

THE ROLE OF INTERNAL AUDIT IN FRAUD PREVENTION AND DISCLOSURE

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Abstract

This study aims to determine the effect of internal audit in preventing and disclosing fraud. The number of frauds that occur in an organization shows the need for an internal audit body in the company so that it can reduce or even eliminate fraud that occurs. This literature review is a study of the role of internal audit in preventing and disclosing fraud which aims to find out the variables in internal audit for preventing and disclosing fraud based on previous studies, so there is still a lot of potential for further modification/development. Of the ten studies included in this literature review, there are differences in research results. Eight studies state that internal audit has a significant effect on preventing and disclosing fraud, but two articles state that internal audit does not have a significant effect on preventing and disclosing fraud.

Keywords: *internal audit, fraud, literature review.*

1. INTRODUCTION

In principle, fraud can occur anytime and anywhere and is carried out by anyone, especially those who have great interests and authority over an entity. Internal audit is an independent and objective activity to provide reasonable assurance and provide consultation designed to increase added value in the organization's activities. Internal audit can also help achieve company goals in increasing the effectiveness and efficiency of activities through a systematic approach in evaluating and improving the effectiveness of risk management, control, regulatory processes, and organizational management.

Internal audit includes an independent internal examination of an organization that aims to test and evaluate the organization's activities carried out. The inspection is carried out to ensure that the assigned duties and responsibilities have been carried out properly and in accordance with the rules that should be. Internal audit conducts

examinations, assessments and looks for facts and evidence to provide recommendations and opinions to management to be followed up for improvement and revision of things that still need to be improved by the organization. Internal audit is also very possible in finding fraud that arises due to pressure, very possible opportunities for fraud, systems and procedures that support and justification for the fraudulent act.

According to (Karyono, 2013) Fraud is fraud which implies irregularities and illegal acts, which are carried out intentionally for certain purposes. An example of fraud is the act of deceiving or misleading other parties, by people both inside and outside the organization. Fraud is designed with the aim of gaining personal and group benefits and taking unfair advantage of opportunities, which directly or indirectly harm other parties. Fraud or cheating in the business world has the meaning as a deliberate lie, untruth reporting of company assets, manipulation of financial data to benefit certain parties.

Fraud can be done by manipulating records, eliminating document evidence or mark-ups that can harm the public or the company's finances. Fraud must not only be prevented, but fraud must be detected as early as possible . (Widaningsih & Nur Hakim, 2015) Fraud is not easy to find but special efforts are needed to trace the fraud. Fraud can be discovered by chance, but this is very rare. In 2017 there was a case that shocked Indonesia where there was a suspicion of fraud from one of the State-Owned Enterprises (BUMN) PT Garuda Indonesia where the former president director of PT Garuda, Emirsyah Satar was named a suspect in a corruption case by the Corruption Eradication Commission (KPK) suspected of having received a transfer. bribes and assets of more than 4 million US dollars (Kompas.com, 2019) . The case above shows that there is fraud due to the position of the main director which gives flexibility to commit fraud.

A survey conducted by ACFE Indonesia in 2016 regarding fraud that occurred in Indonesia showed that corruption was at the top of the list of types of fraud that occurred. The second position is on the misappropriation of assets (misappropriation assets), and the third position is financial statement fraud (fraudulent statement). (Mardani et. al., 2020) . Most of the losses experienced due to fraud are experienced by government institutions so that fraud is very detrimental to the state and the public.

Fraud must be prevented and detected to a minimum because of the potential for losses which, if left unchecked, will only increase, and cause further harm. For prevent fraud from happening, it is necessary a good system of internal control and internal control is implemented by consistent. Study this more emphasizing how the role of internal audit in prevent and disclose fraud.

The internal audit system that has been prepared must be implemented as well as possible to prevent fraud and carry out inspections on the implementation of tasks that have been delegated in each organizational work unit. Based on this background, the researchers chose the title of the study The Role of Internal Audit in Preventing and Disclosure of Fraud Using the Literature Review Method from several national and international articles. Destination from study this knowing the role of internal audit in prevent and disclose fraud.

2. LITERATURE REVIEW

Internal audit

The purpose of internal audit is to ensure its effectiveness in achieving success in achieving organizational goals. Effectiveness can be measured by achieving targets according to the goals and objectives that have been determined at the beginning. The achievements of the organization can be categorized as effective if the organizational goals have been achieved and are in accordance with organizational goals and provide benefits (Betri, 2018) .

(Beckmerhagen et. al, 2004) explains that an effective internal audit has guidelines and is based on applicable audit standards, is perfectly planned, and has an identification of objectives, the ability of the auditor before carrying out duties, and an assessment of the ability of the auditor team to find errors.

Definition of Internal Audit

(Indonesian Institute of Certified Public Accountants, 2013) in the SPAP (Public Accountant Reporting Standard) states that internal audit is an independent assessment activity within the organization to examine and evaluate organizational activities as to aid management.

Internal audit includes organizational structure, methods and measures that are coordinated to maintain organizational wealth, check the accuracy and reliability of accounting data to increase efficiency and encourage compliance with management policies, (Mulyadi, 2015) . Meanwhile (Muller, 2016) states that internal audit is an independent assessment function within the company that was formed to test and evaluate overall operational and non-operational activities.

Internal Audit Standards

The Internal Auditor Professional Organization Consortium has issued the Internal Auditor Professional Standard (SPAI) which is the beginning of a series of Internal Audit Practice Guidelines (PPAI). This standard is a reference source for internal auditors who want to carry out their functions professionally. Internal Audit Professional Standards (SPAI) include:

1. Attribute Standards, this standard covers the characteristics of organizations, individuals, and parties who carry out internal audit activities.
2. Performance Standards, relate to the nature of the internal audit activity and are a measure of the quality of audit work. Attribute Standards and Performance Standards are used for all types of internal audit engagements.
3. Implementation Standard applies to one assignment. This standard includes:
 - a. assurance activity standards (A)
 - b. standard of consulting activities (C)
 - c. investigative activity standard (I)
 - d. Control Self-Assessment (CSA) standards.

Objectives of Internal Audit

Internal audit in general has the aim of assisting management in carrying out their duties and functions, by providing information on the feasibility and effectiveness of the organization's internal control and the quality of the organization's activities. The scope of internal audit is to analyze, assess and submit suggestions to top management which must then be followed up to make improvements to existing findings. According to (D. Hartanto, 2012) in his book Accounting for Entrepreneurs, the objectives of internal audit include:

1. Is the internal control in accounting and operations sufficient and meet the requirements.
2. Ensure that policies, plans and procedures that have been determined are strictly adhered to.
3. Are assets in the company safe from loss, damage, and misappropriation.
4. Ensure the accuracy of accounting data and other data within the company organization.
5. View and monitor the quality and implementation of the tasks assigned to each management.

The internal control function helps the board of directors to ensure company goals and business continuity in several ways:

1. Evaluating every activity and company program.
2. Contribute suggestions for effective risk control.
3. Evaluate compliance with applicable regulations, implementation of Good Corporate Governance.
4. Provide facilities and assist the implementation of external audit (Suginam, 2017).

In general, the purpose of internal audit is to assist the company's management on an ongoing basis regarding the findings of errors and irregularities by providing analysis, assessment, recommendations, and comments regarding controls with established procedures.

Internal Audit Role

Internal auditors act as:

1. Watchdog, includes activities to inspect, observe, check and recheck, and calculate to ensure compliance with laws, regulations and policies that exist in the company. In this activity, a compliance audit is conducted that focuses on the internal control system. The results obtained are usually only in the form of short-term recommendations.
2. Consultation conducted by internal auditors to provide advice to management for the management of organizational resources.

3. Catalyst, where internal auditors become catalysts to provide services in the form of constructive suggestions and can be applied in the company but are not involved in company activities (Suginam, 2017) .

Activities in Internal Audit

In internal audit, auditors carry out their duties and functions which include:

1. Assess whether the management control system, internal control and other operational controls have been running as they should and develop effective controls with cost allocations that are not too expensive.
2. Ensuring that compliance with policies, work plans and standard procedures set by management has been carried out properly.
3. Check and have confidence that company assets are accounted for and protected from possible theft, fraud, and misuse.
4. Assess that the data management developed within the organization can be trusted.
5. Assessing the quality of work of each section in carrying out the duties of management.
6. Suggest operational improvements to increase efficiency and effectiveness.

Characteristics of Internal Auditors

According to the International Standards for The Profession Practice of Internal Audit (IPPF, 2017) there are several must - have characteristics owned by internal auditors, including that is:

1. Independence and objectivity. Independent is the attitude of the auditor who is free and not experience coercion to take sides in operate task, while objective is attitude that doesn't take sides in operate task.
2. Professional skill and accuracy are knowledge and competence possessed covers whole operation company and information external influence company.
3. Development profession sustainable is what auditors do to increase ability by periodically.

Factors Supporter Internal Audit Effectiveness

Contributing factors in optimizing internal audit effectiveness:

1. Internal audit competencies, including intelligence, education and training that provide Mark plus to the quality of internal auditors (Chambers & Odar, 2015). Ability technical, analytical, and interpersonal also includes internal audit competence (Seol & Sarkis (2005).
2. Internal audit size, where big the small size of internal audit will be influence audit results. Availability source power must balance to not quite enough responsible for internal audit.
3. Independence of internal auditors. (IPPF, 2017) describes internal audit independence includes auditor 's ability in doing the responsibility without existence coercion from other party.
4. Internal audit activities include audit procedures carried out related responsibility on evaluation risk and the company's internal control (Kabuye et. al., 2017).
5. D support management to internal auditors include role management to availability source power as well as action carry on audit findings. When findings no follow up so internal audit performance will Becomes in vain.

Fraud

1. Definition of Fraud

Fraud is defined as unlawful acts that are carried out intentionally for certain purposes (manipulation or giving false reports to parties) carried out by people from inside or outside the organization to gain personal or group benefits which directly or indirectly harm other parties (Association of Certified Fraud Examiner (ACFE), 2012).

According to (Alison, 2006), fraud is a form of fraud that is intentionally carried out so as to cause losses without being realized by the injured party and provide benefits to the perpetrators of fraud, and generally fraud occurs because of pressure to commit fraud or encouragement to take advantage of existing opportunities and justifications. generally accepted attitude towards the action (Norsain, 2014).

Data from the Association of Certified Fraud Examiners (ACFE) shows that the average global cost of fraud is estimated at 5% of total revenue, which is \$3.5 trillion per year, which shows a significant impact of fraud (Free, 2015). The factors that motivate a person are:

- a. Want to live beyond his limits

- b. Want to get personal benefit
- c. Have a big debt
- d. Pressure from family, friends, and environment
- e. Desire beats the existing system (Abbasi et al, 2004).

Actions that indicate fraud consists of five circumstances:

- a. Improper and incorrect presentation because there is data that is not disclosed, and reporting errors occur.
- b. Material data and facts, facts are substantial things that provide an impetus for someone to act.
- c. The existence of a purpose, where the goal has been directed to deceive and the awareness and knowledge that the report presented is wrong.
- d. Dependence must be justifiable, misstatement must be substantial to the detriment of the other party.
- e. An act that is detrimental so that it is unfair or causes harm to victims who experience fraud (Norsain, 2014).

2. *Types of Cheating*

- a. Corruption (Corruption), this fraud is the most difficult to detect because it involves cooperation or agreement with other parties such as bribery and collusion. Examples of corruption include:
 - 1. Abuse of authority and a conflict of interest, such as a game of buying or selling goods/services, namely by the existence of a relationship between the seller and the buyer which causes an increase in price or an unreasonable fee.
 - 2. Bribery is a gift or promise so that the recipient does or does not do something in his/her duties that is contrary to his/her authority/obligation.
 - 3. Illegal gratuities are gifts or gifts with the hidden intention of bribery, which can be in the form of wedding gifts, birthday gifts, farewell gifts, promotion gifts and positions to officials.
- b. Misappropriation of assets (asset misappropriation), in the form of theft or embezzlement of company or other party assets. Misappropriation of assets can take the form of:

1. Larceny or theft of money in the company or theft of assets.
 2. Skimming, which is looting of money before the money physically enters the company, for example, by lapping and collecting receivables that have been written off.
 3. Fraudulent disbursement or theft through unauthorized spending. It can be done by imposing fictitious bills, fictitious salaries, fictitious official travel expenses, falsifying checks, fictitious refunds, canceling fictitious sales.
 4. Deviations in supply, for example the illegal sale of subsidized fuel to take advantage of price differences with non-subsidized fuel.
 5. Misuse, which is misusing assets, such as official vehicles or office inventory being used for personal purposes.
- c. Financial Statement Fraud (Fraudulent Statement) conducted with engineer report finance for cover actual situation for get profit. Generally, with over or understatement of assets or income, differences in the timing of transaction recognition, fictitious income, debt.

3. RESEARCH METHODS

This research is a literature study that discusses articles from previous research regarding the role of internal audit in preventing fraud. The author collects secondary data from the literature study by collecting theories, research data or findings in previous studies that are in accordance with the topic under study so that it is hoped that information will be obtained that will be used to describe the variables, symptoms, or circumstances that are the focus of the research. The process begins with research identification by selecting national and international articles, making literature reviews to determine the role of internal audit in preventing fraud to provide understanding and research results related to this phenomenon. The data collected was analyzed by qualitative analysis method with 3 stages, namely: data reduction, the researcher examines the data and then takes only the relevant data; Data Presentation, after the reduced data is obtained, the data is presented in the form of a description, the relationship between categories, so as to facilitate analysis and interpretation; Conclusion Drawing, in qualitative research are findings obtained from analysis of data

in order to answer research problems (Bungin, 2017) . Table. 1 shows article from previous research on the role of internal audit in preventing fraud.

Table 1
List of Journals According to Review Criteria

Researcher	Title	Journal Name
Norsaine	The Role of Internal Audit in Detecting and Preventing Fraud (Fraud) “(Case Study on PNPB Mandiri Kalianget District Urban)”	Journal of “PERFORMANCE” Business & Accounting Volume IV, No.1, March 2014
Thetty S. Rajagukguk	Effect of Internal Audit and Fraud Prevention on Financial Performance “(Study Case at PT Perkebunan Nusantara IV)”	Owner, Research & Journal Accounting, Volume 1 Number 1, February 2017
Suginam	Internal Control on Fraud Prevention “(Study Case at PT. Tolan Tiga Indonesia)”	Owner, Research & Journal Accounting, Volume 1 Number 1, February 2017
Abdi Saputra	Influence of Internal System, Control, Internal Audit and Implementation of Good Corporate Governance on Banking Fraud “(Study the Case of a State-Owned Enterprise Subsidiary Sharia Bank in Medan)”	Owner, Research & Accounting Journal, Volume 1 Number 1, February 2017
Pupung Purnamasari, Shalsal Niko Arezona, Magnaz Lestira, Mey Maemunah	The Effect of Internal Auditor on Four Main Pillars In Fighting Fraud	International Journal of Management and Applied Science Volume 4, Issue3, Mar 2018
Nurul Alfi, Runik Puji Rahayu	The Role of Internal Audit in Fraud Prevention Efforts “(Corporate Case Study Banks Listed on the IDX)”	ASSETS Journal of Accounting and Investment, Vol 5, No 1, May 2019
Yessy Aryanti Lestari, Yustrida Bernawati	The Effectiveness of the Role of Internal Audit in Prevent and Detect Cheating	Journal of Accounting and Taxes, 20(2), 2020, 189-196
Dio Fernando, Tigor Sitorus	Internal Audit, Quality Control, Asymmetry Information, Behavior Dysfunctional Accounting Staff and Its Effects to Fraud Accountancy	Journal of Business & Applied Management Vol.13 (No. 2): 147 – 205 Th. 2020
Mardani, Yesi Mutia Basri, M Rasuli	Influence of the Audit Committee, Internal Audit, and Size company To Disclosure Fraud in Banking Companies Listed on IDX 2018	Al-Iqtishad Journal Edition 16 Volume 1 Year 2020
Ida Fatmawati Ar'Reza, Cipto Wardoyo,	Internal Auditors' Fraud Detection: A Phenomenological Study	International Journal of Accounting & Finance in Asia Pacific

Source: Data Processed, 2021

4. RESULTS AND DISCUSSION

Based on previous studies selected in this study, there are several variables and different research results regarding the role of internal audit in preventing and disclosing fraud due to differences in the objects studied. (Norsain, 2014) stated that internal audit within the PNPM Mandiri Urban, Kalianget District can prevent and detect fraudulent practices. Internal audit is one of the evaluations conducted to assess the effectiveness of the organization's internal control system. The control tool in the form of an internal supervisor is good enough but is not yet available in all parts of the organization so that it is still not effective for monitoring all lines of the organization. Internal audit is a tool for evaluating internal control in the organization. Internal audit performance is not optimal because the audit team which is the supervisory team lacks an understanding of their duties and responsibilities as well as inadequate competence from members of the supervisory body. In order to get reach optimal performance, entity must consider supporting attributes _ internal auditor competence (Lestari, YES, & Bernawati, Y, 2020). The position of the internal audit department must be directly under top management to strengthen the internal control system. The internal audit department must continue to be given training and understanding on a regular basis so that it understands the overall audit activity, evaluates the internal control system so that audit activities run optimally, and fraud can be avoided. this in accordance with results research by Munteanu & Zaharia (2014) which argues that internal audit plays a role in internal control system evaluation and analysis risks faced company.

(Rajagukguk, 2017) states that internal audit has a significant effect on fraud prevention and ultimately leads to improving the quality of the company's financial statements PT Perkebunan Nusantara IV. This study combines the audit committee, the implementation of internal control, internal audit and the implementation of corporate governance if carried out together properly will prevent fraud within the company. Internal audit really helps the organization so that all activities run well and in accordance with existing standards. Internal audit will help control activities which will then be evaluated which results in recommendations if it is necessary to improve the weaknesses that exist in the organization so that with the existence of internal audits it can detect fraud that is happening and has occurred in the organization. Not just making sure presence of internal auditors but entity must also ensure effectiveness of internal

audit in carrying out its roles and responsibilities (Lestari, YA, & Bernawati, Y, 2020). Audit findings and recommendations should ensure that management and auditors have get response and also do repair on weaknesses and possibilities cheating that will cause cheating is also bad entity.

Differences in the interests of management and owners will lead to information asymmetry in financial statements so that the implementation of internal audits and combined with the implementation of Good Corporate Governance will create quality financial reports and in accordance with the actual situation to prevent fraud that may be created by management for certain purposes, this is in accordance with research (Lestari & Bernawati, 2020) which states that an effective and optimal internal audit will help companies to identify fraud properly and appropriately so as to minimize fraud that is not detected by the internal auditor. Differences in the interests of management and other stakeholders cause each party to maximize its interests so that fraud is very likely to occur. Management who behaves opportunistically will tend to harm the company so that internal audit is present to carry out monitoring and evaluation. The higher the possibility of fraud that will occur, the mitigation and detection of fraud needs to be improved. The effectiveness of internal audit is also determined by the competence of the internal auditor, the size of the resources owned, a high level of independence, activities and the support provided by management to the internal audit department so that all of them must receive important attention to create a work environment free from fraud.

(Suginam, 2017) states that internal audit has a significant effect on fraud prevention PT. Tolan Tiga Indonesia. Internal audit cannot directly place orders on employees and employees considering that internal audit only performs inspection actions. This study strengthens previous research by (Cattrysse, 2002) which states that a good internal audit will be able to prevent fraud in the company and subsequent research by (Gusnardi, 2009) which says that internal audit has an influence on fraud prevention. Internal control also has a positive influence in preventing fraud, but it does not have a significant impact. Fraud prevention is not entirely determined by internal control alone. The synergy between the audit committee, internal audit department and internal control in the company will result in good fraud prevention and detection, but with the cooperation of various elements and all parts of the organization it will

increasingly create high control over fraud because of the awareness of all individuals in the organization. As institution internal control of course no could stand up themselves to produce maximum fraud prevention, synergy implemented internal control by consistent and done evaluation through internal audit will the more protect entity from possible cheating happen.

(Saputra, 2017) stated that internal audit has a significant effect on fraud prevention in the banking world. The implementation of a good internal audit examination on all operational activities causes the level of fraud that may occur to be reduced to the lowest level and prevents banks from losses. In addition to internal audit, the internal control system and Good Corporate Governance also have a significant influence in preventing fraud in the banking world. This is also in line with the opinion of (Purnamasari et. al., 2018) stated that internal audit influences fraud prevention. The better the supervision in the internal audit in the company, the less opportunity to commit fraud. From the research data, the better fraud prevention indicates the ability of internal audit to prevent fraud through the existence of a culture of honesty and high ethics, identifying fraud risks, implementing anti-fraud programs, extensive oversight of fraudulent report documents, risk assessment and the results of this study are in line with the research conducted (Taufeni, 2010), (Rizkyana et. al., 2012) and (Tampubolon, 2015). The enhanced role of internal audit will also improve the performance of fraud prevention thereby minimizing the risk of fraud.

(Alfian & Rahayu, 2019) stated that internal audit has a very important role in preventing fraud. The internal audit of the four banks that were the sample of the study (BRI, BNI, BTN, Mandiri) had implemented the audit plan that had been prepared and implemented it as well as provided recommendations for the problems found in these banks. All audit activities listed in the audit charter and regulated by the board of directors' regulations and internal audit will still be reviewed after the internal audit by the audit committee to assess how much management is committed to improving the weaknesses of internal control and internal audit. Areas that have a high risk of fraud will be more focused on the implementation of internal audit by implementing a risk-based audit. The banking world has a high risk of fraud, as evidenced by the many cases of fraud committed by bank employees, especially those with high authority, so that the

implementation of risk-based audits is very appropriate so that the audit process is right on target, saving time and costs.

The whistleblowing system as well as the gratification control awareness program are used to prevent fraud in addition to internal audits. Fraud or other irregularities still occur but with a good internal audit the organization can handle the fraud case. Internal control cannot be separated from internal audit, which is a tool for top management to properly control the organization to achieve its goals, fraud in the banking world has a high level of risk so that appropriate sanctions can prevent perpetrators from repeating their actions.

(Fernando & Sitorus, 2020) provide different research results from the seven previous studies, considering that this study limits fraud to accounting fraud only. The results showed that internal audit had no effect on the level of accounting fraud at the “BM&SW” Group in Jakarta. This result is because the internal audit program, internal audit risk assessment, and internal audit competence do not run well and cannot reduce accounting fraud. Internal auditors must have the support of many parties and cooperate in providing accurate and accountable information. Internal audit can run properly if it has adequate systems and procedures. Research results this describe internal audit does not have adequate competence and capacity in the field accountancy detect and mitigate fraud that occurred. Research (Saputra, 2017) has the same result, where internal auditors have no effect on fraud prevention at BPR West Sumatra. Meanwhile research (Yusriwati, 2017) produces a different opinion, where internal audit has an effect on preventing accounting fraud in Banking Companies in Pekanbaru. (Mardani et al., 2020) argue that internal audit has no significant effect on the disclosure of fraud in banking companies listed on the Indonesia Stock Exchange in 2017-2018. The size of the internal audit does not have a significant impact on the disclosure of fraud. The results of this study state that if the audit committee plays a significant role in disclosing fraud in banking companies listed on the Indonesia Stock Exchange in 2017-2018, the larger the audit committee in the company, the better the disclosure of fraud will be and vice versa. The size of the company also determines the disclosure of fraud, the results of the study reveal that the larger the company, the better the disclosure of fraud. Large companies with a large number of transactions and information will be directly proportional to information asymmetry when compared to smaller companies (Handoko

& Ramadhani, 2017). The size of the company has an influence on the disclosure of fraud because the greater the operational and non-operational activities, the more opportunities for fraud to occur. These results provide an interesting conclusion for the ranks of the company's leadership to apply risk-based auditing to large companies without reducing the quality of internal audits for small companies.

(Ar'Reza et. al., 2020) revealed that internal audit influences the prevention and disclosure of fraud. Potential fraud can be detected from the discovery of errors during the audit examination, then it is concluded whether there is a need for in-depth audit findings. Risk-based internal audit provides corrective solutions but is not required to provide certainty of fraud, but only to provide evidence showing that fraud is likely to occur and provide recommendations for improvement to reduce any risk. Thus, internal auditors gain legitimacy because they have carried out their activities, roles and competencies as expected. risk big cheating demand effort mitigation as well as proper detection. Good internal audit effectiveness will help company identify fraud with good and appropriate so that cheating is not detected by internal auditors can minimized (Sustainable, YES, & Bernawati, Y, 2020).

5. CONCLUSION

Internal audit is one of the evaluations conducted to assess the effectiveness of the organization's internal control system. Internal auditors must be equipped with adequate competence in carrying out their duties by being given regular training. The position of the internal audit department must be directly under top management to create audit independence. Internal audit performance will maximum when audit committee, internal audit department and internal control, implementation of Good Corporate Governance, collaboration from various elements and all parts of the organization in the company are synergized will result in better fraud prevention and detection. If the internal audit program, assessment internal audit risk, and internal audit competence does not walk with good so level fraud no could lower to the lowest level. Recommended results on audit findings should also be run by management so that fraud no repeated.

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