

Internal Control System, Whistleblowing System, Organizational Commitment And Fraud Prevention: Individual Morality As A Moderating Variable

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Abstract

The purpose of this study was to examine the effect of the internal control system, whistleblowing system, and organizational commitment to fraud through individual morality as moderation. This research is descriptive associative research. The population used is all permanent employees of Bank BNI Tulungagung with the form of sampling in the form of convenience sampling set by the researcher as many as 55 respondents. The analysis method of this research is PLS analysis through SEM approach by utilizing SmartPLS 3.0 software. The results show that the internal control system has a significant effect on fraud. The increase in internal control within the bank will automatically prevent fraud. However, whistleblowing system has no effect because employees are reluctant to do well. Organizational commitment has no effect on fraud due to low employee commitment. Individual morality weakens the relationship of the internal control system to fraud prevention. This indicates that employees have good individual morality.

Keywords: Whistleblowing System, Organizational Commitment, Fraud Prevention, Individual Morality

INTRODUCTION

Fraud is a scourge of problems that continues to this day. As evidenced by the many existing fraud issues, it has become a sign that the company will not be immaculate with any fraud indications. Indications of fraud stem from several parties, from the upper class to the lower class. Therefore, awareness and concern need to be instilled in every individual from the upper and lower classes to be aware of the work environment against the possibility of fraud (Association of Certified Fraud Examiners (ACFE) Indonesia, 2019). The magnitude of fraud cases that occurred in the financial and banking sectors emerged because of embezzlement and fraud in various modes of fraud. One of the fraud events that occurred in 2021 ago at the Bank BNI Makassar Branch Office was found internally to have embezzled funding activities. With the problem of fraud that arose, Bank BNI Makassar had harmed customer funds in the amount of Rp. 45 billion (Andreas & Hukrim, 2021). With the rise of the digitalization era as it is today, the Financial Services Authority (OJK) has found cases of fraud that cost the banking sector as much as Rp. 4.62 trillion stemming from the serious threat and mode of development of electronic transactions, one of which is in e-commerce. The internal environment triggered fraud problems in the first quarter of 2020 as many as 1,005 incidents to a decrease in the second quarter of 2020 to 796 incidents. Meanwhile, external environmental triggers caused an increase in the second quarter of 2020 by 8,218 different events from the first quarter that occurred in 2020 with 6,444 occurrences (Intan, 2020).

The fraud diamond theory can be used as a basis for the early detection of fraud. The fraud diamond theory developed by Wolfe & Hermanson (2004), which is a renewal theory of the fraud triangle theory by Cressey (1950), explains the elements that can cause fraud with 4 elements. These elements are pressure, opportunity, rationalization, and capability. The occurrence of fraud can be identified by pressures such as economic pressure, opportunities that arise due to various problems, rationalization (rationalization) into a culture to justify a deviation, and capability (ability) with the power to commit fraud. With fraud cases being discovered as above in the banking sector, it is necessary to make an effort to prevent or reduce irregularities. If the deviation continues, it can create an unhealthy company. Therefore, actions that can reduce fraud in similar cases are urgently needed, such as an internal control system, a whistleblowing system, organizational commitment, and individual morality. To minimize fraud, the first factor that might affect fraud prevention is the internal control system. Internal control is an activity that is carried out regularly to obtain adequate confidence in the reliability of accounting data, can create protection for company assets, and fulfill compliance with company management policies (Ayem & Kusumasari, 2020). Effective implementation of internal control on accounting reliability, asset protection and compliance with compliance can reduce the potential for fraud. Research by Taufik (2019) can prove that internal control has a positive impact on preventing fraud. By adding the variable of good governance as a mediator, it can give positive results in the prevention of fraud. The possibility that can affect fraud prevention for the second factor is the whistleblowing system. Whistleblowing system is a forum that can use to report violations that occur in an institution (Prena & Kusmawan, 2020). With this system, employees will feel afraid to commit violations. Meanwhile, if the work unit can report violations, it can reduce fraud. This research can be strengthened by Kurniawan Saputra et al., (2020) gives the result that the whistleblowing system as an independent variable has a significant positive impact on fraud prevention.

Furthermore, the third factor that can affect fraud prevention is organizational commitment. Organizational commitment is loyalty or a sense of unity instilled in individual organizations to maintain members' integrity and create shared achievements. Organizational commitment can provide a sense of responsibility to each individual organization (Sanjani & Werastuti, 2021). The sense of responsibility carried out by each individual shows a high level of organizational commitment, which can have an impact on reducing the potential for fraud. Research can be strengthened in previous research by Sanjani & Werastuti (2021) which gives the result that the whistleblowing system has a positive impact on fraud prevention. On the other hand, the fourth factor in preventing fraud is the existence of individual morality. Individual morality is a principle or character of a person that can be of good or bad value (Kurniawan Saputra *et al.*, 2020). Good individual morality is reluctant to take unethical actions, so there is a possibility to reduce the potential for fraud. This research can be strengthened by Kurniawan Saputra et al., (2020) and Anandya & Werastuti (2020) proves that individual morality variables can have a positive impact on fraud prevention.

This research was conducted at Bank BNI Tulungagung Branch Office. The reason for choosing this research is the object of this research as a form of one of the banking sectors because the data shows that the financial and banking industry experienced a loss of 41.4% due to fraud cases. Supported by ACFE (2019) survey results entitled Report to The Nation 2018 shows that the financial and banking industry is in the first rank of organizations significantly disadvantaged by fraud. Previously, in a fraud survey that occurred in 2016, the economic and banking sectors were in the second position of organizations that were harmed by fraud (Association of Certified Fraud Examiners (ACFE) Indonesia, 2019). This research certainly has differences from previous research. The different side of this research is by choosing the financial and banking industry sectors that can be used as research objects, especially in BUMN banking. At the same time, previous research conducted research on village officials and

regional institutions. In addition, this study focuses on using the SEM-PLS analysis method. And in this research moderating variables are added namely by adding individual morality variables.

LITERATURE REVIEWS AND HYPOTHESES

Fraud Diamond Theory

Fraud diamond theory is a theory that discusses the factors that cause someone to commit fraud. The fraud diamond theory is a theory developed by Wolfe & Hermanson (2004) from the fraud triangle theory initiated by Cressey (1950) by believing that there is pressure, opportunity, and rationality for fraud detection. The fraud diamond theory is a theory that is expected to prevent fraud attempts. According to Wolfe & Hermanson (2004), a person cannot commit fraud if he cannot do so. Therefore, the reflection of the fraud diamond theory by adding capabilities so that there is a theory development regarding fraud in the form of pressure, opportunity, rationality, and ability.

- 1) Pressure is the first element in which a person or a group can commit fraud. Pressure can come from financial or non-financial conditions. A person can commit fraud caused by economic pressure, lifestyle, and so on.
- 2) Opportunity is the second element where an individual or group of people can commit fraud attempts. Opening the opportunity ensures that the suspect is not detected as committing fraud. And will not can find a severe impact on the fraud perpetrators.
- 3) Rationality is the third element contained in the fraud diamond theory. Rationality can be interpreted as justification for what has been done by the perpetrator in an attempt to make a mistake. So, someone is someone who can be a gap to take the main action.
- 4) Ability is the fourth most crucial element in fraud prevention efforts. The fraud cannot be carried out if it cannot act. With the ability of the perpetrator to recognize the opportunities that are open to being able to commit fraud that is carried out not only once but can be done up to many times.

Fraud Prevention

According to The Institute of Internal Auditors in the research of Yusuf et al., (2021) fraud prevention can be linked to activities undertaken to prevent fraud and limit fraud exposure. Fraud prevention is an effort that can do by reducing the potential for fraud to occur by lowering employee pressure so that they can fulfill assignment needs, minimizing opportunities to commit fraud, eliminating arguments to justify fraud, and closing the ability of all members of the organization to commit fraud.

Internal Control System

The internal control system is an action accompanied by activities that are carried out regularly by work units, both leaders and employees, to obtain the reliability of financial reports, obtain the protection of company assets, and fulfill compliance with policies by company management (Ayem & Kusumasari, 2020). To prevent fraud and fraud, an agency or institution must create an increasingly effective internal control system. The control system has a combination of controls, including external control and internal control. For example, external controls such as segregation of duties and transaction authorization can reduce the chances of fraud. In contrast, implementing a code of ethics and ethical values can prevent fraud (Taufik, 2019).

Whistleblowing System

Whistleblowing system is a system used by companies to report violations. Whistleblowing is generally done in secret. Whistleblowing will arise when there is a conflict that refers to the employee's personality with the company's interests. Disclosure of violations is solely done in good faith, not for personal complaints against company policy regulations based on slander (Widyawati *et al.*, 2019). The whistleblowing system applied by the government and companies is quite different. The government has its way of detecting whistleblowing, namely by using the WISE application. While the use of the whistleblowing system in general by companies, namely by using the method used by the company itself. Whistleblowing is an action taken by a person or several people to report company violations to other parties (Prena & Kusmawan, 2020).

Organizational Commitment

Organizational commitment is the identification of employees in an organization to participate by involving a sense of loyalty to the organization, which can be shown by an attitude of belief, acceptance, and strong motivation to maintain organizational membership and realize shared goals (Sanjani & Werastuti, 2021). According to Meyer & Allen (1997) in the research of Sulistiyanti *et al.*, (2021) organizational commitment is formed by having 3 components, namely:

- 1) Affective Commitment, will happen when employees feel they have the same values in an organization or the employee has an interest in being part of a member of the organization due to an emotional bond.
- 2) Continuance Commitment, namely self-willedness by choosing to remain in an organization because there is no other job or because of certain economic rewards.
- 3) Normative Commitment, namely the sense of responsibility of an employee to choose to remain a member of the organization because of the awareness to be committed to the organization.

Morality

Morality is a person's overall character or value that can be good or bad. Morality itself also departs from the aspects of religion, tradition and culture adopted (Kurniawan Saputra *et al.*, 2020). Moral reasoning is a basic form of a person's behavior. Morality is the ability of a person's moral reasoning in acting to solve a problem by making a prior assessment regarding whether the action to be taken is ethical or not (Prena & Kusmawan, 2020). According to Kohlberg (1995) in the research of Yusuf *et al.*, (2021) Moral has a theory development through several stages, namely: (1) Pre-conventional stage, which is an attitude of a person's action based on a fear of doing something for fear of applicable rules or laws, (2) Conventional stage, which is an attitude that needs to be carried out on a person is based on the approval of the people around him and also the norms that apply to society, (3) the post-conventional stage, namely a person's action to take action by always considering or paying attention to the interests of others.

Effect of Internal Control System on Fraud Prevention

The occurrence of fraud is caused by opportunities that arise in companies with various problems such as inadequate internal control, weak monitoring, and ineffective communication in conveying information. The internal control system is an action that is carried out periodically by all work units, both leaders and employees, to obtain the reliability of accounting data, protect company assets and fulfill compliance with company policies (Ayem & Kusumasari, 2020). The effectiveness of the internal control system can also create effective

and efficient company operations. This means that it can minimize the opportunity of being fraud. This research was strengthened by Taufik (2019) Internal control system variables have a positive impact on fraud prevention. Another study belonging to Sulistiyanti et al., (2021) also explained that internal control system variables had a significant positive impact. This means that the company has high internal control and will have a high level of fraud prevention as well. The weakness of the company's internal control system can provide an opportunity for employees to commit fraud. The importance of realizing an adequate internal control system will close the opportunity for employees to commit fraud. The higher the internal control a company applies, the higher the fraud prevention will be.

H₁: Internal Control System has a positive effect on Fraud Prevention

Effect of Whistleblowing System on Fraud Prevention

Fraud appears based on the pressure felt by someone. Economic pressure can be the main trigger for someone to commit fraud. With whistleblowing in companies, it is easy to find indications of fraud. Whistleblowing system is a system for reporting fraudulent actions by a person or several people to minimize the occurrence of fraud in an organization (Prena & Kusmawan, 2020). So that with the existence of whistleblowing, it is expected to form a safe and secure organization. In addition, the application of the whistleblowing system aims to give employees fear of committing fraud. This research was strengthened by Widyawati et al., (2019) by proving that the whistleblowing system has a significant positive impact on fraud prevention. Another research courtesy of Anandya & Werastuti (2020) also provides evidence of a positive impact related to the variable whistleblowing system for fraud prevention. If the whistleblowing system is high, it will impact the higher level of fraud prevention. Awareness to report violations to various parties is also part of whistleblowing. A solid desire to report violations can reduce indications of fraud. The higher the whistleblowing system, the lower the potential for fraud in an organization.

H₂: Whistleblowing System has a positive effect on Fraud Prevention

The Effect of Organizational Commitment on Fraud Prevention

Fraud can arise due to the rationalization or justification of a deviation. Rationalization has a relationship with organizational commitment. Organizational commitment practiced not optimally can cause someone to commit fraud because they feel that they are doing something reasonable. Organizational commitment is a form of employee loyalty to survive and maintain the integrity of organizational members to achieve common goals. The need to increase organizational commitment because it can trigger employees to be responsible in carrying out their duties for the common good (Sanjani & Werastuti, 2021). So with the organizational commitment is considered capable of reducing the potential for fraud. This research can be strengthened by Sanjani & Werastuti (2021) by providing evidence of organizational commitment to impact fraud prevention positively. Followed by research belonging to Sulistiyanti et al., (2021) in his research can prove that fraud prevention has a significant positive impact. This shows that if the organizational commitment is high, the potential for fraud will be lower. Organizational commitment is shown by a strong desire to maintain the integrity of organizational members to realize common goals. If someone has a high fidelity course will not intend to commit fraud. The higher the organizational commitment, the lower the potential for fraud that occurs.

H₃: Organizational Commitment has a positive effect on Fraud Prevention

Effect of Internal Control System on Fraud Prevention Moderated by Individual Morality

Morality is a principle or value of a person that can be good or bad (Kurniawan Saputra *et al.*, 2020). Fraud prevention is closely related to individual morality. Besides, companies can take unethical actions if they exploit opportunities to commit fraud. Someone who has good individual morality is not easy to make a deviation. So with individual morality, it is hoped that it can reduce the potential for fraud. The research was strengthened by Kurniawan Saputra *et al.*, (2020) provide evidence that the morality variable has a positive impact on fraud prevention. On the other hand, research by Anandya & Werastuti (2020) also proves that individual morality variables can significantly positively impact fraud prevention. This means that high individual morality has a high impact on fraud prevention as well. Internal control carried out by leaders and employees can be influenced by the morality of members of the organization. High employee morality is indicated by the obedience of an employee to company policies and a strong desire to protect company assets. In another sense, individual morality can create an excellent internal control system so that it affects the lack of potential for fraud.

H₄: Individual Morality strengthens the relationship of the Internal Control System to Fraud Prevention

The Effect of Whistleblowing System on Fraud Prevention Moderated by Individual Morality

Morality is the principle of a person to act by considering a prior assessment of whether the action is ethical or not (Prena & Kusmawan, 2020). Capability has a relationship with the morality of the individual. With the capability, a person takes advantage of conditions to commit fraud. High individual morality is not easy to commit fraud. If a person has good morality, he will think long before deciding to act. This research was strengthened by Kurniawan Saputra *et al.*, can provide evidence that the whistleblowing system variable positively impacts preventing fraud. Supported by other research by Anandya & Werastuti (2020) proves that individual morality has a significant positive impact on fraud prevention. If individual morality is high, it will also have an affect on higher fraud prevention. Someone who tries to notify fraud is called a whistleblower. An honest whistleblower has an awareness of unethical behavior. So, if a violation is found in a company, it will be handled immediately. If the individual's morality is good, it will minimize fraud.

H₅: Individual Morality strengthens the relationship of the Whistleblowing System to Fraud Prevention

The Effect of Organizational Commitment on Fraud Prevention Moderated by Individual Morality

Morality is a person's reasoning in carrying out an activity based on the first assessor whether the action is ethical or not (Prena & Kusmawan, 2020). Fraud prevention has a relationship with individual morality. Someone with the capability (ability) will use power to commit fraud. Someone with good individual morality is not easily influenced to do an unethical act. Although a person can commit fraud, it does not deter someone from misbehaving. So can expect that good individual morality can minimize fraud. This research was strengthened by Anandya & Werastuti (2020) by proving the individual morality variable plays a significant positive role in preventing fraud. Supported by another study belonging to Kurniawan Saputra *et al.*, (2020) also proves that the morality variable positively impacts fraud prevention efforts. This means that high individual morality can affect higher fraud prevention. The strong desire of employees to stay in the company is a form of organizational commitment.

High commitment can be shown by employees being responsible for their obligations. If the individual morality of the employee is good, they will automatically have the awareness to be responsible for the given task. So that good individual morality can reduce the potential for fraud.

H₆: Individual Morality strengthens the relationship Organizational Commitment to Fraud Prevention

RESEARCH METHODS

The type of research used in this study is an associative descriptive type whose role is to test the relationship between variables that the researcher has set (Ulum *et al.*, 2021). This research population uses all permanent employees at Bank BNI Tulungagung Branch Office. Convenience sampling is a sampling technique with sampling based on the availability of population members to serve as respondents who have been determined with a total sample of 55 respondents.

Table 1 Variable Measurement Indicator

Variable		Measurement Indicator	Source
Internal Control System	X _{1.1}	Control environment	Taufik (2019)
	X _{1.2}	Risk assessment	Taufik (2019)
	X _{1.3}	Control activity	Taufik (2019)
	X _{1.4}	Information and communication	Taufik (2019)
	X _{1.5}	Monitoring	Taufik (2019)
Whistleblowing System	X _{2.1}	Structural aspect	Wardana <i>et al.</i> , (2017)
	X _{2.2}	Operational aspects	Wardana <i>et al.</i> , (2017)
	X _{2.3}	Maintenance aspect	Wardana <i>et al.</i> , (2017)
Organizational Commitment	X _{3.1}	Acceptance of organizational goals	Damri <i>et al.</i> , (2017)
	X _{3.2}	Willingness to work hard	Damri <i>et al.</i> , (2017)
	X _{3.3}	Desire to survive being part of the organization	Damri <i>et al.</i> , (2017)
Fraud Prevention	Y _{1.1}	Honest employee recruitment	Suradi (2016) in Taufik (2019)
	Y _{1.2}	Positive work environment	Suradi (2016) in Taufik (2019)
	Y _{1.3}	Implementation of work program training	Suradi (2016) in Taufik (2019)
	Y _{1.4}	Understanding code of ethics	Suradi (2016) in Taufik (2019)
Morality	Z _{1.1}	Moral reasoning is based on rewards	Wardana <i>et al.</i> , (2017)
	Z _{1.2}	Doing good	Wardana <i>et al.</i> , (2017)
	Z _{1.3}	Awareness of obligations	Wardana <i>et al.</i> , (2017)

Variable	Measurement Indicator	Source
Z _{1.4}	Moral reasoning is based on law	Wardana <i>et al.</i> , (2017)
Z _{1.5}	Implementation of activities by actual conditions	Wardana <i>et al.</i> , (2017)

RESULTS AND DISCUSSION

Table 2 Total Respondents

	Total
Shared Questionnaire	55
Missing Questionnaire	1
Questionnaires that can be used for research	54

Source. Primary Data Processed (2021)

Table 2 shows that as many as 54 questionnaires can be used in this study. Characteristics of respondents in general in this study were grouped into several parts, namely gender, age, last education, and length of work.

Table 3 Respondent Identity

No.	Respondent Characteristics	Total	
		Respondent	Persentase
1.	Gender		
	a. Male	26	48 %
	b. Female	28	52 %
2.	Age		
	a. 25-30	14	26 %
	b. 31-35	21	39 %
	c. 36-40	5	9 %
	d. 41-50	10	19 %
	e. > 50	4	7 %
3.	Last Education		
	a. Diploma	5	9 %
	b. Bachelor (S1)	48	89 %
	c. Master (S2)	1	2 %
4.	Length Of Work		
	a. 6-10 Year	29	54 %
	b. 11-15 Year	10	19 %
	c. 16-20 Year	10	19 %
	d. > 20 Year	5	9 %

Source. Primary Data Processed (2021)

Table 3 states that the majority of respondents from Bank BNI's Tulungagung Main Branch Office are dominated by females, as many as 28. Furthermore, respondents are dominated by those aged 31-35 years who have a frequency of 39%, with the majority of the most recent education being 89% of bachelor graduates. In addition, the majority of permanent employees at Bank BNI Tulungagung Main Branch

Office are shown by the majority of working years for 6-10 years with a frequency of 54%.

Table 4 Average Variance Extacted (AVE)

	AVE
Internal Control System (X1)	0,721
Whistleblowing System (X2)	0,709
Organizational Commitment (X3)	0,621
Fraud Prevention (Y)	0,666
Individual Morality (Z)	0,722
Moderating 1	1,000
Moderating 2	1,000
Moderating 3	1,000

Source. Primary Data Processed (2021)

Based on table 4, all latent variables in this study obtained an AVE value greater than 0.5. With the AVE value obtained, it proves that these variables are eligible for validity testing.

Table 5 Outer Loading I

Construct	Indicator	Outer Loading	Conclusion
Internal Control System (X1)	X1.1	0,786	Valid
	X1.2	0,859	Valid
	X1.3	0,873	Valid
	X1.4	0,797	Valid
	X1.5	0,923	Valid
Whistleblowing System (X2)	X2.1	0,804	Valid
	X2.2	0,851	Valid
	X2.3	0,870	Valid
Organizational Commitment	X3.1	0,843	Valid
	X3.2	0,726	Valid
	X3.3	0,791	Valid
Fraud Prevention (Y)	Y1.1	0,766	Valid
	Y1.2	0,850	Valid
	Y1.3	0,813	Valid
	Y1.4	0,834	Valid
Individual Morality (Z)	Z1.1	0,682	Invalid
	Z1.2	0,814	Valid
	Z1.3	0,805	Valid
	Z1.4	0,843	Valid
	Z1.5	0,832	Valid
Moderating 1		1,628	Valid
Moderating 2		1,381	Valid
Moderating 3		1,473	Valid

Source. Primary Data Processed (2021)

Based on the tests in table 5, one indicator has an outer loading value of <0.7. So the indicator needs to be removed or dropped. To get confidence that all indicators have an outer loading value > 0.7, it is necessary to retest the remaining indicators.

Table 6 Outer Loading II

Construct	Indicator	Outer Loading	Conclusion
Internal Control System (X1)	X1.1	0,786	Valid
	X1.2	0,859	Valid
	X1.3	0,873	Valid
	X1.4	0,797	Valid
	X1.5	0,923	Valid
Whistleblowing System (X2)	X2.1	0,804	Valid
	X2.2	0,851	Valid
	X2.3	0,870	Valid
Organizational Commitment	X3.1	0,843	Valid
	X3.2	0,726	Valid
	X3.3	0,791	Valid
Fraud Prevention (Y)	Y1.1	0,766	Valid
	Y1.2	0,850	Valid
	Y1.3	0,813	Valid
	Y1.4	0,834	Valid
Individual Morality (Z)	Z1.2	0,814	Valid
	Z1.3	0,805	Valid
	Z1.4	0,843	Valid
	Z1.5	0,832	Valid
	Moderating 1		1,628
Moderating 2		1,381	Valid
Moderating 3		1,473	Valid

Source. Primary Data Processed (2021)

Based on table 6 above, the results show that all latent variables in each indicator obtain an outer loading value greater than 07. Therefore, the cross-loading value obtained proves that these variables are eligible for validity testing.

Table 7 AVE Root Value

	Moderating 1	Moderating 2	Moderating 3	X1	X2	X3	Y1	Z1
Moderating 1	1,000							
Moderating 2	0,878	1,000						
Moderating 3	0,758	0,759	1,000					
X1	-0,818	-0,707	-0,613	0,849				
X2	-0,626	-0,587	-0,525	0,798	0,842			
X3	-0,607	-0,587	-0,687	0,694	0,569	0,788		
Y1	-0,603	-0,577	-0,548	0,758	0,665	0,632	0,816	
Z1	-0,779	-0,742	-0,740	0,843	0,717	0,703	0,782	0,849

Source. Primary Data Processed (2021)

Table 7 shows that the root value of the AVE in each construct is greater than the correlation value, so the constructs in this research model can be said to have good discriminant validity.

Table 8 Cronbach's Alpha

	Cronbach's Alpha	Conclusion
Internal Control System (X1)	0,902	Reliable
Whistleblowing System (X2)	0,796	Reliable
Organizational Commitment (X3)	0,700	Reliable
Fraud Prevention (Y)	0,834	Reliable
Individual Morality (Z)	0,871	Reliable
Moderating Effect 1	1,000	Reliable
Moderating Effect 2	1,000	Reliable
Moderating Effect 3	1,000	Reliable

Source. Primary Data Processed (2021)

Based on table 8, the results of Cronbach's alpha value for all variables have a value greater than 0.60, so the reliability testing requirements have been met.

Table 9 Composite Reliability

	Composite Reliability	Conclusion
Internal Control System (X1)	0,928	Reliable
Whistleblowing System (X2)	0,880	Reliable
Organizational Commitment (X3)	0,831	Reliable
Fraud Prevention (Y)	0,888	Reliable
Individual Morality (Z)	0,912	Reliable
Moderating Effect 1	1,000	Reliable
Moderating Effect 2	1,000	Reliable
Moderating Effect 3	1,000	Reliable

Source. Primary Data Processed (2021)

Based on table 9, the results of the composite reliability values for all variables have values greater than 0.60, so the reliability testing requirements have been met.

Table 10 R-Square

	R Square	R Square Adjusted
Fraud Prevention	0,666	0,615

Source. Primary Data Processed (2021)

Based on table 10, the value of the R^2 test for the fraud prevention variable is 0.666 or 66.6%, which means that fraud prevention is influenced by the internal control system variable, the whistleblowing system, and 66.6% organizational commitment, and 33.4% is influenced by the variable other.

Table 11 f-Square

	Fraud Prevention (Y)
Internal Control System (X1)	0,047
Whistleblowing System (X2)	0,007
Organizational Commitment (X3)	0,015
Individual Morality (Z)	0,151
Moderating Effect 1	0,020
Moderating Effect 2	0,004
Moderating Effect 3	0,002

Source. Primary Data Processed (2021)

Based on table 11, the f^2 test value of the internal control system variable and individual morality variable has a large influence on fraud prevention, where each of these variables has an f^2 value of 0.047 and 0.151 is greater than 0.02.

Table 2 Hypothesis Testing Based on Bootstrapping Method

Effect	Original Sample	T-Statistic	P-Values	Conclusion
Internal Control System (X1) → Fraud Prevention	0,350	1,503	0,067	Accepted
Whistleblowing System (X2) → Fraud Prevention	0,084	0,644	0,260	Not Accepted
Organizational Commitment (X3) → Fraud Prevention	0,114	0,795	0,213	Not Accepted
Moderating Effect 1 → Fraud Prevention (Y)	0,150	0,795	0,167	Not Accepted
Moderating Effect 2 → Fraud Prevention (Y)	-0,058	0,399	0,345	Not Accepted
Moderating Effect 3 → Fraud Prevention (Y)	-0,030	0,243	0,404	Not Accepted

Source. Primary Data Processed (2021)

Table 12 above shows the results obtained that one hypothesis in this study is supported or accepted, and five hypotheses in this study are not supported. The results of testing the hypothesis of this study using the one-tailed method in the SmartPLS program. The supported or accepted hypothesis is the influence of the internal control system on fraud prevention with P-values of 0.350 or less than 0.1. Furthermore, other variables such as the whistleblowing system and organizational commitment have no effect because the resulting p-values are more than 0.1. Individual morality weakens the relationship between the internal control system, whistleblowing system, and organizational commitment to fraud prevention as indicated by p-values of more than 0.1.

Discussion

Internal Control System To Fraud Prevention

The hypothesis testing table shows that the internal control system variable (X1) obtained a coefficient value of 0.350 with p-values of 0.067. Hypothesis testing in this study by looking at the resulting p-values. Because the coefficient value is 0.350 and the p-values < 0.1 , it can be concluded that there is a significant positive effect between the internal control system on fraud prevention. The higher the internal control system, the higher the fraud prevention. The occurrence of fraud is caused by opportunities that arise in companies with various kinds of problems. One of the efforts to prevent fraud is the effectiveness of the internal control system of an organization. An increasingly effective internal control system can help create the reliability of accounting data, protect company assets and comply with company policies. An effective control system will also impact the realization of effective and efficient company operations. So that the opportunity to commit fraud can be minimized. If a company's internal control system is weak, it can provide opportunities for employees to commit fraud. This research can run consistently with Taufik (2019) research has a positive impact between the internal control system on fraud prevention. Then, also supported by research belonging to Sulistyanti et al., (2021) which can prove that internal control has a significant positive impact on fraud prevention at PT Bank BRI Makassar. This research can prove that an increasingly effective internal control can close the gap for fraud. From this study's results, the company's internal control system is adequate. This is because the company always conducts periodic monitoring of every operational activity it carries out. However, strict monitoring can cause employees to fear always being careful in carrying out all company operations. So that it can minimize the occurrence of fraud.

Whistleblowing System To Fraud Prevention

The hypothesis testing table shows that the whistleblowing system variable (X2) obtained a coefficient value of 0.084 with p-values of 0.260. Hypothesis testing in this study by looking at the resulting p-values. Because the p-values > 0.1 , it can be concluded that the whistleblowing system does not affect fraud prevention. If the whistleblowing system is implemented correctly, fraud prevention will be higher. Fraud arises based on the pressure felt by someone. Economic pressure can be the main trigger for someone to commit fraud. With the existence of whistleblowing in companies, it is easy to find indications of fraud. Whistleblowing system is a system that functions as a forum for reporting violations. Whistleblowing is usually carried out when an employee has a personality conflict with the company's interest or the public. If the whistleblowing system has been appropriately implemented, the potential for fraud will be lower. Research belonging to Widyawati et al., (2019) has proven that the whistleblowing system has a significant positive impact on preventing fraud from managing bumdes funds in Buleleng Regency. Next, research courtesy of Sanjani & Werastuti (2021) has given positive results on fraud prevention in BPKAD Karangasem. However, this study was not consistent with the research of Widyawati et al., (2019) and the research of Anandya & Werastuti (2020). If employees implement the whistleblowing system properly, fraud prevention will be higher. The results of the statements of informants that have been taken, the whistleblowing system in the company has not been fully implemented properly. The main reason is that employees are still reluctant to report violations. Employees are believed to be afraid if they do not get protection for the reports submitted. So that the whistleblowing system cannot affect fraud prevention.

Organizational Commitment To Fraud Prevention

The hypothesis testing table shows that the organizational commitment variable (X3) obtained a coefficient value of 0.114 with p-values of 0.213. Hypothesis testing in this study

by looking at the resulting p-values. Because the p-values > 0.1 , it can be concluded that there is no effect on organizational commitment to fraud prevention. If organizational commitment is high, it will affect high fraud prevention. Fraud can arise due to the rationalization or justification of a deviation. Rationalization has a relationship with organizational commitment. An organizational commitment that is not practiced optimally can cause someone to commit fraud to feel that he is doing something reasonable. Organizational commitment is a condition in which an employee actively participates in the organization. In other words, an employee strongly desires to maintain membership to create shared achievements. If someone has a high commitment, of course he will not intend to commit fraud. The higher the organizational commitment, the lower the potential for fraud to occur. Research belonging to Kurniawan Saputra et al., (2020) prove organizational commitment has a positive impact on fraud prevention. Then, research belonging to Anandya & Werastuti (2020) also proves organizational commitment has a significant positive impact in preventing fraud at PT. Indonesian Port III Benoa Bali. However, this study is not consistent with that of Anandya & Werastuti (2020) and Kurniawan Saputra, *et al* (2020). If the employee has a high commitment, it will affect the high level of fraud prevention. The results of the statements of the informants that have been taken, the employees have low organizational commitment. Low organizational commitment makes an agency or company not fully trusted in connection with indications of fraud. Low organizational commitment makes it easier for someone to commit fraud. Low commitment to employees is caused by a lack of employee loyalty to the company. So that organizational commitment cannot affect fraud prevention.

Internal Control System To Fraud Prevention Through Individual Morality

The hypothesis testing table shows that the moderating variable obtained a coefficient value of 0.150 with p-values of 0.167. Hypothesis testing in this study by looking at the resulting p-values. Because the p-values > 0.1 , it can be concluded that the moderating variable weakens the relationship between the internal control system and fraud prevention. This shows that the individual morality variable cannot be moderated. Research courtesy of Anandya & Werastuti (2020) provides evidence that individual morality variables significantly positively impact fraud prevention at PT Pelabuhan Indonesia III. Research courtesy of Kurniawan Saputra *et al.*, (2020) also proves that morality positively impacts fraud prevention. From the two studies, it is said that individual morality can prevent fraud. The higher the individual morality, the higher the fraud prevention will be. The results of this study indicate that employees have high individual morality. This is indicated by the compliance of employees with company regulations and policies. However, in carrying out the company's operating activities, it cannot run following the given job description. Several employees are still involved in doing the work of other employees. So good employee morality cannot strengthen the internal control system to prevent fraud.

Whistleblowing System Against Fraud Prevention Through Individual Morality

The hypothesis testing table shows that the moderating variable has a coefficient value of -0.058 with p-values of 0.345. Hypothesis testing in this study by looking at the resulting p-values. Because the p-values > 0.1 , it can be concluded that the moderating variable weakens the relationship between the whistleblowing system and fraud prevention. It can be proven that the individual morality variable cannot be used as a moderating variable. This research cannot run consistently with Anandya & Werastuti (2020) research which has proven that individual morality has a significant positive impact on fraud prevention at PT Pelabuhan Indonesia III. If the individual's morality is higher, it will have a stronger influence on fraud prevention. Therefore, high individual morality is expected to reduce the potential for fraud. From the

results of this study, the individual morality of the employees is good. Therefore, it is proven that the employees have compliant with company regulations. However, employees are still hesitant to report violations for fear of not getting protection from the whistleblower. So that employees who have good morality cannot strengthen the whistleblowing system for fraud prevention.

Organizational Commitment To Fraud Prevention Through Individual Morality

The hypothesis testing table shows that the moderating variable obtained a coefficient value of 0.030 with p-values of 0.404. Hypothesis testing in this study by looking at the resulting p-values. Because the p-values > 0.1 , it can be concluded that the moderating variable weakens the relationship between organizational commitment and fraud prevention. Can explain that the individual morality variable cannot be a moderating variable. This research cannot run consistently with Anandya & Werastuti's (2020) research which provides evidence that individual morality has a significant positive impact on fraud prevention. Another study belonging to Kurniawan Saputra et al., (2020) have proven individual morality variables have a positive impact on fraud prevention. This means that if the individual's morality is good, the level of fraud prevention will be higher. Therefore, with the existence of high individual morality, it is expected to minimize fraud. The results of the informants' responses stated that employee morality did not play a role in organizational commitment to fraud prevention. An organizational commitment that is practiced at the company does not run optimally. The low employee commitment is due to the lack of employee loyalty to the company. Will have an impact on lowering the company's trust. So that individual morality cannot strengthen the organizational commitment to fraud prevention.

CONCLUSION, LIMITATIONS AND SUGGESTIONS

Conclusion

This study concludes that the internal control system significantly positively affects fraud prevention. However, the whistleblowing system and organizational commitment d not affect fraud prevention. Furthermore, individual morality weakens the relationship between the whistleblowing system and organizational commitment to fraud prevention.

Limitations

This research certainly has obstacles in its implementation. For this reason, the limitation of this study is that it takes about 2 months because the respondents are not always at the research location.

Suggestion

Suggestions that researchers can give are: (1) the whistleblowing system needs to be implemented properly so that employees can uncover violations with guarantees under legal protection, (2) it is necessary to increase organizational commitment so that trust in banks can be better.

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