each item. This shows that for the dependent variable, the average respondent answered "agree" based on the questionnaire scale.

While the independent variables that have a maximum mean value of 40.8952 are internal control and a standard deviation of 2.51887 and the variables that have a minimum mean value of 40.7810 are company SOPs and auditor professionalism with standard deviations of 2.39383 and 2,38981 which when divided by 10 questions each, the average respondent's answer is obtained on a scale of 4 for the average score of each item. This shows that for the three independent variables, the average respondent answered "agree" based on the questionnaire scale, where information about the internal control skewness was 0.076, the company SOP was -0.032 and auditor professionalism was -0.041 and the standard error of skewness for the

three variables equal to 0.236, then the internal control skewness ratio is 0.32, the company SOP is -0.14 and auditor professionalism is -0.17, still within the skewness ratio criteria between -2 to 2, the data distribution is normal (Priyatno, Duwi., 2014:29), this means that the data is normally distributed.

**Classic Assumpt Test**

The classical assumption test of the normality test is used to determine whether the distribution of a data follows or approaches a normal distribution, namely the distribution of data that has a pattern like a normal distribution. The normality test in this study is descriptive using the Q-Q Plot graph. The variables are said to be normally distributed if each variable has a point that is very close to the plot line. Based on the results of the analysis, the QQ Plot of the variables of Internal Control, Company SOP, Auditor Professionalism, and Fraud Prevention Measures each has a point that is very close to the plot line, so it can be concluded that the data on Internal Control, Company SOP, Auditor Professionalism, and Preventive Measures Fraud is normally distributed.

Table 2. Multicollinearity Test Results

Var	Toleranc	VIF
Internal Control (PI)	0,125	7,996
Company SOPs (SP)	0,992	1,008
Auditor Professionalism (AP)	0,125	8,010

Source: Processed Data, September 2021

Based on the results of the multicollinearity test, it shows that the tolerance value of the Internal Control variable is 0.125, the Company's SOP is 0.992 and the Auditor Professionalism is 0.125 which is greater than 0.10, then

supported by the VIF value of the Internal Control variable of 7.996, the Company's SOP of 1.008 and the Auditor Professionalism of 8.010 which is smaller than 10 so it can be concluded that there is no multicollinearity.

Table 3. Heteroscedasticity Test Results

		Coeffici <sup>a</sup>				
Ml		Unstd Coeffici		Stand Coeffici	t	p-value
		B	Std. Err	Beta		
1	(Constant)	,130	,036		3,630	,000
	PI	-,002	,005	-,233	-,435	,664
	SP	,006	,005	,655	1,280	,204
	AP	-,006	,005	-,698	-1,361	,177

a. Depen Var: abs\_RES

Source: Processed Data, September 2021

Based on table 3 shows that the sig value of the Internal Control variable is 0.664, Company SOP is 0.204 and Auditor Professionalism is

0.177 which is greater than the alpha value, which is 0.05 indicating that the data does not occur heteroscedasticity.

Table 4. The results of the autocorrelation test are as follows:

Ml Sry <sup>b</sup>					
Ml	R	R Squar	Adj. R Squar	Std. Err. Estima	Durb-Wtn
1	,916 <sup>a</sup>	,839	,833	1,44892	1,873

a.Predic:(C), PI, SP, AP

b. Depen Var: TPF

Based on table 4 above, it shows that the DW value is 1.873 for the three independent variables. The DW value is still within the specified criteria and shows that the data does not have autocorrelation.

The results of the regression test aim to determine and analyze the magnitude of the relationship between the independent variable and the dependent variable. The ultimate goal of regression analysis is to

determine the coefficients on each independent variable.

In this study, Fraud Prevention Measures (TPF) were used as the dependent variable (bound) and Internal Control (PI), Table 5

Coeffici Determin Test Results (R2)

**MI Sry<sup>b</sup>**

MI	R	R Squar	Adj. R Squar	Std. Err. Estima
1	,916 <sup>a</sup>	,839	,833	1,44892

a. Predict: (C), PI, SP, AP

b. Depen Var: TPF

Source: Processed Data, September 2021

From the SPSS model summary output display, the coefficient (R) in table 14 is 0.916 indicating that the relationship between the independent and dependent variables is very strong because it has a correlation coefficient value above 0.50. R Square is 0.84, this means 84% the fraud prevention variable can be explained by the three independent variables of internal control, company SOPs and auditor

Table 6

Partial t test results (t test)

**Coeffici<sup>a</sup>**

MI		Unst Coeffici		Star Coeffici	t	p-value
		B	Std. Err	Beta		
1	(C)	-14,597	2,560		-5,702	,000
	PI	1,287	,057	,913	22,580	,000
	SP	1,314	,068	,886	19,324	,000
	AP	1,339	,063	,901	21,254	,000

a. Depen Var : TPF

Source: Processed Data, September 2021

From the table above, it can be seen from the results of the regression analysis that the coefficient for the internal

Company SOPs (SP), and Auditor Professionalism (AP) as independent variables (free). The results of the analysis of the coefficient of determination are presented in Table 5.

professionalism, while the remaining 16% is explained by other variables that are not included in the regression model and this study. Standard Error of Estimate (SEE) is 1.44892, meaning that errors that can occur in predicting fraud prevention measures are 1.44892. The smaller the SEE value will make the regression model more precise in predicting the dependent variable.

control variable is 1.287, the Company SOP variable is 1.314 and the Auditor Professionalism variable is 1.339 with a

constant of -14.597 so that the regression equation model obtained is as follows:

$$TFP = -14.597 + 1.287 PI + 1.314 SP + 1.339 AP$$

Constant (a): -14,597, the constant value is negative, meaning that if the score for internal control variables, company SOPs and auditor professionalism is considered non-existent or equal to zero, then the score for fraud prevention measures is -14,597. Coefficient b1: 1.287, the coefficient of the internal control variable is positive, meaning that if internal control increases by 1 or increases by 1%, it will increase fraud prevention measures by 128.7% so that the influence of internal control on fraud prevention measures is positive and strong enough, if the score of internal control increases, the fraud prevention measures will be higher.

Coefficient b2: 1.314, the coefficient of the company's SOP variable is positive, meaning that if the company's

The results of the F test from the multiple regression statistical test are as follows:

ANV<sup>a</sup>

MI		S S	df	Mean Squar	F	P-Value
1	Regressi	1098,955	3	366,318	174,491	,000 <sup>b</sup>
	Residu	212,035	101	2,099		
	Tot	1310,990	104			

a. Depen Var: TPF

b. Predict: (C), PI , SP, AP

The results of the Simultaneous Significance Test (F statistic test) above, the calculated F value is 174,491 with a significance level of 0.000. Because the significance level is less than 0.05, it can be said together that Internal Control, Company SOPs and Auditor Professionalism have a simultaneous and significant influence on Fraud Prevention Measures. This means that the company

This equation can be interpreted as follows:

SOP increases by 1 or increases by 1%, it will increase fraud prevention measures by 131.4% so that the influence of company SOPs on fraud prevention measures is positive and quite strong, if the score If the company's SOPs increase, the fraud prevention measures will be higher. Coefficient b3: 1.339, the coefficient of auditor professionalism variable is positive, meaning that if auditor professionalism increases by 1 or increases by 1%, it will increase fraud prevention measures by 133.9% so that the influence of auditor professionalism on fraud prevention measures is positive and strong enough, if If the auditor's professionalism score increases, the fraud prevention measures will be higher.

can take constructive and positive steps to reduce the threat (Purba,B.P.,2015:29).The combination of internal control, company SOPs and auditor professionalism which is a strong fraud prevention coordinated with timely corrective actions, can mitigate significant fraud risk. This study is in accordance with (Puspitarani, D.,

2019) dan Made, Y.W. & Juliarsa, G. (2016).

### **Discussion of Hypothesis Testing** **The results of the first hypothesis test** **Influence of Internal Control on Fraud Prevention Measures**

to prevent fraud. The current phenomenon of fraud and corruption cases is due to non-existent or weak internal controls or carried out loosely and ineffectively, for that we need a prevention/eradication of fraud and corruption with a fraud prevention strategy. The application of fraud prevention theory in fraud prevention strategies is related to how to control the driving factors for fraud by creating conditions that are able to encourage fraud prevention efforts, so to implement this strategy, internal control must be applied effectively (Dimitrijevic, 2015). This research is in accordance with Muthmainnah, D.M. (2019)

, Zarlis, D. (2018), Puspitarani, D. (2019) dan Wulandari, D.N. & Nuryatno, M. (2018) which shows that internal control has a positive and significant influence on fraud prevention but contradicts the research of Dewi, I.P. Prayoga, F. N. (2017) which shows that internal control has an insignificant negative influence on fraud prevention.

### **The results of the second hypothesis test** **The Influence of Company SOPs on Fraud Prevention Measures**

The test results in table 5 for the Company's SOP variable have a t-count value of 19.324 and a significance number of 0.000 so that the value is smaller than 0.05. Thus Ha2 is accepted, this means that the Company's SOPs have a significant positive influence in preventing fraud. The phenomenon of

The test results in table 5 for the Internal Control variable have a t-count value of 22,580 and a significance number of 0.000 so that the value is smaller than 0.05. Thus Ha1 is accepted, this means that Internal Control has a significant positive influence in efforts

fraud and corruption cases that occur today is due to the company's SOPs that are not running well where the management itself commits fraud, is inefficient and or ineffective and does not comply with applicable laws and regulations, employees are regulated, exploited badly, abused or placed with great pressure to achieve financial goals and objectives that lead to fraudulent acts. Employees who are trusted to have personal problems that cannot be solved, usually financial problems, family needs, excessive lifestyles, for that we need a prevention / eradication of fraud and corruption with a fraud prevention strategy.

Agency theory and Gone theory show the results that the stricter the company's SOPs are, the better the company's condition, especially the company's financial condition so that it can reduce fraud in the company, there is the possibility of fraud prevention measures in the company (Puspitarani, D., 2019). This research is in accordance with Puspitarani, D. (2019) which shows that SOPs have a positive and significant influence on fraud prevention but contradict the research of Wulandari, D.N. & Nuryatno, M. (2018) which shows that the anti-fraud awareness contained in the company's SOP has no effect on preventing fraud.

### **Third Hypothesis Test Results** **Influence of Auditor Professionalism on Fraud Prevention Measures**

The test results in table 5 for the Auditor Professionalism variable have a t-count value of 21.254 and a significance number of 0.000 so that the value is smaller than 0.05. Thus Ha3 is accepted, this means that Auditor Professionalism has a significant positive influence in efforts to prevent fraud. The current phenomenon of fraud and corruption cases is caused by the internal auditor not properly understanding the internal control structure within the company so that it is not running well, the existence of this risk requires the internal auditor to develop preventive measures to prevent fraud. The application of fraud prevention theory shows that the better the financial analysis carried out by the company's internal auditors, the better the financial statement information that is presented correctly and honestly so as to reduce fraud in the company, there is the possibility of fraud prevention actions in the company (Verya et al., 2017). This means that the better the role of the internal auditor, the higher the fraud prevention. This research is in accordance with Sari, H.S.Y (2010), Wulandari, D.N. & Nuryatno, M. (2018) dan Made, Y.W. & Juliarsa, G. (2016) which shows the influence of auditor professionalism on fraud prevention.

**The results of the fourth hypothesis test  
Influence of Internal Control,  
Company SOP and Auditor  
Professionalism on Fraud  
Prevention Actions**

The calculated F value is 174.491 with a significance level of 0.000. Because the significance level is less than 0.05, it can be said together that Internal Control, Company SOPs and Auditor Professionalism have a simultaneous and significant effect on Fraud Prevention

Measures. Thus Ha4 is accepted, this means that Internal Control, Company SOPs and Auditor Professionalism have a significant positive influence in efforts to prevent fraud. The current phenomenon of fraud and corruption cases is due to non-existent or weak internal controls or carried out loosely and ineffectively, occur today is due to the company's SOPs that are not running well where the management itself commits fraud, the internal auditor not properly understanding the internal control structure within the company so that it is not running well, for that we need a prevention/eradication of fraud and corruption with a fraud prevention strategy. The application of fraud prevention theory in fraud prevention strategies is related to how to control the driving factors for fraud by creating conditions that are able to encourage fraud prevention efforts, so to implement this strategy, internal control must be applied effectively (Dimitrijevic, 2015). This research is in accordance with Muthmainnah, D.M. (2019), Zarlis, D. (2018), Puspitarani, D. (2019) dan Wulandari, D.N. & Nuryatno, M. (2018) which shows that internal control has a positive and significant influence on fraud prevention. This study is in accordance with Puspitarani, D. (2019) which shows that SOPs have a positive and significant influence on fraud prevention and this study is in accordance with Sari, H.S.Y (2010), Wulandari, D.N. & Nuryatno, M. (2018) dan Made, Y.W. & Juliarsa, G. (2016) which shows the influence of auditor professionalism on fraud prevention.

**CONCLUSION**

This research examines the Effect of Internal Control, Company SOP and



Auditor Professionalism on Fraud Prevention Measures at PT. Nippon Indosari Corpindo, Tbk. Data were obtained from 105 samples of respondents in filling out the questionnaire. Based on the calculation of descriptive statistics and classical assumption test, it is known that the data meet the test requirements. The results of hypothesis testing with a partial test show that the variables of internal control, company SOPs and auditor professionalism have a significant positive effect on fraud prevention measures. This result is in accordance with the R<sup>2</sup> test where the three independent variables are able to explain the variance of the dependent variable, namely fraud prevention measures.

It is recommended for stakeholders and all parties involved in company activities to maintain integrity, trust and good ethics in order to create a clean and comfortable work environment free from fraud and for further researchers to be able to further develop the research that has been done, for example by researching other variables besides internal control and company SOPs, the professionalism of auditors who have a role in preventing fraud in a company.

#### Suggestion

It is recommended for stakeholders and all parties involved in company activities to maintain integrity, trust and good ethics in order to create a clean and comfortable work environment free from fraud, for company management so that management should not intervene at all in the auditor's decisions internal auditors so that internal auditors can be responsible for independence and objectivity so as to produce truly transparent information for decision makers within the company, for all company employees must comply with all company rules and SOPs that have been

set and run them well and the company management always controls internal, periodic and routine company SOPs for the operations of daily activities within the company so that if symptoms or signs of fraud are found, they can be prevented and addressed as soon as possible and for further researchers Yes, in order to further develop the research that has been done, for example by examining other variables besides internal control and company SOPs, the professionalism of auditors who have a role in preventing fraud in a company. Limitations in this study include using a questionnaire so that it is likely that there are weaknesses found that respondents who answer carelessly, are not serious, or there are statements that are not understood by respondents and the findings of the research prove that in addition to Internal Control, Company SOPs and Auditor Professionalism, there are still other factors used in the study of Fraud Prevention Measures in companies. With the improvement of internal control, company SOPs and professionalism of internal auditors in an effort to prevent fraud, the company will have a positive impact on the sustainability of the company. Therefore, companies must participate in improving the prevention and eradication of fraud, so one way is to tighten the company's internal control controls, always hold anti-fraud training and socialization in company SOPs that have been set by the company and hold professional training for internal auditors who have good performance in the company in order to improve the quality of internal auditors in doing their work for the company.

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