

# The Effect of Individual Morality on Fraud Prevention Through Internal Control, Whistleblowing System and Organizational Commitment

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## Abstract

**Background** - Current conditions, fraud or fraud often occurs in many companies and government agencies, both on a global scale and on an Indonesian scale. The Association of Certified Fraud Examiners (ACFE) Indonesia Chapter in 2019 for the second time has conducted research on the Indonesian Fraud Survey (SFI) which discusses the fraudulent practices that occur most frequently and cause the greatest losses in Indonesia. Based on the results of a survey conducted by the ACFE Indonesia Chapter on 239 respondents, it shows that the most common fraud in Indonesia is corruption with a percentage of 64.4% or selected by 154 respondents. Several studies have been conducted and the factors of fraud prevention that are still being carried out are Individual Morality, Internal Control, Whistleblowing System and Organizational Commitment.

**Purpose** - This study aims to determine the effect of individual morality on fraud prevention through internal control, whistleblowing system and organizational commitment.

**methodology** - This study uses a type of quantitative research with the formulation of associative problems and with a quantitative descriptive research design to explain the data obtained from the results of the distributed instruments. The sampling technique used purposive sampling with the determination of the number of samples using the slovin's formula. Data collection was carried out through distributing questionnaires. Data testing and analysis were carried out by testing the inner and outer models using PLS ver. 3.0

**Findings** - The analysis and hypothesis testing results show the direct influence between individual morality, internal control, whistleblowing system and organizational commitment have a significant effect on the fraud prevention. Individual morality through internal control has a significant indirect effect, Individual morality through the whistleblowing system has a significant indirect effect and individual morality through organizational commitment has a significant indirect effect

**Originality** - The novelty of this research is the novelty of the research model in which this study uses three moderating variables namely internal control, whistleblowing system and organizational commitment and this research was conducted at BPKP RI

Keywords: Individual Morality, Fraud Prevention, Internal Control, Whistleblowing System and Organizational Commitment

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