Can Fraud Prevention Affect Internal Controls, Good Governance and Whistleblowing Systems?

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ABSTRACT: This study aims to find out the impact of internal control, good governance and whistleblowing system on fraud prevention on the District Inspectorate of South Sumatra Province. The type of research used is associative, sampling using saturated samples, the samples examined are 41 auditors available at the Provincial Inspectorate of South Sumatra. The data used is primary data, the data collection technique is through interviews and questionnaires. The method of data analysis used is quantitative. The data analysis techniques used in this study are validity tests, rehabilitation tests, descriptive statistics, classical assumption tests and hypothesis tests. Internal controls, good governance and whistleblowing systems have a significant impact on fraud prevention.

KEYWORDS- Impact of Internal Control, Good Governance, Whistleblowing System, and Fraud Prevention

I. INTRODUCTION

Government institutions have an important role to play in achieving a country's objectives, and in order to them, they must be supported by a good attitude or action of the civil apparatus of the state. In reality, there are still a lot of fraud issues happening in government agencies, both at the central and regional levels. Fraud is not something that's easy to find. The perpetrator will commit Fraud because he feels confident that the results of his actions will not be found. Therefore, management should be alert to the possibility of fraud that may occur in the government sector.

Fraud is very detrimental to various parties as it can destroy the organization. Indications of fraud or misconduct in an organization can occur in various layers of the organization's work, both in the organisation's management and senior officials of the agency. Fraud is an act intentionally committed to deceive or lie, a method or way not honestly performed to take or destroy money, property, or property rights of another person legitimately, either as a result of an act or a fatal consequence of the act itself. (Dien, 2020:14).

One of the triggers of fraud is that it opens up an opportunity or an opportunity to commit fraud. The opportunity to commit fraud is strongly linked to the effectiveness of designing and implementing internal controls and good governance. The more ineffective the internal control and good Governance, the more open the risk of fraud. (Diaz, 2013:196).

Fraud prevention is an effort made by all parties to reduce the causes of fraud that can be suppressed by means of an effort, which minimizes the chances of a fraud, reduces the pressure on any government agency to be able to meet its needs, eliminates the emergence of a sense of rationalization that gives rise to justification for fraud. (Silviana, 2020:4).

Preventing Fraud There are three elements to be taken into account to prevent fraud: creating and restoring a culture of honesty and high ethical values, implementing and evaluating anti-fraud control processes, and developing supervisory processes. (oversight process). Fraud can be prevented by reviewing legislation, recruiting and promoting appropriate employees according to established qualifications, undertaking training to improve the quality of internal controls, and adhering to the rules that have been made so that internal performance can run smoothly. In the implementation and evaluation of anti-fraud control processes, fraud actions can be prevented by identifying and measuring potential fraud risks, reducing the likelihood of such fraud, and implementing and monitoring internal controls. (Nugroho & Hartono, 2022).

Internal control is essential in running the wheel of government. This internal control can work if all the elements involved in government have the knowledge, ability and will to run simultaneously and sustainably. In order for the maintenance of government to go well, the internal control of government should be carried out simultaneously and continuously, from

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planning, implementation, supervision, to accountability running orderly, controlled and effective and efficient, in the development of internal control processes, fraud actions can be prevented by carrying out proper internal controls. (Ayem & Kusumasari, 2020).

Effective and efficient internal government controls are expected to be able to identify and suppress the symptoms of fraud. Therefore, the inspectorate has a very strategic position, as a catalyst and dynamizer in successful regional development related to smooth course of regional government, optimally development, construction of regional apparatus, and so on. So the local inspectors as internal supervisors can be a spear to bring accountability and transparency to good governance. The essence of internal control as a preventive measure of the Inspectorate is to implement internal controls, both in the internal environment of the inspectorate itself and throughout the regional device, in order toward good governance. (Anisa & Syarif, 2020).

Good governance in the environment of government agencies is a must. With the government's commitment to good governance, then the performance on the maintenance of government organizations becomes the concern of the government to be nurtured, one of which is through an effective supervisory system, by enhancing the role of the Good Governance Inspectorate. (Bakri, dkk 2019).

Good Governance is the maintenance of management or management within the government in a solid and accountable manner and based on the principles of efficient markets and also the prevention of fraud both administratively and politically. The concept of good governance requires synergies between the three main actors, the government, the private sector, and civil society. These three actors have roles in managing resources, social, economic, and cultural environments. For the government or even the private sector, this is an innovation or breakthrough at the cutting edge in an attempt to create reliable public managerial credibility. Good Governance helps to integrate the roles of government, the private sector, and society to common consensus, where implementation can be accountable and effective and effective. By paying attention to the values and the way good governance works (Fitriansyah & Marzuq, 2022).

The National Committee on Governance Policy (2008:1) stated that several other institutions in the world, such as the Organization for Economic Co-operation and Development (OECD) and the Global Economic Crime Survey, concluded that one of the most effective ways to prevent and eradicate practices contrary to good governance is through violation reporting mechanisms. (whistleblowing system).

The whistleblowing system emerged as the number of cases of fraud and financial irregularities increased. Whistleblowing is a form of action carried out by one or more officials in the government area to complain of alleged misconduct in the maintenance of local government. An act of deviation is an act or action that is contrary to the regulations of the laws, codes of ethics in the environment of the Local Government. (Sujana, dkk 2020).

Whistleblowing is an effective way to counter fraud by empowering whistle-blowers, and is considered to be a control mechanism for the process of checking and balancing against possible fraud. whistleblowing describes a form of moral protest involving members of other organizations who know something against the public interest has happened. (chairi, dkk 2022).

the phenomenon that has occurred in the inspectorate reports based on the dpc okut by syarif that in 2019 covered cases of corruption, the pmd and the inspectorate allegedly forced camat and the kades made false statements. the empowerment of the community and the village (pmd) of the eastern oku district, where the pmd of the township, the head of the village and the treasury feel blacked by h.rusman, to cover up the corruption case of the oku 9 village fund east, the camaters and cadets were forced to make a false statement that they never asked for the apbn 2018 village fund to any village heads by the chief of service of the east oku pmd and the team of inspectors. criminal case alleged corruption of apbn village fund 2018, ogan district of komering ulu east, from the results of the investigation of the entire village heads of 305 villages in the 20 districts of oku east district. (sumateranews.co.id)

The phenomenon that occurs in government agencies is the presence of an opportunity to commit fraud in the process of financial management. one of the cases that occurred was the construction of a sriwijaya mosque worth rs. 130 billion because of corruption, which was built from 2015 until construction of the mosque was stopped since 2018, and is believed to damage the country up to rs. the mosque is often claimed to be the largest mosque in southeast asia. the project of the srivijaya grand mosque was overthrown after the former governor of sumsel was found guilty of alleged corruption in the case of the grant fund for the construction of the sriwijaya grand mosque. in this case, the inspectorate of the province of south sumatra is responsible for overseeing the operational implementation of the general service and the layout of the premises. based on the information obtained from the preliminary survey conducted at the provincial inspectorate of south sumatra province, through an interview with Mr. Ilyas Rozi Atmadja, S.E as penal auditor. it can be concluded that internal control in the inspectorate can be maximized by meeting the number of quotas of its auditors as well as the discipline of its own apporters. in order to improve good governance and performance, the inspectorate recruits staff through a competence test, not just through

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recommendations like the current one, and does not recruit staff who do not have an auditor's certification, thus creating a good government.

The whistleblowing system can be maximized if the organization supports whistleblowing action and an inclusive whistlebowing program within the organization will encourage the people in it to raise the facts by creating a strong whistling program, educating all parties in the organization and responding to every complaint report carefully.

Fraud prevention is supposed to prevent the occurrence of budget fraud and can be maximized to reduce the risk of fraud.

Fraud prevention

Fraud prevention is a pre-planned action to deceive/manipulate others so that other parties suffer losses and the perpetrator of fraud obtains profits both directly and indirectly (cris, 2017: 13). fraud is obtaining unfair profits from others (Marshal And Paul, 2019: 149). (Romney Dan Paul, 2019: 220).

Fraud is any act of dishonesty, (abuse of position/circuit or deviation aimed at taking money) or property or resources of another person/organization by means of unreasonable, fraudulent, deceitful, defamation, bribery, deception, false advice, concealment, or other means of it, committed intentionally by someone, resulting in the loss of the organization or others or to the benefit of the perpetrator. (Bona, 2015: 2).

Fraud is a general term, and encompasses all kinds of means that can be used with a certain virtue, chosen by an individual, to gain from the other party by making a false presentation. (Zimbelman, dkk 2014: 7).

Based on some of the above understandings, it can be concluded that fraud prevention by creating a climate that prevents fraud from happening, enhances the difference in doing so, improves detection methods and reduces the amount of losses if fraud occurs.

Internal control

Internal control is an activity of procedural nature that must be carried out in order to give reasonable assurance that an activity performed does not deviate from what it should be. internal control is increasingly needed by organizations that want to carry out their activities effectively and efficiently. (Kadek & Niluh, 2022).

Internal controls include organizational structures, methods and measures that are coordinated to maintain organizational assets, check the rigour and reliability of accounting data, drive efficiency and encourage compliance with management policies (Mulyadi, 2019:129). internal control is a process carried out to provide adequate assurances that the control objectives have been achieved (Nurul, 2021:30). basically, internal control is the unity of organizational structures as well as supporting tools for monitoring activities related to the use of property of the organization and to minimize the occurrence of errors, fraud and misconduct occurring in the organization so that the organizational operational activities can go smoothly to support the achievement of the main objectives of the organisation. (Nurul, 2021:19).

Based on some of the above understandings, it can be concluded that internal control is a thoroughly integrated activity with the aim of exercising maximum supervision within an organization in an effort to its objectives.

Good Governance

Good Governance It is one of the forms of ethical business implementation, good organizational governance produces integrated decisions. (Soemarso, 2019: 225). Good governance is a system that regulates and controls organizations that create added value for all stakeholders. Good Governance provides a framework for a balanced distribution of rights and responsibilities in accordance with rules and procedures for decision-making on corporate issues and provides a structure for organizational and performance monitoring purposes. (Diaz, 2013:199).

Good governance is often defined as good governance. Meanwhile, the World Bank defines good governance as a sustained, solid and responsible development management that is in line with the principles of democracy and efficient markets, avoiding misallocation of investment funds, and preventing corruption both politically and administratively, implementing budgetary discipline and creating legal and political frameworks for the growth of business activity. (Mardiasmo, 2018: 22-23).

Good governance is a form of decision making with a much more organized and structured positioning, with work mechanisms that are consistent with the rules of government institutions that have been outlined and ready to accept sanctions if those rules are violated. (Irham, 2017: 62)

The authors conclude the opinion of the experts above that good governance is a solid and responsible maintenance of development management that is in line with the principles of democracy and efficient markets, avoidance of misallocation of investment funds, and prevention of corruption both politically and administratively.

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Whistleblowing System

Whistleblowing system is a system in an instance that allows whistleblowers to report acts that indicate fraud. Whistleblowing is an act carried out by one or more employees to leak fraud either by the organization or its superiors to another party (Dewi, 2020: 14). Whistleblowing is the disclosure of acts against the law, unethical/unmoral acts or other acts harmful to the organization or stakeholders committed by an employee or the organization's leader to the head of an organization or other agency that can take action on such violations (Theodorus, 2018: 61).

Whistleblowing is an act committed by an employee who trusts his business or a colleague involved in an offence or criminal activity, causing unnecessary losses, violating human rights, or contributing to an immoral violation (Rozmita, 2017: 62).

Careful surveillance to facilitate early detection of fraud. It will also prevent fraud because the perpetrator who would do it realizes that "other people see". Monitoring by colleagues is an effective way to capture dishonesty, so Section 307 of the Sarbanes-Oxley Act 2002 requires all public organizations to have a Whistleblower system that facilitates officials and other parties to report suspicious activities (Zimbelman, dkk, 2014: 453). Based on some of the above interpretations, it can be concluded that the Whistlesblowing System is a fraud disclosure and detection system, in order to facilitate internal and external parties reporting alleged fraud.

Framework of Thought

Impact of Internal Control, Good Governance and Whitsleblowing System on Fraud Prevention

Evaluation of internal control processes, good governance and whistleblowing system against fraud prevention, fraud actions can be prevented by identifying and measuring the risk of fraud that may occur, reducing the likelihood of such fraud, as well as implementing and monitoring internal controls of good Governance and Whistleblewing system (Fitria & Nur, 2019).

Fraud prevention is an effort made by all parties in reducing the causes of fraud can be suppressed namely through internal control efforts, good governance and whistleblowing system asining management or management in government solidly and accountable and based on the principle of efficient market and also prevention of Fraud both administratively and politically (Bakri, 2019).

Research conducted by Rowa, Iza and Mei (2019), Fahmu and Arief (2022), Agus and Harti (2022); Aditya and Putra (2022); Nazzarrudin and Letje (2022). Monika (2019) argues that internal controls and good governance have a significant impact on fraud prevention. Contrary to the opinions of Ridho and Hafsah (2019), Mufidah and Amilia (2018), Atik, dkk (2022) and Dewi (2022), stated that internal control and good governance did not have a significant impact on fraud prevention.

Research carried out by Rizky (2020), Atmadja, Dkk (2017), Dally (2019), Yuniarta, DKK (2019), Gede, DK (2017) and Trisna (2017) argued that whistleblowing systems had a significant influence on the prevention of fraud. Contrary to the opinion of Sri and Nur (2022), Puji and Maulida (2021), Ary (2019) stated that whistleblowing systems have no significant impact on fraud prevention.

Impact of Internal Control on Fraud Prevention

Pengendalian internal dikaji ulang secara berkala guna memastikan bahwa dalam pelaksanaannya masih efektif mencegah

Internal controls are reviewed periodically to ensure that their implementation remains effective in preventing errors, deviations and possible fraud. (Ikatan Bankir Indonesia, 2014:122). Have good internal control The most common way to prevent fraud is by having good control (Zimbelman, dkk, 2014:447).

Internal control evaluation is used to detect and prevent fraud, management needs to establish good and effective internal controls as one of the elements of fraud prevention (Diaz 2013. 196).

The more an organization develops, the more difficult the management task of controlling the organization becomes so that the goals set by the top management can be achieved, the security of the organization's assets guaranteed and operational activities can be carried out effectively and efficiently, management needs to have a good internal control structure and effectively prevent fraud. (Betri, 2020: 246).

Research conducted by Rowa, Iza and May (2019), Fahmu and Arief (2022), Agus and Harti (2022); Aditya and Putra (2022); Nazzarrudin and Letje (2022). (2019) Contrary to the opinions of Ridho and Hafsah (2019), Mufidah and Amilia (2018), Atik, dkk (2022) and the goddess (2022) Stating that internal controls have no significant influence on fraud prevention.

The Impact of Good Governance on Fraud Prevention

Good governance conducted by management designed to eliminate or at least suppress the possibility of fraud. Good governance encompasses organizational culture, policies and delegation of authority. (Fitrawansyah, 2014: 15).

Good governance All stakeholders, the management of the organization, should understand that by applying Good Governance, including considering all the principles and functions of Good governance, it will be possible to prevent or reduce the occurrence of fraud. (Diaz, 2013: 196).

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The impact of whistleblowing systems on fraud prevention

Whistleblowing System implemented to help prevent or mitigate fraud. A good whistleblowing system is one of the most effective anti-fraud tools. (Zimbelman, dkk, 2014: 453).

An organization needs to have a whistleblowing complaint system, so employees can maintain anonymity when reporting fraudulent behaviour. (Chairi, dkk 2022).

Whistleblowing system It's a means to channel fraud, but it's not a means of monitoring member-to-member activities. The existence of this system, gives the effect of fear to every employee to commit fraud because at the time of doing the activities of each other have been doing surveillance. This is what makes it possible to prevent a fraud that will happen. (Sujana, dkk 2020).

Research by Rizky (2020), Atmadja, Dkk (2017), Dally (2019), Yuniarta, dkk (2019), Gede, DKK (2017) and Trisna (2017) argued that whistleblowing systems have a significant influence on fraud prevention. Contrary to the opinion of Sri and Nur (2022), Puji and Maulida (2021), Ary (2019) stated that the system has no significant impact on the prevention of fraud.

Hypothesis

Based on the previous framework of thought, the hypothesis submitted as an interim answer to the formula of the research problem is as follows:

H1	:	Internal controls, good governance and whistleblowing systems have an impact on fraud prevention.
H2a	:	Internal controls affect fraud prevention
H2b	:	*Good Governance Impacts on Fraud Prevention*
H2c	:	*Whistleblowing System Affects Fraud Prevention*

II. RESEARCH METHODOLOGY

The type of research used in this study is associative research to find out the impact of Internal Control, Good Governance and Whistleblowing System on Fraud Prevention on the South Sumatra Provincial Regional Inspectorate.

The location of this research was carried out at the Regional Inspectorate of South Sumatra Province, located at Ade Irma Nasution River, Prince River, Ilir Tim, Palembang City, South Sumatera 30121.

Operational variables are properties or values of people, objects or activities that have certain variations that the researcher sets for study and then draws conclusions (Sugiyono, 2018:39). Operationalization of variables used in this study can be seen in the following table:

Table 1. Variable Operationalization

Variable	Definition	Indicator	Scale
Fraud Prevention (Y)	Fraud is an act or act of deliberate and unreasonable use of the organization's resources to obtain personal gain to the detriment of the organisation concerned or others.	1. Create and maintain a culture of honesty and ethics 2. Assess and reduce the risk of fraud	**Ordinal**
Internal control (X₁)	Internal control is an activity of procedural nature that must be carried out to give reasonable assurance that an activity is not deviating from what it should be.	1. Control Environment 2. Risk Assessment 3. Control Activities 4. Information and Communication 5. Monitoring Activities	**Ordinal**
Good Governance (X₂)	*Good governance is a system or principle that regulates and controls organizations that create added value for all stakeholders.*	1. Transparency 2. Accountability 3. Responsibility 4. Independence 5. Obligation	**Ordinal**

Whistleblowing System (X₃)	*A whistleblowing system is a fraud detection system designed to facilitate internal and external reporting of alleged fraud.*	1. Anonymity 2. Independence 3. Access 4. Further action	**Ordinal**

Source: Author, 2023

The population used in this study was 41 Auditors working at the South Sumatra Provincial District Inspectorate.

The sample surveyed was 41 auditors working in the South Sumatera Provincial District inspectorate, where each respondent had a functional position consisting of Auditor Madya, Young Auditor, and First Auditor.

Table 2. **List of functional departments of auditors working at the District Inspectorate of South Sumatra Province**

No.	Auditor's functional department	Amount
1	Madya	10
2	Muda	27
3	Pertama	4
	Amount	**41**

Source: District Inspectorate of South Sumatra Province, 2023

The data used in this research are primary and secondary data. Primary data is obtained through the dissemination of the questionnaire to the respondents, which is the Auditor who works in the office of the Regional Inspectorate of the Province of South Sumatra.

The data collection method used in this research is by using Interviews and questionnaires. The interview is done directly by asking questions and answers directly to the Auditor who works at the office of the Regional Inspectorate of South Sumatera Province. The questionnaire is done by giving a set of questions to Auditors who work at the Office of the Provincial Inspection of South Sumatra Province.

The method of data analysis used in this study is quantitative analysis. Quantitative analyses are carried out using statistical testing of the results of the questionnaire, then the test results will be described using sentences. In other words, qualitative analysis is first used then proceeded with qualitational analysis. The scale of this research uses the likert scale. The Likert Scale is used to measure the attitudes, opinions and perceptions of a person or a group about social events or symptoms. In social research symptoms have been specifically defined by the researcher, which is later referred to as the research variable. Using the likerty scale, the variable to be measured is calculated into dimensions, the dimensions are calculated in sub-variables and then the sub- variables are again determined into measurable indicators. These measured indicators can be used as a pushpoint to create instrumental items that are questions or statements to be answered by respondents. Each answer is associated with a form of statement or support of attitude expressed in the following words:

Totally agree.	= SS	= 5
Agree	= S	= 4
Neutral	= N	= 3
I don't agree	= TS	= 2
Very disagreeable	= STS	= 1

The main condition of testing analysis using data regression should be intervals, then the data obtained from ordinal-shaped questionnaires are scaled into intervals. (Microsoft Successif Interval).

Data analysis techniques in this study were assisted by the Program For Special Sciene (SPSS). Before doing the analysis, according to the requirements of the OLS method (Ordinal Least Square) then first have to do the validity test, reliability test, classical assumption test.

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Validity Tests and Reliability Tests

Validity Test

A validity test is used to measure the validity or invalidity of a questionnaire. A question is deemed to be valid or valid if the question on that question is able to reveal something that will be measured by that questioner. The significance test is performed by comparing the count r value (the Corrected item-Total Correlation value on the Cronbach alpha output) with the table r value for the degree of freedom (df)= n-2 (n is the sample number)

1) If the r value counts > r table then the element or question is valid

2) If the value r counts <r table then that element or query is invalid (Wiratna, 2019:157).

Rehabilitation Test

Reliability test is performed on the validly specified question item. This test is used to measure a questionnaire that is an indicator of a variable or construction. A questionnary is said to be reliable or reliable if a person's answer to a statement is consistent or stable over time. A variable is said that it is reliable when it has Cronbach Alpha > 0.60 (Wiratna, 2019:158).

Descriptive statistics

Descriptive statistics attempt to describe the various characteristics of data derived from a sample. Descriptive statistics can produce tables, graphs, and diagrams. Descriptional statistics in research is basically a process of transforming research data in the form of tabulations so that it is easy to understand and interpret. Tabulations present summaries, arrangements, and compilations of data in the form of maximum values, averages, standard deviation values. (Wiratna, 2020: 173)

Classical Assumption Test

Data Normality Test

The normality test aims to test whether in a regression model, a bound variable and a free variable both have a normal distribution or not. The data normality test can be performed using the Kolmogorov Smirnov one-way test. If significant > 0, 05 then the variable is distributed normally and vice versa if significant < 0,05 then the non-normally distributed variable (Wiratna, 2019:225).

Multicolinearity test

A multicolinearity test is required to determine if there are no independent variables that have similarities between independent variable in a model. In addition, these tests are also to avoid the habit in the decision-making process regarding the influence on the partial test of each independent variable against the dependent variable. If the VIF is produced between 1-10 then there is no multicolinicritis (Wiratna, 2019:158).

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Heteroscadastisity test

Heteroscadastisity is a test of the occurrence of residual variance between one observation period and another. How to predict the absence of heterocadescence in a model can be seen by scatterplot patterns, regression that does not occur heterocedescence if data points spread above and below or around the number 0, data points do not gather only above or below, the spread of data points should not form wave pattern spread then narrowed and expanded again, data point spread is not controlled (Wiratna, 2019:159).

Hypothesis Test

Double Linear Regression Analysis

Double regression analysis is a method of analysis that consists of more than two variables namely an independent variable and one dependent variable, there are classical assumptions that must be met namely normal distributed residual, no multicolinerity, no heterocadastisity, and no autocorrelation (Wiratna, 2020:180) The formula for the multiple regression equation can be presented as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Description:

Y	=	Fraud Prevention
A	=	Constant value (Y value when X = 0)
β_1	=	Internal Control Regression Coefficient
β_2	=	Good Governance Regression Coefficient
β_3	=	Regression coefficient of the Whistleblowing System
X_1	=	Internal control
X_2	=	*Good Governance*
X_3	=	*Whistleblowing System*
E	=	*Eror term*

Determination Coefficient Test R^2

The determination coefficient that is often symbolized by R_2 in principle sees the great influence of a free variable on a bound variable. When the number of determination factors in a regression model continues to be small or closer to zero means the smaller the impact of all the free variables on a tied variable or the closer the value of R_2 to 100% means the greater the influence (Syafrida, 2021:54). As for the determination coefficient formula as follows:

$$KP = r^2 \times 100\%$$

Description:
KP = determination coefficient value
R^2 = correlation value

Test the hypothesis together (Uji F)

The joint hypothesis test is a test of the significance of the equation used to determine how much the influence of free variables (X1, X2, X3) jointly – equal to non-free variables – is. (Y). (Wiratna, 2020: 182)

a) Formulate a Hypothesis

    H01   : Internal controls, good governance and whistleblowing systems have no impact on fraud prevention

    Ha1   : Internal control, Good Governance and Whistleblowing System Influence on Fraud Prevention

b) Pointing Real Side Significant level of 5% real side of the t table determined by free degree (db) = n-k-l, real side (a) means the value of the F table, the actual side of F table defined by the free degree.

    (db) = n-k-1.

c) Conclusion

    If F counts < F table, then H0 accepted Ha rejected

    If F counted > F table, then H0, or Ha accepted

Hipotesis Partial Hypothesis Testing (Uji T)

Partial hypothesis testing is a test of the individual partial regression coefficient used to find out what independent variables (X1, X2, X3) individually affect the dependent variable (Y). (Wiratna, 2020:161 -164).

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Step-step in partial hypothesis testing is:
Formulate a hypothetic

    (1) **Hypothesis 2.A Impact of Internal Control on Fraud Prevention**
      H02a   :   Internal controls have no impact on fraud prevention
      Ha2a   :   Internal controls affect fraud prevention
    (2) **Hypothesis 2.b Impact of Good Governance on Fraud Prevention**
      H02b   :   *Good Governance has no impact on fraud prevention*
      Ha2b   :   *Good Governance Impacts on Fraud Prevention*
    (3) **Hypothesis 2.c The impact of whistleblowing systems on fraud prevention**
      H02c   :   *Whistleblowing system has no impact on fraud prevention*
      Ha2c   :   *Whistleblowing System Affects Fraud Prevention*

Pointing Real Side
A significant level of 5% real side of the t table is determined by free degrees (db) = n-k-1, real side (a) table t values, real level and F table is defined with free degree (db) = N-k-1.

Conclusion
If t counts > t tables, then H0 is rejected and Ha is accepted.
If n counts < t tabels, then the H0 receives Ha is refused.
If sig > 0,05 then H0, then H0.
If sig < 0,05, then it rejects H0.

3. RESULT AND DISCUSSION

RESULT

The research was carried out at the Provincial District Inspectorate Office located at Ade Irma Nasution, Prince River, East Ilir District, Palembang City. In this study, the researchers distributed a questionnaire to 41 auditors or inspectors at the District Inspectorate of South Sumatra Province. Of the 41 questionnaires distributed, all were returned and used as samples in this study.

Table 3. Data collection

Description	Number	Percentage
A questionnaire that is barred or given	**41**	**100%**
Returning questionnaire	**41**	**100%**
The questionnaires used in the research	**41**	**100%**
Description	**Number**	**Percentage**
A questionnaire that is barred or given	41	100%
Returning questionnaire	41	100%
The questionnaires used in the research	41	100%

    Source: Author, 2023.

Data in this study was obtained by researchers through the dissemination of questionnaires that contain profiles or general overview of respondents covering age, gender, position, last education and length of work.

Based on the above table of 41 respondents from the data processing data shows that for the age level the most respondents are <36 years – 45 years with the total number of respondents 26 or 63%. Next for respondents of the male type 16 respondents or 39% and respondents with the female type 25 respondants or 61%. For the most positions are young auditors 27 respondents, or 66%. Next, for the educational level of the respondents the most is the second layer (S2) with the number of responders 23 or 44%. Last for the longest level of work the most answerants are 10-12 years with a total of 31 responders or 75%. The research is based on the transformation of the research data in the form of tabulations, so it is interpretable and easy to understand. The questionnaire has been distributed to 41 respondents from the Inspectorate who are conducting the research.

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The questionnaire consists of 4 (four) variables with 3 (three) X variables that are internal control, good governance and whistleblowing system and 1 (one) Y variable that is fraud prevention. The statement details on the internal control variable (X1) consist of 16 (sixteen) statements divided into 5 indicators that are: control environment, risk assessment, control activity, information and communications and surveillance activities each indicator has 3 (three) declarations except that the control environment has 4 (four) declaration. Whereas the variable good governancing (X2) there are 5 (five) indicators which are: transparency, accountability, responsibility, independence, obligation. The variable whistleblowing system (X3) consists of 12 (twelve) statements divided over 4 (four) indicators namely: anonymity, independence, access and follow-up with each indicator containing 3 (three) declarations. The data given by the survey scores are organized into tabulations that facilitate the researchers in various analyses on this study, by providing the information they need. The answer scores of respondents are then summed up on the basis of variables for each respondent. A summary of data on respondents' responses on internal control (X1), good governance (X2), whistleblowing system (X3) and fraud prevention (Y) can be seen in the attached table. Based on the respondent's responses from the tabulation results that can be viewed in the appendix, due to the requirement for regression analysis, the data must be intervals. Then the ordinal data is converted to interval data using the program (software) Microsoft Successive Interval (MSI).

Descriptive Statistical Analysis
Research Variable Descriptive Analysis

The results of the statistical tests will be presented on this part of the variable in this study there are 3 (three) variables X (Free) namely internal control (X1), good governance (X2) and Whistleblowing System (X3) and 1 (one) variable Y (Binded), namely fraud prevention.

Internal control (X1)

The internal control variable (X1) consists of 16 (sixteen) statements divided over 5 (five) control environment indicators 4 (four) declarations, risk assessment indicators 3 (three) declaration, control activity indicator 3 (Three) statement, information and communications 3 (Three) Statements, surveillance activity 3 (Third) statement. Control environment indicator can be seen in the following table 4 :

1. Control environment

Table 4. Recapitulate questionnaire answers Control Environment Indicators

Description	X1.1		X1.2		X1.3		X1.4	
	∑	%	∑	%	∑	%	∑	%
Totally agreej	7	17,1%	6	14,6%	9	22,0%	8	19,5%
Agree	25	61,0%	29	70,7%	28	68,3%	27	65,9%
Neutral	9	22,0%	6	14,6%	4	9,8%	5	12,2%
I don't agree	0	0%	0	0%	0	0%	1	2,4%
Very disagreeable	0	0%	0	0%	0	0%	0	0%
Number	41	100%	41	100%	41	100%	41	100%

Source: Processed data,2023

Based on the above table, the first question with the control environment indicator, i.e. demonstrating commitment to ethical values and integrity, resulted in 61,0% or 25 respondents responding agree with the reason already demonstrated commitment towards ethic values, integrity. Based upon the table above, the second question with monitoring environment indicators that the leader performs supervisory functions and demonstrates independence in the development of the implementation of the internal control, resulting in 70,7% or 29 respondents answering agreeing on the reason that they have already performed the monitoring function and show independent development of internal control implementation.

Based on the above table, the fourth question with the indicator of the control environment is to show commitment in the recruitment process of employees to the development of competent employees in accordance with the goals and policies of the government and to the commitment to retain competent workers, resulting in 65.9% or 27 respondents agree with the reason already demonstrated commitments in the process of recruiting employees to develop competent staff according to the objectives and policy of the Government as well as showing commitment for retaining competent people.

2. Risk assessment

Table 5. Recapitulate questionnaire responses Risk assessment indicators

Description	X1.5		X1.6		X1.7	
	∑	%	∑	%	∑	%
Totally agree	5	12,2%	8	19,5%	11	26,8%
Agree	19	46,3%	20	48,8%	23	56,1%
Neutral	14	34,1%	13	31,7%	7	17,1%
I don't agree	3	7,3%	0	0%	0	0%
Very disagreeable	0	0%	0	0%	0	0%
Number	41	100%	41	100	41	100

Source: Processed data, 2023

Based on the above table, the first question with the risk assessment indicator is to define clear organizational objectives so that the identification and risk evaluation of each objective can be done and able to identify the risk to the achievement of the objectives throughout the entity, resulting in 46.3% or 19 respondents agree with the reason already defined the organization's objectives clearly so that identifying and assessing the risks of the respective objectives can be carried out and capable of identifying risks to the attainment of the goals across the entire entity.

Based on the above table, the second question with the risk assessment indicator, namely risk analysis as a basis for determining how risk should be managed and considering the possibility of fraud in risk assessments, resulted in 48.8% or 20 respondents agreeing on the grounds that risk analysis is already the basis for defining how risks should be administered and taking into consideration the possible existence of frauds in risk evaluation.

Based on the above table, the third question with the risk assessment indicator, namely, identifying any change that may have a significant impact on internal control, resulted in 56.1% or 23 respondents agreeing on the grounds that they have identified any change which may have an important impact on the internal control.

3. Control Activity

Table 6. Summary of questionnaire responses Indicator Control Activity

Description	X1.8		X1.9		X1.10	
	∑	%	∑	%	∑	%
Totally agree	7	17,1%	8	19,5%	14	34,1%
Agree	22	53,7%	28	68,3%	23	56,1%
Neutral	10	24,4%	5	12,2%	4	9,8%
I don't agree	2	4,9%	0	0%	0	0%
Very disagreeable	0	0%	0	0%	0	0%
Number	41	100%	41	100%	41	100%

Source: Processed data, 2023

Based on the above table, the first question with the Control Activity indicator is to choose control activity that contributes to mitigation (in order to reduce) risk in achieving the objective, resulting in 53.7% or 22 respondents agree on the grounds that they have chosen control activities that contribute to mitigeration (to reduce) risks in attaining the goal. According to the table above, the second question with control activity indicator that is to develop control activities in general over technology to support the achievement of the goal, yields 68.3% or 28 respondents agreed with the reason for developing control activities generally over technology in support of achieved objectives.

4. Information and communication

Table 7. Summary of questionnaire answers Information and communication indicators

Description	X1.11		X1.12		X1.13	
	∑	%	∑	%	∑	%
Totally agree	11	26,8%	7	17,1%	16	39,0%

Can Fraud Prevention Affect Internal Controls, Good Governance and Whistleblowing Systems?

Agree	22	53,7%	28	68,3%	20	48,8%
Neutral	8	19,5%	6	14,6%	5	12,2%
I don't agree	0	0%	0	0%	0	0%
Very disagreeable	0	0%	0	0%	0	0%
Number	41	100%	41	100%	41	100%

Source: Processed data, 2023

Based on the above table, the first question with the Information and Communication indicator, obtaining relevant and quality information to support internal control, resulted in 53.7% or 22 respondents agreeing on the grounds that they already obtained relevant information and quality in support of internal control. According to the table above, the second question with information and communication indicator is communicating internally about internal control to support other components, resulting in 68.3% or 28 respondents responding agreeing with the reason that they have already communicated internally concerning internal controls to support others components.

Based on the above table, the third question with the Information and Communication indicator is to communicate relevant internal controls to external parties, resulting in 48.8% or 20 respondents agree on the grounds that they have already communicated relevant internal controllers to externals.

5. Monitoring Activity
Table 8. Summary of questionnaire responses Monitoring Activity Indicators

Description	X1.14		X1.15		X1.16	
	∑	%	∑	%	∑	%
Totally agree	10	24,4%	8	19,5%	11	26,8%
Agree	23	56,1%	23	56,1%	20	48,8%
Neutral	7	17,1%	10	24,4%	9	22,0%
I don't agree	1	2,4%	0	0%	0	0%
Very disagreeable	0	0%	0	0%	1	2,4%
Number	41	100%	41	100%	41	100%

Source: Processed data, 2023

Based on the above table, the first question with the Surveillance Activity Indicator is to choose a continuous evaluation to ensure that internal control exists and works, resulting in 56.1% or 23 respondents agree on the grounds that they have already chosen continuous assessment to ensure the existence and operation of internal controls. Based upon the table above, the second question with a Survey Activity indicator, namely, evaluating the lack of internal controlling on the responsible party, resulted in 56.1%, or 23 replies agree with the reason that they had evaluated the deficiency in internal control on the accountable party.

Based on the above table, the third question with the Monitoring Activity indicator is to communicate a lack of internal control to the responsible party, resulting in 48.8% or 20 respondents agree on the grounds that they have already communicated a deficiency in internal control of the responsible parties.

Good Governance (X2)
The Good Governance variable (X2) consists of 15 (fifteen) statements divided over 5 (five) indicators of transparency 3 (three) declarations, indicator of accountability 3 (Three) Statements, activity indicator Responsibility 3 (Third) Statement, independency 3 (Three) Declarations, liability activity 3 (Four) statement. Indicators of transparency can be seen in table IV.8 below:

1. Transparency
Table 9. Summary of Transparency Indicators questionnaire answers

Description	X2.1		X2.2		X2.3	
	∑	%	∑	%	∑	%
Totally agree	15	36,6%	11	26,8%	16	39,0%

Can Fraud Prevention Affect Internal Controls, Good Governance and Whistleblowing Systems?

Agree	20	48,8%	19	46,3%	21	51,2%
Neutral	5	12,2%	9	22,0%	3	7,3%
I don't agree	0	0%	2	4,9%	0	0%
Very disagreeable	1	2,4%	0	0%	1	2,4%
Number	41	100%	41	100%	41	100%

Source: Processed data, 2023

Based on the above table, the first question with the Transparency indicator, i.e. supervisors, managers and employees are open in the decision-making and supervision process and members are entitled to access relevant financial information on a periodic basis, resulting in 48.8% or 20 respondents agree on the grounds that the inspectorate is open in decision making and oversight and members have the right to access pertinent financial information periodically.

According to the table above, the second question with transparency indicators is that the procedures and policies are published in writing and are accessible to all interested parties and the auditor has access to information with confidentiality kept kept kept, yielding 46.3% or 19 respondents agreed with the reason that the Inspectorate has been in accordance with the procedure and policy published in written form and is available to all stakeholders and Auditors have access to the information with secrecy kept kept.

Based on the above table, the third question with the Transparency indicator, namely the submission of financial statements, and the performance of the business at the meeting of members and authorities, resulted in 51.2% or 21 respondents agreeing on the grounds that the inspectorate has submitted the financial report, and performance at meeting of the members and the authorities.

2. Accountability
Table 10. Recapitulate questionnaire answers Accountancy Indicators

Description	X2.4		X2.5		X2.6	
	∑	%	∑	%	∑	%
Totally agree	8	19,5%	16	39,0%	13	31,7%
Agree	20	48,8%	23	56,1%	20	48,8%
Neutral	11	26,8%	2	4,9%	7	17,1%
I don't agree	1	2,4%	0	0%	1	2,4%
Very disagreeable	1	2,4%	0	0%	0	0%
Number	41	100%	41	100%	41	100%

Source: Processed data, 2023

Based on the above table, the first question with the indicator of accountability, i.e. Supervisors, managers and employees have known and the task description of each unit has been set according to the vision, mission, and operational objectives of the institution, resulting in 48.8% or 20 respondents responding with the reason that the supervisor, manager and employees are aware and the description of the tasks of every unit have been set in accordance with the vision of the organization, its mission and its operational purposes.

Based on the above table, the second question with the indicator of accountability is that the decision-making process refers to the system and procedure built, resulting in 56.1% or 23 respondents agree on the grounds that already showed the decision making process referred to the systems and procedures built.

Based on the above table, the third question with the accountability indicator is Performance Responsibility to a member meeting and well evaluated as well as Any work outcome is well documented, resulting in 48.8% or 20 respondents responding agree on the grounds that has already demonstrated performance responsibility at a member meet and well assessed as well and Every work output is properly documented.

3. Responsibility
Table 11. Recapitulate responses to questionnaire Responsibility Indicators

Description	X2.7		X2.8		X2.9	
	∑	%	∑	%	∑	%
Totally agree	7	17,1%	9	22,0%	14	34,1%

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Agree	28	68,3%	19	46,3%	24	58,5%
Neutral	5	12,2%	13	31,7%	2	4,9%
I don't agree	0	0%	0	0%	0	0%
Very disagreeable	1	2,4%	0	0%	1	2,4%
Number	41	100%	41	100%	41	100%

Source: Processed data, 2023

Based on the above table, the first question with the indicator of accountability, that is, adhering to the principle of caution, obedience to the rule of law, basic budget and government regulations, resulted in 68.3% or 28 respondents agree on the grounds that they have adhered to the principles of prudence, compliance with the regulation of the law, the basic budget, and the government regulation.

Based on the above table, the second question with the indicator of responsibility is the obligation carried out in accordance with the regulations in force and in time, resulting in 46.3% or 19 respondents agree with the reason that the obligations have been executed according to the regulation in place and on time.

Based on the above table, the third question with the indicator of responsibility is the implementation and social responsibility by increasing or applying care for the community and environmental sustainability, resulting in 58.5% or 24 respondents agree with the reason already implemented and social accountability by enhancing or applied care for society and the environment.

4. Independence
Table 12. Recapitulate Questionnaire Indicator Independence Answers

Description	X2.10		X2.11		X2.12	
	∑	%	∑	%	∑	%
Totally agree	14	34,1%	11	26,8%	14	34,1%
Agree	24	58,5%	19	46,3%	19	46,3%
Neutral	2	4,9%	13	31,7%	7	17,1%
I don't agree	0	0%	11	26,8%	1	2,4%
Very disagreeable	1	2,4%	0	0%	0	0%
Number	41	100%	41	100%	41	100%

Source: Processed data, 2023

Based on the above table, the first question with the Indicator of Independence is that decisions of managers and managers irrespective of the interests of the parties that are detrimental to the institution, resulting in 58.5% or 24 respondents agree on the grounds that it is in accordance with the decision of the manager and manager independent of the benefit of the party that is detrenting the institution.

Based on the above table, the second question with the Indicator of Independence is that the decision-making process is carried out objectively in the interests of the institution, resulting in 46.3% or 19 respondents agree on the grounds that it has implemented the Decision-making Process that is conducted objectively in the benefit of the agency.

Based on the above table, the third question with the Indicator of Independence is that each auditor must have his or her professional responsibilities with the highest degree of integrity, resulting in 46.3% or 19 respondents agreeing on the grounds that every auditor already has his/her professional responsibility with the higher degree of Integrity.

5. Due diligence
Table 13. Recapitulate questionnaire answers Validity Indicators

Description	X2.13		X2.14		X2.15	
	∑	%	∑	%	∑	%
Totally agree	14	34,1%	8	19,5%	16	39,0%
Agree	22	53,7%	22	53,7%	21	51,2%
Neutral	5	12,2%	11	26,8%	4	9,8%
I don't agree	0	0%	0	0%	0	0%
Very disagreeable	0	0%	0	0%	0	0%
Number	41	100%	41	100%	41	100%

Source: Processed data, 2023

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Based on the above table, the first question with the indicator of responsibility, i.e. fair treatment to all stakeholders in the provision of services and information, resulted in 53.7% or 22 respondents agree on the grounds that it has treated all stakeholder parties fairly in providing service and information.

Based on the above table, the second question with the indicator of responsibility is that the organization must provide equal opportunities in the recruitment of employees, career and performance of its duties without distinction of tribe, race and religion, resulting in 53.7% or 22 respondents agree on the grounds that they have given equal opportunity in the acceptance of employees and career and performing their duties regardless of tribes, races and religion.

Based on the above table, the third question with the indicator Activity of obligation i.e. development and employment relationship in employees carried out with consideration of rights and obligations fairly and reasonably, resulting in 51.2% or 21 respondents agreed with the reason already carried on development and the employment relationships in employees done with regard to rights and responsibilities fair and reasonable.

Whistleblowing system (X3)

The variable Whistleblowing system (X3) consists of 12 (twelve) statements divided over 4 (five) indicators Anonymity 3 (three) declarations, indicators of independence 3 (Three) claims, access indicators 3 (Three) statments, follow-up 3 (Tree) statement. Indicators of transparency can be seen in table IV.13 below:

1. Anonymity
Table 14. Recapitulate questionnaire answers Anonymity Indicator

Description	X3.1		X3.2		X3.3	
	∑	%	∑	%	∑	%
Totally agree	10	24,4%	10	24,4%	12	29,3%
Agree	26	63,4%	22	53,7%	20	48,8%
Neutral	3	7,3%	9	22,0%	8	19,5%
I don't agree	2	4,9%	0	0%	1	2,4%
Very disagreeable	0	0%	0	0%	0	0%
Number	41	100%	41	100%	41	100%

Source: Processed data, 2023

Based on the above table, the first question with an indicator of anonymity is that I will report a violation if my identity is unknown, resulting in 63.4% or 26 respondents agreeing on the grounds that will report an infringement if I am not known.

Based on the above table, the second question with an anonymity indicator is I will use an anonymous name if reporting a fraud, resulting in 53.7% or 22 respondents agree on the grounds already using a pseudonym when reporting an infringement/fraud.

Based on the above table, the third question with the anonymity indicator is that I am not afraid to report violations that have occurred because there is a policy on whistleblowing protection in the system, resulting in 48,8% or 20 respondents agree on the grounds that there is already a policy about whistler protection within the system.

2. Independence
Table 15. Recapitulate Questionnaire Independency Indicators Answers

Description	X3.4		X3.5		X3.6	
	∑	%	∑	%	∑	%
Totally agree	16	39,0%	10	24,4%	16	39,0%
Agree	20	48,8%	18	43,9%	23	56,1%
Neutral	5	12,2%	10	24,4%	2	4,9%
I don't agree	0	0%	0	0%	0	0%
Very disagreeable	0	0%	0	0%	0	0%
Number	41	100%	41	100%	41	100%

Source: Processed data, 2023

Based on the above table, the first question with the Independence indicator is that the management and managers are involved in the implementation of the whistleblowing system, resulting in 48.8% or 20 respondents agree with the reasoning of the direction and the managers have been involved in implementing the whispering system.

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Based on the above table, the second question with the Indicator of Independence is that the whistleblowing system is administered by an independent special officer, resulting in 43.9% or 18 respondents agreeing on the grounds that it has been managed by an Independent Special Officer.

Based on the above table, the third question with the Indicator of Independence is whether I am neutral or not in favour of one, have own power, independent, not controlled by the other party, resulting in 56.1% or 23 respondents agree on the grounds of neutrality or disapproval of the one, having own authority, free, uncontrolled by another party.

3. Access
Table 16. Recapitulate Questionnaire Answers Access Indicators

Description	X3.7		X3.8		X3.9	
	∑	%	∑	%	∑	%
Totally agree	12	29,3%	16	39,0%	15	36,6%
Agree	20	48,8%	19	46,3%	20	48,8%
Neutral	9	22,0%	6	14,6%	6	14,6%
I don't agree	0	0%	0	0%	0	0%
Very disagreeable	0	0%	0	0%	0	0%
Number	41	100%	41	100%	41	100%

Source: Processed data, 2023

Based on the above table, the first question with the access indicator is that I will try to report violations through the internal channels of the instance, resulting in 48.8% or 20 respondents agree with the reason for reporting violations via the internal channel of the authority.

Based on the above table, the second question with the access indicator is that if internal whistleblowing is not possible, I will make every effort to carry out the action through the external channels of the authority, resulting in 46.3% or 19 respondents agree with the reason for carrying out the act through the outside channel of the agency.

Based on the above table, the third question with the access indicator is that I dare to report violations because there is immunity to administrative sanctions, and it is easier to report because there are special channels for reporting violations, resulting in 48,8% or 20 respondents agree with the reason for boldly reporting the violations due to immunity from administrative penalties, and more easily to report the breaches due to the availability of a special channel for violations.

4. Proceed
Table 17. Recapitulate Questionnaire Answers Indicator Advanced Action

Description	X3.10		X3.11		X3.12	
	∑	%	∑	%	∑	%
Totally agree	14	34,1%	10	24,4%	16	39,0%
Agree	22	53,7%	23	56,1%	20	48,8%
Neutral	5	12,2%	8	19,5%	5	12,2%
I don't agree	0	0%	0	0%	0	0%
Very disagreeable	0	0%	0	0%	0	0%
Number	41	100%	41	100%	41	100%

Source: Processed data, 2023

Based on the above table, the first question with the follow-up indicator is to report when there is a possibility of fraud and receive information on the progress of the handling of the infringement reports that I, resulting in 53.7% or 22 respondents agree with the reason the inspectorate has already when there was a probability of the fraud occurrence and received information on progress of handling the violation reports I.

Based on the above table, the second question with the Indicator of Further Follow-up is that the violations I should be investigated further, resulting in 56.1% or 23 respondents agreeing with the reason for the violation that further investigations must be undertaken.

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Based on the above table, the third question with the follow-up indicator is that evaluations and improvements should be continuously carried out by the Organization in order to improve the effectiveness of the Whistleblowing System program, resulting in 48.8% or 20 respondents agree on the grounds that the Inspectorate has shown the evaluation and improvement being continually carried on by the Organisation to increase the efficiency of the whistle blowing system program.

(Y) fraud prevention

The fraud prevention variable (Y) consists of eight (eight) statements divided over two (two) indicators creating andining a culture of honesty and ethics four (four) declarations, indicators assessing and reducing the risk of four (4) statements.

1. Create and maintain a culture of honesty and ethics
Table 18. Recapitulation of questionnaire responses Indicators Creating andining a culture of honesty and ethics

Description	Y.1		Y.2		Y.3		Y.4	
	∑	%	∑	%	∑	%	∑	%
Totally agree	14	34,1%	10	24,4%	16	39,0%	16	39,0%
Agree	22	53,7%	23	56,1%	20	48,8%	20	48,8%
Neutral	5	12,2%	8	19,5%	5	12,2%	5	12,2%
I don't agree	0	0%	0	0%	0	0%	0	0%
Very disagreeable	0	0%	0	0%	0	0%	0	0%
Number	41	100%	41	100%	41	100%	41	100%

Source: Processed data, 2023

Based on the above table, the first question with the indicator Create and maintain a culture of honesty and ethics is that the Inspectorate has implemented an anti-fraud control programme based on values adhered to by the government and formed a team to a goal jointly defined by a group of people in the organization, resulting in 53.7% or 22 respondents agreeing on the grounds that the inspectorate is already implementing a programme of anti- fraud control on the basis of values held by the Government as well as forming a team for achieving a goal defined jointally by a team of people within the organization.

Based on the above table, the second question with the indicator Creating andining a culture of honesty and ethics is that the Inspectorate performs background checks of employees before or promoted to occupy a position and performs rigorous and effective selection in the employee's recruitment process, resulting in 56.1% or 23 respondents agree with the reason why the inspectorate does a background check of employees prior to or promotion to a post and carries out strict and efficient selection on the employment process.

Based on the above table, the first question with the indicator of the control environment is to train regularly all employees on the values of the organization and conduct the alert training against fraud in accordance with the employee's work responsibilities, resulting in 48.8% or 20 respondents agree on the grounds that the Inspectorate has already conducted regular training to all employees about the organizational values and conducted alert training for fraud according to employee work responsibility. According to the table above, the second question with indicator Create and maintain a culture of honesty and ethics is that the inspectorate acknowledges the existence of employee performance that matches employee goals and establishes compensation programmes to scratch employee spirit so that employees can reduce the likelihood of fraud.

2. Assess and mitigate risk
Table 19. Recapitulate questionnaire responses Indicators Assess and reduce risk

Description	Y.5		Y.6		Y.7		Y.8	
	∑	%	∑	%	∑	%	∑	%
Totally agree	14	34,1%	9	22,0%	8	19,5%	6	14,6%
Agree	22	53,7%	28	68,3%	24	58,5%	23	56,1%
Neutral	5	12,2%	3	7,3%	9	22,0%	6	14,6%
I don't agree	0	0%	1	2,4%	0	0%	0	0%
Very disagreeable	0	0%	0	0%	0	0%	0	0%
Number	41	100%	41	100%	41	100%	41	100%

Source: Processed data, 2023

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Based on the above table, the first question with the Risk Assessment and Reduction indicator, i.e. whether there is an adequate internal control system for fraud prevention, resulted in 53.7% or 22 respondents agreeing on the grounds that the inspectorate already has adequate system of internal control to prevent fraud.

Based on the above table, the second question with the indicator Assessment and risk reduction is that there is a dedicated team formed for fraud prevention and there is rapid follow-up on fraud findings, resulting in 68.3% or 28 respondents responding agree on the grounds that the inspectorate has already formed a special team for the prevention of fraud and there are quick follow-ups on frauds findings.

Based on the above table, the third question with the indicator Assess and mitigate risk, i.e. the application of sanctions to minimize deviations occurring in the organization, resulted in 58.5% or 24 respondents responding in agreement on the grounds that the inspectorate has already implemented sanctions for minimizing the deviation occurring within the organization.

Based on the above table, the fourth question with the indicator Assess and reduce risk is that the members of the organization at the Inspectorate cooperate well for the message of welfare and are able to assert to all employees to perform their duties as best as possible to train good morals in the soul of employees, resulting in 56.1% or 23 respondents agree on the grounds that the inspectorate has cooperated well for a message of well-being and is able to affirm to the entire employees to do the job as well as possible in order to train a good morality in the spirit of employees.

Variable Descriptive Statistical Analysis

Descriptive statistical analysis is an overview of a data viewed from the mean, minimum, maximum, standard deviation and variance of each research variable. The independent variables in the study are internal control (X1), good governance (X2) and whistleblowing system (X3) and the dependent variable in this study is fraud prevention (Y). The frequency of the variables of internal control, good governancing and whisblows against fraud prophylaxis processed using SPSS 25 can be seen in table IV.19 below:

Table 20. Variable Descriptive Statistical Test Results

Descriptive Statistics						
	N	Minimum	Maximum	Mean	Std. Deviation	Variance
Total X1	41	57,50	91,37	69,6547	7,87193	61,967
Total X2	41	42,28	78,69	61,0683	9,17814	84,238
Total X3	41	35,82	67,37	53,9983	7,62769	58,182
Total Y	41	25,22	45,62	35,8273	4,78726	22,918
Valid N (listwise)	41					

Source: Processed data, 2023

The results of the descriptive analysis of the variable above show an overview of the data viewed from the mean, minimum, maximum and deviation standards of each of the research variables obtained that the internal control variable (X1) with a minimum value of 57,50, maximum value of 91,37, average value of 69,6547 with standard deviation of 7,87193. Good Governance variables (X2) with a minimal value of 42,28, maximum value, 78,69, mean value of 61.0683 with standard deviation of 9,17814. The Whistleblowing System variabel (X3) with minimum value 35,82, maximum value 67,37, mean value 53,9983 with standard departure of 7,62769.

Data Testing

Valid and realistic data testing is a prerequisite for testing the research hypothesis in order to be valid and to prove its truth. Validity and rehabilitation tests have a strong influence on the results of a study.

a. Validity Test

The validity test is intended to test to what extent the result of a measurement that has been compiled is valid or not. r_{table} Value for the sample representing the population in this study was as much as 41 respondents with a significance rate of 5% and n = 41- 2 = 39 is 0.3081. So when rhitung < rtable then the statement is invalid and also vice versa if rhitung > rtabel then the declaration is valid.

1) Internal control X₁

The validity test results of the internal control statements are as follows:

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Table 21. Results of Internal Control Variable Validity Test

Statement Details	r_{hitung}	r_{table}	Description
1	0,612	0,3081	Valid
2	0, 588	0,3081	Valid
3	0,527	0,3081	Valid
4	0,692	0,3081	Valid
5	0,606	0,3081	Valid
6	0,591	0,3081	Valid
7	0,625	0,3081	Valid
8	0,536	0,3081	Valid
9	0,588	0,3081	Valid
10	0,496	0,3081	Valid
11	0,472	0,3081	Valid
12	0,604	0,3081	Valid
13	0,461	0,3081	Valid
14	0,486	0,3081	Valid
15	0,519	0,3081	Valid
16	0,385	0,3081	Valid

Source: Processed Primary Data, 2023

Based on the above table on the validity test shows that the correlation value (r_{hitung}) for each statement on the internal control variable (X1) is greater than the rtable where the size of the standard is 0.3081 (significant level of 5%).

2) *Good Governance* X$_2$

The validity test results of the Good Governance Statements are as follows:

Table 22. Good Governance Variable Validity Test Results

Statement Details	r_{hitung}	r_{tabel}	Description
1	0,393	0,3081	Valid
2	0,751	0,3081	Valid
3	0,736	0,3081	Valid
4	0,769	0,3081	Valid
5	0,589	0,3081	Valid
6	0,672	0,3081	Valid
7	0,799	0,3081	Valid
8	0,685	0,3081	Valid
9	0,733	0,3081	Valid
10	0,642	0,3081	Valid
11	0,801	0,3081	Valid
12	0,549	0,3081	Valid
13	0,710	0,3081	Valid
14	0,679	0,3081	Valid
15	0,644	0,3081	Valid

Source: Processed Primary Data, 2023

Based on the above table, the validity test shows that the correlation value (r_{hitung}) for each statement on the Good Governance variable (X2) is greater than the r_{table} where the size is standard 0.3081 (significant level 5%).

3. *Whistleblowing System* X$_3$

The validity test results of the Whistleblowing System statements are as follows:

Table 23. Whistleblowing System Variable Validity Test Results

Statement Details	r_{hitung}	r_{tabel}	Description
1	0,730	0,3081	Valid
2	0,628	0,3081	Valid
3	0,712	0,3081	Valid
4	0,639	0,3081	Valid
5	0,661	0,3081	Valid
6	0,758	0,3081	Valid
7	0,767	0,3081	Valid
8	0,722	0,3081	Valid
9	0,632	0,3081	Valid
10	0,794	0,3081	Valid
11	0,710	0,3081	Valid
12	0,733	0,3081	Valid

Source: Processed Primary Data, 2023

Based on the above table, the validity test shows that the correlation value (r_{hitung}) for each statement on the Whistleblowing System variable (X3) is greater than the r_{table} where the size is standard 0.3081 (significant level of 5%). It can then be concluded that the statement on that variable is declared valid and can be compared with the rTable in which the size of the standard is 0.3081, used as a study.

4. Y Fraud Prevention

The validity test results of fraud prevention statements are as follows:

Table 24. Fraud Prevention Variable Validity Test Results

Statement Details	r_{hitung}	r_{tabel}	Description
1	0,732	0,3081	Valid
2	0,665	0,3081	Valid
3	0,826	0,3081	Valid
4	0,587	0,3081	Valid
5	0,717	0,3081	Valid
6	0,700	0,3081	Valid
7	0,777	0,3081	Valid
8	0,400	0,3081	Valid

Source: Data Processing Results, 2023

Based on the above table on the validity test shows that the correlation value (r_{hitung}) for each statement on the Fraud Prevention variable (Y) is greater compared to the r_{table} where the size of the standard is 0.3081 (significant side of 5%). It can then be concluded that the statement of the fraud prevention variable is declared valid and can be compared with the rTable where a large table with the standard 0,3081 is used as a study.

b. Reliability Test

A reliability test is performed on valid statements. Generally speaking, the instrument is said to be Cronbach's Alpha reliable if it has a Cronbachs Alpha coefficient < 0.6 then the research data does not have high reliability to be tested in the study. The following are reliability tests for internal control variables (X1), good governance (X2, whistleblowing system (X3) and fraud prevention (Y):

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Table 25. Reliability Test Results of Research Instruments

Variable	Cronbach's Alpha	Criteria	Description
1	0,845	0,6	Reliabel
2	0,916	0,6	Reliabel
3	0,909	0,6	Reliabel
4	0,843	0,6	Reliabel

Source: Data Processing Results, 2023

Based on the above table, the results of reliability data testing for internal control variables (X1), good governance (X2. Whistleblowing system (X3) and fraud prevention (Y) are stated as having croanchbach's Alpha > 0.6.

Classical Assumption Test

The classic assumption test used in this study is as follows:

a. Normality test

Normality test used to measure whether the data is distributed normally or not so that it can be used in statistics. The normality test results use the P-P Plot graph of the SPSS program version 25 and can be seen in the following image:
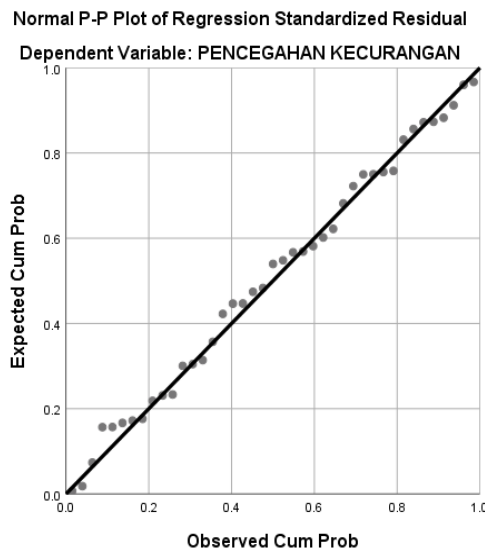

Figure 2. Normality Test Results P-P Plot Graphics

Based on the above image it can be concluded that the P-P Plot normality chart sees points spreading around the line and following the diagonal line, then the residual value indicates a regression model worthy to be used because it meets the assumptions of normality. In addition to using the P - P Plot chart, the normality test is supported by static-non parametric kolmogrov-smirnov analysis. (K-S).

Table 26. Hasil Uji Normalitas Kolmogrov-Smirnov

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		41
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	1.56749874
Most Extreme Differences	Absolute	.074
	Positive	.044
	Negative	-.074
Test Statistic		.074

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Asymp. Sig. (2-tailed)	,200[c,d]
a. Test distribution is Normal.	
b. Calculated from data.	
c. Lilliefors Significance Correction.	
d. This is a lower bound of the true significance.	

Source: Processed Primary Data, 2023

The above table shows that the significance value is greater than 0.05 or 0.200 > 0.05. Then it can be concluded that the residual value is normal.

b. Multicoleniality test

The multicoleniality test is used to test whether a correlation between free variables is found in a regression model. Multicoliniarity does not occur when the tolerance value limit is greater than 0.1 and the VIF value is less than 10. Here's the multicolinerity test of this study assisted by SPSS 25:

Table 27. Multicolinearity test results

Coefficients[a]								
		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	3,557	2,549		1,395	0,171		
	Sistem Pengendalian Internal	0,011	0,043	0,018	0,252	0,802	0,569	1,757
	Good Governance	0,264	0,073	0,505	3,597	0,001	0,147	6,814
	Whistleblowing System	0,286	0,078	0,455	3,655	0,001	0,187	5,351
a. Dependent Variable: Fraud Prevention								

Source: Processed Primary Data, 2023

Based on the above table shows that all free variables have tolerance values > 0.1 and VIF values < 10 thus it can be concluded that there is no question of free variable multicolinearity in this study.

c. Heteroscience test

The Heteroscadastisity test aims to identify a condition in which variance and interference error are non-constant for all free variables. This tester uses the Scatter Plot and the Glacier Test with the help of SPSS 25, here's the results of the heterocskedestisity test:
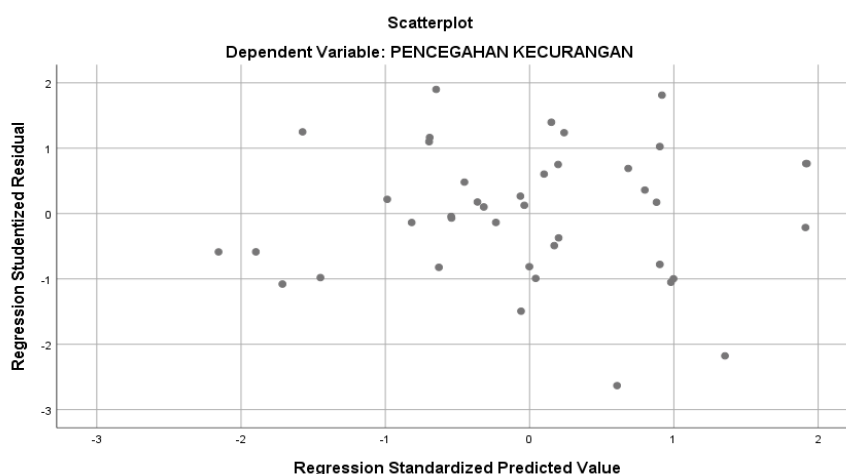

Figure 3. Heteroscopic Test ResultsScatter Plot

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Based on the illustration above shows that the prediction value of the variable depends on the residual value is obtained as a result of the absence of clear patterns with points spreading above and below the number 0 on the y axis So there is no heterocedesis.

Table 28. Hasil Uji Heterokesdastisitas Metode Uji Glejser

Coefficients^a		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model		B	Std. Error	Beta	T	Sig.	Tolerance	VIF
1	(Constant)	-1,252	0,764		-1,638	0,110		
	Pengendalian Internal (X1)	0,018	0,031	0,151	0,576	0,568	0,258	3,874
	Good Governance (X2)	0,013	0,029	0,111	0,436	0,665	0,273	3,664
	Whistleblowing System (X3)	0,051	0,033	0,360	1,542	0,132	0,326	3,070
a. Dependent Variable: ABS_RES								

Source: Processed Primary Data, 2023

Based on the above table shows that the significance value of each variable is greater than 0.05 (sig> 0.05). So it can be concluded that there is no heterosexuality in this study.

Hypothesis testing

The study aims to examine the impact of internal controls, good governance and whistleblowing systems on fraud prevention using SPSS 25.

a. Double Linear Regression Test

Before testing the hypothesis of the significance of the relationship between a free variable and a bound variable, we first need to know whether a model has a linear relationship. Here's the regression test using SPSS 25 as follows:

Table 29. Hasil Uji Regresi Linier Berganda

Coefficients^a		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	T	Sig.
1	(Constant)	3.557	2.549		1.395	.171
	Sistem Pengendalian Internal	.011	.043	.018	.252	.802
	Good Governance	.264	.073	.505	3.597	.001
	Whistleblowing System	.286	.078	.455	3.655	.001
a. Dependent Variable: Fraud Prevention						

Source: Processed Primary Data, 2023

Based on the above table, the results of the double regression test performed in the examination of internal control variables (X1), good governance (X2), whistleblowing system (X3), and fraud prevention (Y), can be described as the following regression equations:

COMMUNITY:

$Y = \alpha + \beta X + \beta X + \beta X + e$

$Y = 3.557 + 0,011X_1 + 0,264X_2 + 0,286X_3 + e$

1) Based on the equation that has been made known, the constant value of 3.557 means that if the whole independent variable is considered constant internal control (X1), good governance (X2), whistleblowing system (X3) then the

dependent variable value is fraud prevention of 3.5572.

2) The internal control regression coefficient (X1) has 0.011 states that every increase in internal control of 1 (units) then this value will increase the increase in fraud prevent by 0.011.

3) The good Governance regression factor (X2) has 0.264 stated that every improvement in good governancing by 1 (unit) this value would increase the improvement of fraud protection by 0.264.

b. Determination Coefficient Test (R^2)

The determination coefficient given by R2 is an important measure in regression. The purpose of this analysis is to calculate the magnitude of the influence of independent variables and dependent variables. The R2 value shows how much of the total non-free variation can be explained by the explanatory variable. The determination coefficient test is assisted by SPSS 25 as follows:

Table 30. Koefisien Determinasi

Model Summary[b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,945[a]	,893	,884	1,62981
a. Predictors: (Constant), Whistleblowing System (X3), Good Governance (X2), Internal control (X1)				
b. Dependent Variable: Fraud Prevention (Y)				

Source: Processed Primary Data, 2023

Based on the above table shows that the determination coefficient value is 0.884. This value gives the internal control variable, good governance, that the whistleblowing system against fraud prevention is affected by 88.4% while the remaining 11.6% is influenced by other variables outside the results of this study.

c. Testing the hypothesis simultaneously (Uji F)

The F test is performed to determine whether the influence of internal control variables, good governance, that whistleblowing system on fraud prevention is combined or simultaneous. The results of the hypothesis test on the F test are as follows:

Table 31.Test Results Together

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	819,499	3	273,166	102,838	,000 [b]
	Residual	98,282	37	2,656		
	Total	917,781	40			
a. Dependent Variable: Fraud Prevention (Y)						
b. Predictors: (Constant), Whistleblowing System (X3), Good Governance (X2), Internal control (X1)						

Source: Processed Primary Data, 2023

Based on the above table it is indicated that the significant F_{hitung} is 102,838 whereas the F_{table} for the actual degree (α) is 5% with the free degree (db) n-k-1. So the real degree of the ftable is: 41-3-1 = 37 so that the Ftabel is processed as 2.86. Then the value of F_{table} > F_{table} is 102.838 > 2.86 with a significant value greater than the defined significant rate of 0,000 <0.05.

Based on the simultaneous (F) hypothesis that the sig value < 0.05 and the F_{count}> F_{table} value are then rejected H01 and Ha1 accepted, this describes that there is a strong significance occurring in the influence of the free variable on the bound variable. So the conclusion of internal controls (X1), good governance (X2), that whistleblowing systems (X3) simultaneously influence the prevention of fraud (Y).

d. Partial hypothesis testing (Uji T)

The T test aims to test the individual partial regression coefficient used to determine whether the independent dependent

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variable (X) individually affects the variable(Y).

The result of the T test is as follows:

Table 32 T-Test Results

Coefficients^a		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	T	Sig.
1	(Constant)	3,557	2.549		1,395	,171
	Internal control (X1)	,011	,043	,018	,252	,802
	Good Governance (X2)	,264	,073	,505	3,597	,001
	Whistleblowing System (X3)	,286	,078	,455	3,655	,001
a. Dependent Variable: Fraud Prevention (Y)						

Source: Processed Primary Data, 2023.

The above table shows that the internal control variable has a t_{count} with a value of 0.252 with a significant rate of 0.802. The good governance variable had a t_{count} with the value of 3,597 with a significant rate of 0, 001 and the whistleblowing system variable have a thingat with a rate of 3.655 with a signifying rate of 0.01. The value of the table with the degree of freedom (df) n-k-1 or 41-3-1 = 37 with a significant rate of 5% of the result processed T_{table} is 2,026. Based on the data, it can be seen that:

1) The impact of Internal Control on Fraud Prevention. The variable Internal control (XI) is seen that the thitung table is 0,252 < 2,026 with a defined significant value of 0,802 > 0,05. Then the Ha2a hypothesis was accepted and H02a rejected. It can then be concluded that there is no influence between the internal control variable (X1) on fraud prevention. (Y).

2) The effect of good governance on the prevention of fraud. The variable good Governance (X2) shows that the thitung table is 3,597 > 2,026 with a significant value smaller than the defined significant rate is 0,001 < 0,05. Then the hypothesis H02b is rejected Ha2b is accepted. Then it can be concluded that there is an influence between the variable Good Governance(X2) on the fraud prevention variable (Y).

3) The impact of whistleblowing systems on fraud prevention. The variable whistleblowing system (X3) shows that the t_{count} t_{table} is 3,655 > 2,026 with a significant value smaller than the defined significant rate is 0,001 < 0,05. Then the hypothesis H02c rejected Ha2c accepted. It can then be concluded that there is an influence between the whistleblowing system variable (X3) on the fraud prevention variable. (Y).

DISCUSSION

Results of Internal Control, Good Governance and Whistleblowing System Tests.

The results of this study show that the Internal Control, Good Governance and Whistleblowing system of 88.4% simultaneously affects the Fraud Prevention at the District Inspectorate of South Sumatra Province. Based on the results of the research conducted, the evaluation of internal control processes, good governance and whistleblowing system against fraud prevention, fraud actions can be prevented by identifying and measuring the risk of fraud that may occur, reducing the likelihood of such fraud, as well as implementing and monitoring the internal control of good Governance and WhistleBlowing system as an effort in preventing fraud at the South Sumatra Provincial Regional Inspectorate. This is evident from the respondents' responses to internal controls, good governance and whistleblowing systems contained in the questionnaire.

The results of this study are in line with previous studies by Rowa, Iza and Mei (2019), Fahmu and Arief (2022), Agus and Harti (2022), Aditya and Putra (2022), Nazzarrudin and Letje (2022), Monika (2019), Rizky (2020), Atmadja, dkk (2017), Dally (2019), Yuniarta, dkk (2019), Gede (2017) and Trisna (2017) which stated that internal controls, good governance and whistleblowing systems have a significant impact on fraud prevention.

Results of the Internal Control Impact Test on Fraud Prevention

The results of this study can be concluded that internal controls have no significant influence on fraud prevention in the South Sumatra Provincial Regional Inspectorate.Based on the results of the research conducted, the Internal Control has not yet been able to evaluate the achievement of the objectives to be achieved, while the implementation of internal controls is the main reason to ensure that the process of achieving the goals can be carried out and reduce the various unwanted risks.

This research is not inconsistent with the theories of influential experts because the fact that internal controls cannot effectively prevent fraud because there are various limitations, including collusion and neglect by management. Fraud action could have

been carried out outside controls that are not consistent with existing procedures, so that good internal controls do not return to being an obstacle to conducting fraud. The fraud triangle developed by Donald R. Cressey states that there are three factors in the occurrence of fraud, namely opportunity, pressure, and rationalization.

The second greatest chance in controlling fraud lies in the element of opportunity that is perceived opportunity is a situation where it opens up a great opportunity for management and employees to commit a fraud. The existence of an opportunity that can be realized in many ways, the most frequently emerging example is the weakness of internal control and lack of supervision in a company is one of the factors that supports such a happening. The weakness of the surveillance system, the word perceived also indicates that this opportunity also does not have to be really real.

The results of this study do not support or disagree with Nurul (2021:19) and Zimbelman (2014:447) theory, which states that in essence internal control is the unity of the organizational structure as well as supporting tools to monitor the activities related to the use of property belonging to the organization and to minimize the occurrence of errors, fraud and misconduct occurring in the organization so that the operational activities of the organization can run smoothly to support the achievement of the primary goals of the organisation.

The results of this study are in line with previous studies conducted by Mufidah and Amilia (2018) Ridho, Widya and Hafsah (2019), Aprila and Anita (2021), Dewi (2022), Atik, dkk (2022) which stated that internal controls have no significant influence on fraud prevention.

The impact of good governance on fraud prevention

Based on the results of the research, it shows that good governance is carried out by management designed to eliminate or at least suppress the possibility of fraud. This is evident from the respondents' response to good governance, which consists of several indicators: transparency, accountability, Accountabilities, Independence and Responsibility. It can be concluded that good governance will reduce the risk of abuse or prevention of fraud. This means that the implementation of Good Governance is able to prevent fraud because any principle of good Governance always relates to the nature of openness, non-discrimination, clear accountability and the presence of control.

The results of this research are also supported by the theory (Irham, 2017:62) and Mardiasmo, (2018:22-23) that good governance is a form of decision by positioning a much more organized and structured maintenance of development management that is solidly responsible and in line with the principles of fraud prevention both politically and administratively.

Results of the Whistleblowing System Impact Test on Fraud Prevention

Based on the results of the research, one of the most effective anti-fraud tools is the Whistleblowing System, which is capable of implementing and can help prevent or reduce the occurrence of fraud. This can be seen from the responses of the auditors to the Whistleblowing System, which consists of several indicators such as anonymity, independence, access and follow-up. It can be concluded that by implementing an effective whistle blowing system it is possible to minimize the occurrence of fraud due to the organization's commitment to the policy of protection of whistlespeople, clear reporting mechanisms as well as evaluations and improvements carried out to improve the effectiveness of the system so that will encourage the participation of the whistler to act more courageously in reporting the fraud he knows.

The results of this research are also supported by theories (Zimbelman, dkk 2014:453) and (Theodorus, 2018:61) that all public organizations have a Whistleblower system that facilitates officials and other parties to report suspicious activities. The Whistlowing System is a fraud disclosure and detection system, in order to facilitate internal and external parties reporting alleged fraud.

4. CONCLUSIONS

This study was conducted to test and find out how great the influence of internal control, good governance and whistleblowing system on the prevention of fraud in the Inspectorate of the Province of South Sumatra. Based on the results of the research carried out, it can be concluded as follows:

1. Internal controls, good Governance and Whistle Blowing system jointly have a significant impact on fraud prevention.
2. Internal controls in part have no significant effect on preventing fraud.
3. Good governance partially has a significant impact on fraud prevention.
4. The whistleblowing system has a partially significant impact on fraud prevention.

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