

The Effect of Organizational Culture, the Role of Internal Auditor and Auditor Integrity on Fraud Prevention

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ABSTRACT

This research aims to determine the effect of organizational culture, the role of internal auditors and auditor integrity on fraud prevention at the Regional Inspectorate of South Sulawesi Province. The focus of this research is as many as 46 respondents. The type of research conducted in this research is quantitative using primary data in the form of a questionnaire. The population of this research are auditors who are in the Regional Inspectorate of South Sulawesi Province. The method used to determine the sample is to use the census method. The analysis was carried out using the validity test, reliability test, normality test, heteroscedasticity test, multicollinearity test, partial test, coefficient of determination test and multiple regression analysis. The results of this research indicate that organizational culture has a positive and significant effect on fraud prevention, while the role of internal auditors and the integrity of the auditor has no and insignificant influence on fraud prevention.

INTRODUCTION

In preventing fraud, improving government performance, protecting government interests and increasing compliance with laws and regulations and ethical values (code of conduct) that apply generally to civil servants (PNS) in Indonesia, must be done, such as improving organizational culture. A culture of respect for honesty and ethics can prevent fraud in an organization (Zelmiyanti and Anit, 2015).

The phenomenon of fraud is certainly familiar to the public, this phenomenon is one of the many problems that can be experienced by any authority in any country. Regarding the phenomenon of fraud in Indonesia, such as the case of South Sulawesi Governor Nurdin Abdullah who allegedly received a bribe of IDR 5.4 billion, Nurdin Abdullah (NA) and Edy Rahmat (ER) were identified as the alleged recipients. In the case of alleged bribery related to infrastructure projects within the South Sulawesi Provincial Government. KPK received a report that the Director of PT Agung Perdana Bulukumba, Agung Sucipto (AS), would give a sum of money to Nurdin through Edy Rahmat (ER), the Secretary of the South Sulawesi Provincial PUTR Office who is also Nurdin's confidant. KPK revealed a gift transaction between Agung and Edy, allegedly amounting to Rp. 5.4 billion.

According to The Association of Certified Fraud Examiners (ACFE), an organization that specializes in fraud investigation, fraud is classified into three levels called the fraud tree, namely (Albricht, 2009) misappropriation of assets, false statements or false statements and corruption. From the phenomenon of fraud that occurs, it can be seen that fraud can occur due to several factors, such as poor organizational culture, less reliable auditors and lack of honesty. Apart from organizational culture and internal auditors, the factor that reduces fraud is auditor integrity. Integrity is a firm personal commitment to ethical and ideological principles and becomes part of the self-image reflected in behavior (Schlenker, 2008). Honesty requires a person to be honest and transparent, brave, wise and responsible. The phenomenon of fictitious fraud can also be a sign of individual integrity failure. If the company has high integrity, it does not encourage its employees to commit fraud, on the contrary, the lower the integrity, the greater the tendency of auditors to commit fraud.

LITERATURE REVIEW

Attribution Theory

Attribution theory is a theory that explains the process by which we can determine the causes and motives of our behavior. This theory explains that there are two factors that can influence a person's behavior, namely external factors and internal factors. External factors are factors beyond a person's control, such as difficulties in work or happiness and stressful situations, which in this research use organizational culture and the role of internal auditors as external factors. Meanwhile, internal factors are factors that arise from the abilities or competencies of each person that can personally affect performance and behavior, such as ability, originality, character, attitude, effort and competence, which in this research use integrity as an internal factor (Wiastrini & Dwirandra, 2018).

Organizational Culture

Organizational culture is the norms, values, assumptions, beliefs, habits created in an organization and accepted by all members of the organization as guidelines or references in the organization to carry out its activities both for its employees and for the benefit of others (Suastawan, et al, 2017).

Research conducted by Trisna Wulandari in 2017 shows that the organizational culture variable has a positive effect on fraud prevention at the Inspectorate General of the Ministry of Finance. Research conducted by Dina Maulidina Muthmainnah in 2019 shows that organizational culture has a significant effect on preventing fraud in the procurement of goods. Research conducted by Desi Indah Prasetyo Wati in 2019 shows that organizational culture variables have a positive effect on fraud prevention at BPR Kota and Kabupaten Magelang. Research conducted by Riri Zelmianti and Lili Anita in 2015 shows that organizational culture has a significant positive effect on fraud prevention through the implementation of the internal control system in BPR West Sumatra.

Preventive measures can be implemented through a well-developed work culture that will produce good fundamental organizational values such as upholding honesty and integrity, appreciation and quality of work and excellent service and respect for openness and transparency. So it can be concluded that the better the organizational culture, the more fraud prevention will increase. Thus the following hypothesis can be made:

H1: Organizational culture has a positive and significant effect on fraud prevention

The Role of Internal Audit

Internal auditors are company employees who engage in independent research activities to help management provide effective accountability (Boynton et al., 2003: 8). Internal audit is an independent review function established in a business to review and evaluate its activities as a service provided to the business (Sawyer, 2010).

Research conducted by Trisna Wulandari in 2017 in her research argues that the role of internal audit has a positive effect on fraud prevention. Research conducted by Komang Yoga Mahendra, A. A. Erna Trisnadewi, and Gusti Ayu Intan Saputra Rini in 2021 shows that internal audit has a positive effect on fraud prevention at BUMN Banks in Denpasar. Research conducted by Riri Zelmianti and Lili Anita in 2015 showed that has a positive and significant effect on fraud prevention has a significant positive effect on fraud prevention through the implementation of the internal control system in BPR West Sumatra. Thus, this condition shows that the company's internal audit has a big role in the organization to evaluate company activities, especially in fraud prevention. Thus the following hypothesis can be made:

H2: The role of internal audit has a positive and significant effect on fraud prevention

Auditor Integrity

Integrity is the reputation of a trustworthy and honest person who defines the term "trust" in an organizational context (Butler and Cantrell, 1984). Research conducted by Ratu Syiddah Ayu Az-Zahra, Achmad Jaelani, and Mulyadi Nursi in 2020 in their research argues that integrity has a positive and significant effect on fraud prevention. Research conducted by Dewi Novita Wulandari and Muhammad Nuryatno in 2018 shows that integrity has a positive effect on fraud prevention. Research conducted by Yayuk Ramadhaniyati and Nur Hayati in 2014 shows that the integrity of internal auditors has a significant effect in preventing fraud with a positive coefficient. This means that the better the integrity of the auditors, the better the fraud prevention. Thus the following hypothesis can be made:

H3: Integrity has a positive and significant effect on fraud prevention

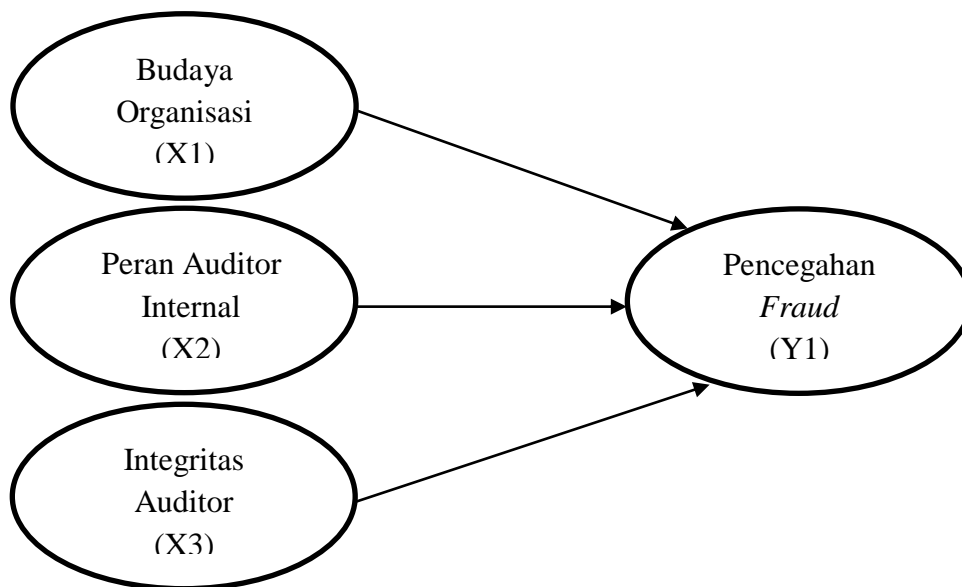


Figure 1. Conceptual Framework

METHODOLOGY

This research uses a quantitative approach. The type of data used in this research is quantitative data provided by respondents in the form of answer values or questionnaire statement scores. The data source used in this research is primary data. Data obtained from field research through direct observation of the object to be studied through questionnaire data. In obtaining data in this research, researchers used two methods, namely observation and questionnaires. The data analysis method used in this research is descriptive statistics, data quality test, classical assumption test and hypothesis testing.

RESEARCH RESULT

1. Descriptive Statistics Test Results

Table 1. Descriptive Statistical Test Results (Variable Indicators)

	N	Minimu m	Maximu m	Mea n
Inovasi dan Pengambilan Risiko (X1.1)	46	2	3	2.83
Perhatian ke Hal yang Mendetail (X1.2)	46	4	5	4.04
Orientasi Hasil (X1.3)	46	2	3	2.63
Orientasi Orang (X1.4)	46	3	5	4.02
Orientasi Tim (X1.5)	46	2	5	4.02
Keagresifan (X1.6)	46	2	5	3.75
Stabilitas (X1.7)	46	4	5	4.41
Independensi dan Objektivitas (X2.1)	46	3	5	4.24
Keahlian dan Kecermatan Profesional (X2.2)	46	4	5	4.42
Lingkup Pekerjaan Audit (X2.3)	46	4	5	4.22
Pelaksanaan Tugas Audit Internal (X2.4)	46	4	5	4.22
Manajemen Bagian Audit Internal (X2.5)	46	2	5	4.09
Kejujuran Auditor (X3.1)	46	4	5	4.53
Keberanian Auditor (X3.2)	46	4	5	4.22
Sikap Bijaksana Auditor (X3.3)	46	3	5	4.24
Tanggung Jawab Auditor (X3.4)	46	3	5	4.35
Pengawasan Oleh Komite Audit (Y1.1)	46	2	5	4.02
Tanggung Jawab Manajemen Untuk Mengevaluasi (Y1.2)	46	3	5	4.03
Budaya Jujur dan Etika yang Tinggi (Y1.3)	46	3	5	4.13
Valid N (listwise)	46			

Source: Primary data processed in 2022.

a) Organizational Culture

Based on table 1 indicators on organizational culture variables consisting of innovation and risk-taking, attention to detail, results orientation, people orientation, team orientation, aggressiveness and stability show that the results orientation indicator has the lowest score of all indicators. The stability indicator has the highest score of all indicators.

b) The Role of Internal Audit

Based on table 1, the indicators on the role of internal auditor variable consisting of independence and objectivity, professional expertise and care, the scope of audit work, the implementation of internal audit tasks and the management of the internal audit section show that the internal audit section management indicator has the lowest score of all indicators. The professional expertise and care indicator has the highest score of all indicators.

c) Auditor Integrity

Based on table 1, the indicators on the auditor integrity variable consisting of auditor honesty, auditor courage, auditor prudence and auditor responsibility show that the auditor courage indicator has the lowest score of all indicators. The auditor's expertise and honesty indicators have the highest score of all indicators.

d) Fraud Prevention

Based on table 1, the indicators on the fraud prevention variable consisting of supervision by the audit committee, management responsibility for evaluating and a high honest and ethical culture show that the indicator of supervision by the audit committee has the lowest score of all indicators. The indicator of honest culture and high ethics has the highest score of all indicators.

2. Research Instrument Test Results

a) Validity Test

Validity test is a tool used to measure whether a questionnaire is valid or not.

Table 2. Validity Test Results

Item Question	Pearson Corelation	Sig (2-Tailed)	Description	
X1	1	0.484**	0.001	VALID
	2	0.759**	0.000	VALID
	3	0.557**	0.000	VALID
	4	0.668**	0.000	VALID
	5	0.552**	0.000	VALID
	6	0.759**	0.000	VALID
	7	0.738**	0.000	VALID
	8	0.759**	0.000	VALID
	9	0.541**	0.000	VALID
X2	10	0.657**	0.000	VALID
	11	0.732**	0.000	VALID
	12	0.587**	0.000	VALID
	13	0.629**	0.000	VALID
	14	0.751**	0.000	VALID
	15	0.630**	0.000	VALID
	16	0.528**	0.000	VALID
	17	0.563**	0.000	VALID

Item Question	Pearson Correlation	Sig (2-Tailed)	Description	
X3	18	0.554**	0.000	VALID
	19	0.648**	0.000	VALID
	20	0.828**	0.000	VALID
	21	0.528**	0.000	VALID
	22	0.528**	0.000	VALID
	23	0.500**	0.000	VALID
	24	0.545**	0.000	VALID
	25	0.441**	0.002	VALID
	26	0.773**	0.000	VALID
	27	0.563**	0.000	VALID
	28	0.530**	0.000	VALID
	29	0.485**	0.001	VALID
	30	0.428**	0.003	VALID
Y1	31	0.729**	0.000	VALID
	32	0.520**	0.000	VALID
	33	0.754**	0.000	VALID
	34	0.580**	0.000	VALID
	35	0.695**	0.000	VALID
	36	0.673**	0.000	VALID
	37	0.561**	0.000	VALID
	38	0.526**	0.000	VALID
	39	0.618**	0.000	VALID

Source: Primary data processed in 2022.

Based on the above, if using the significance value, it can be seen that the variables of organizational culture, the role of internal auditors, auditor integrity and fraud prevention have a significant value smaller than 0.05, so it can be concluded that all question items in the study are declared valid.

b) Reliability Test Results

This reliability test is carried out to test the consistency of the answers from respondents through the questions given, using the Cronbach's Alpha statistical method with a significance of more than (>) 0.7. The results of the reliability test are as follows:

Table 3. Reliability Test Results

Variabel	Cronbach's Alpha	Keterangan
Organizational Culture (X1)	0.749	Reliabel
The Role of Internal Audit (X2)	0.785	Reliabel
Auditor Integrity (X3)	0.849	Reliabel
Fraud Prevention (Y1)	0.750	Reliabel

Source: Primary data processed in 2022.

Based on the above, it is known that the variables of organizational culture, the role of internal auditors, auditor integrity and fraud prevention have a Cronbach's alpha value greater than 0.7. This shows that the question items in this study are reliable, so that each question item used will be able to obtain consistent data and if the question is asked again, the answer will be relatively the same as the previous answer.

3. Classical Assumption Test Results

a) Normality Test Results

The normality test is used to test whether the regression model has a normal distribution or not.

1) Probability Plot Normality Test Results

The regression model is said to be normally distributed if the data plots (dots) that draw the real data follow the diagonal line.

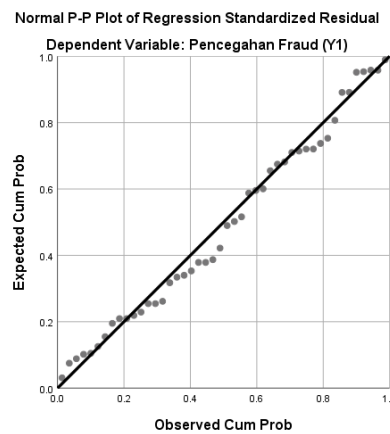


Figure 2. Probability Plot Normality Test Results
Source: Primary data processed in 2022

Based on the picture above, it can be seen that the points spread around the diagonal line, and the direction of the spread follows the direction of the diagonal line. This shows that the regression model is feasible to use, because it fulfills the assumption of normality.

2) Histogram Test Results

A histogram is a bar graph that serves to test (graphically) whether a data is normally distributed or not.

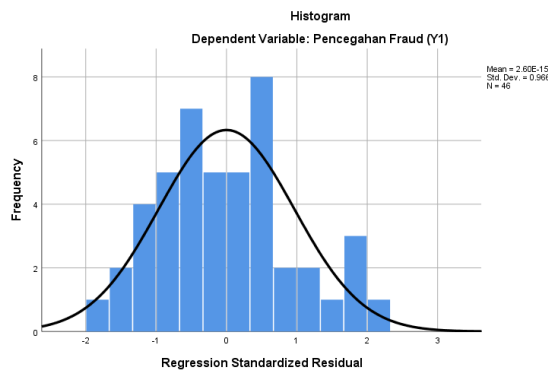


Figure 3. Histogram Test Results
Source: Primary data processed in 2022

The histogram graph in the picture above shows a normal distribution pattern because the graph does not tilt to the left or tilt to the right.

3) Kolmogorov-Smirnov Normality Test Results

The basis for decision making in the Kolmogorov-Smirnov normality test is as follows:

- If the significance value > 0.05 then the residual value is normally distributed.
- If the significance value < 0.05 then the residual value is not normally distributed.

Table 4. Kolmogorov-Smirnov Normality Test Results
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		46
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	1.71423917
Most Extreme Differences	Absolute	.095
	Positive	.095
	Negative	-.066
Test Statistic		.095
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: Primary data processed in 2022.

Based on the table above, it can be seen that the significance value is 0.200, which means it is greater than 0.05, so it can be concluded that the residual value is normally distributed.

b) Multicollinearity Test Results

Multicollinearity means that there is a strong relationship between some or all of the independent variables in the regression model.

Table 5. Multicollinearity Test Results

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
Organizational Culture (X1)	0.841	1.189
The Role of Internal Audit (X2)	0.518	1.931
Auditor Integrity (X3)	0.575	1.740

a. Dependent Variable: Fraud Prevention (Y1)

Source: Primary data processed in 2022.

From the test results in table 6, it is known that the tolerance value of all independent variables is above 0.100, namely organizational culture 0.841, the role of internal auditors 0.518, auditor integrity 0.575 and Variance Inflation Factors (VIF) less than 10.00 with organizational culture 1.189, the role of internal auditors 1.931 and auditor integrity 1.740. Thus it can be concluded that there are no symptoms of multicollinearity in the model above, meaning that there is no strong enough correlation between the independent variables.

c) Heteroscedasticity Test Results

This test is carried out to test whether the regression model is an inequality of variance from one observation to another.

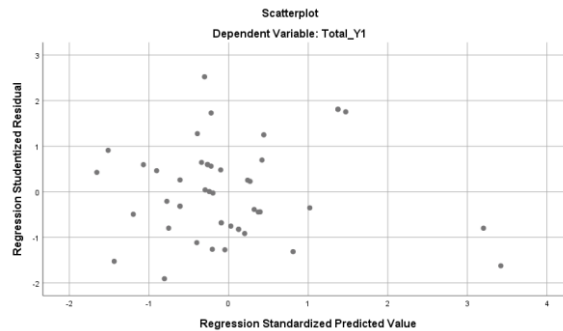


Figure 4. Heteroscedasticity Test Results
Source: Primary data processed in 2022.

Based on the picture above, there is no clear pattern, and the dots spread above and below the number 0 on the Y axis. Thus it can be concluded that there are no symptoms of heteroscedasticity in this regression model.

4. Hypothesis Test Results

a) Partial Test Results (t Test)

Hypothesis testing is used to see whether there is a correlation and influence of the independent variables, namely organizational culture (X1), the role of internal auditors (X2) and auditor integrity (X3) on fraud prevention (Y1).

Table 6. Partial Test Results (t Test)

Coefficients ^a							
Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.	Collinearity Statistics	
	B	Std. Error				Tolerance	VIF
(Constant)	22.833	5.307		4.302	.000		
Organizational Culture (X1)	.588	.135	.600	4.355	.000	.841	1.189
The Role of Internal Audit (X2)	-.091	.164	-.097	-.551	.584	.518	1.931
Auditor Integrity (X3)	-.117	.091	-.216	-1.296	.202	.575	1.740

a. Dependent Variable: Fraud Prevention (Y1)

Source: Primary data processed in 2022.

1) Hypothesis 1 Test Results

Based on table 6, it is known that the sig value for the effect of variable X1 on Y1 is $0.00 < 0.05$ and the t-count value is $4.355 > t\text{-table } 2.013$, so it can be concluded that H1 is accepted, which means that it has a positive and significant effect on fraud prevention.

2) Hypothesis 2 Test Results

Based on table 6, it is known that the sig value for the effect of variable X2 on Y1 is $0.584 > 0.05$ and the t-count value is $-0.551 > t\text{-table } -2.013$, so it can be concluded that H2 is rejected, which means that it has no effect and is not significant on fraud prevention.

3) Hypothesis 3 Test Results

Based on table 6, it is known that the sig value for the effect of variable X3 on Y1 is $0.202 > 0.05$ and the t-count value is $-1.296 > t\text{-table } -2.013$, so it can be concluded that H2 is rejected, which means that it has no effect and is not significant on fraud prevention.

b) Test Results of the Coefficient of Determination (R^2 Test)

The coefficient of determination (Uji R^2) test is carried out to determine and predict how much or important the contribution of the influence given by the independent variables together to the dependent variable.

Table 7. Determination Coefficient Test Results (R^2 Test)

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.574 ^a	.330	.282	1.774	1.603

a. Predictors: (Constant), Auditor Integrity (X3), Organizational Culture (X1), The Role of Internal Audit (X2)
b. Dependent Variable: Fraud Prevention (Y1)

Source: Primary data processed in 2022.

Based on the table above, the value of Adjusted R Square is 0.282, which means that the effect of the independent variable (X) on the dependent variable (Y) is 28.2% and is in the weak category according to Chin (1998), because it is less than 0.33. This means that the ability of the independent variables to explain the dependent variable is 28.2%, while the remaining 72.8% is influenced by other variables not examined in this study.

c) Multiple Linear Regression Analysis Results

Multiple linear regression analysis aims to see how much the regression coefficient affects the independent variable on the dependent variable, the multiple linear regression equation model in this study is as follows : $Y = \alpha + b_1X_1 + b_2X_2 + b_3X_3 + e$

Table 8. Results of Multiple Linear Regression Analysis

Coefficients ^a							
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error				Beta	Tolerance
1 (Constant)	22.833	5.307		4.302	.000		
Organizational Culture (X1)	.588	.135	.600	4.355	.000	.841	1.189
The Role of Internal Audit (X2)	-.091	.164	-.097	-.551	.584	.518	1.931
Auditor Integrity (X3)	-.117	.091	-.216	-1.296	.202	.575	1.740

a. Dependent Variable: Fraud Prevention (Y1)

Source: Primary data processed in 2022.

Based on the table above, it shows that the multiple linear regression equation that can be formulated is as follows:

$$Y = 22.833 + 0.588X_1 - 0.091X_2 - 0.117X_3$$

Description:

- 1) The value of $\alpha = 22.833$ indicates that if the independent variables, namely organizational culture (X1), the role of internal auditors (X2)

and auditor integrity (X3) are constant or unchanged (equal to zero), then fraud prevention (Y1) is 22.833 units.

- 2) The regression coefficient value $X1 = 0.588X1$, meaning that if the other independent variables are fixed value and organizational culture has increased by 1%, then fraud prevention (Y1) will increase by 0.588.
- 3) The regression coefficient value $X2 = - 0.091X2$, meaning that if the other independent variables are fixed and the role of the internal auditor increases by 1%, then fraud prevention (Y1) will decrease by - 0.091X2.
- 4) The regression coefficient value $X3 = - 0.117X3$, meaning that if the other independent variables are fixed and the integrity of the auditors increases by 1%, then fraud prevention (Y1) will decrease by - 0.117X3.

DISCUSSION

1. The Effect of Organizational Culture on Fraud Prevention

Based on the results of hypothesis testing, it can be concluded that H1 is accepted, which means that the organizational culture variable partially has a positive and significant effect on fraud prevention. The higher the organizational culture, the more fraud prevention will increase. This can be caused because in carrying out their duties, auditors who work at the Regional Inspectorate of South Sulawesi Province have a good organizational culture, thereby reducing deviations in audit behavior, this can make fraud prevention increase.

Based on the questionnaires that have been distributed and data processing that has been carried out, the indicators on the organizational culture variable consisting of innovation and risk-taking, attention to detail, results orientation, people orientation, team orientation, aggressiveness and stability show that the results orientation indicator has the lowest score of all indicators. The stability indicator has the highest score of all indicators. This shows that auditors at the Regional Inspectorate of South Sulawesi Province have stability in making decisions and actions in preventing fraud. However, an auditor must maintain a high personal commitment to completing tasks, be reliable, responsible, able to systematically identify risks and opportunities by paying attention to the link between planning and results for organizational success.

The fraud prevention variable consisting of supervision by the audit committee, management responsibility for evaluating and a high honest and ethical culture shows that the indicator of supervision by the audit committee has the lowest score of all indicators. The indicator of honest culture and high ethics has the highest score of all indicators. This shows that auditors at the Regional Inspectorate of South Sulawesi Province have a high honest and ethical culture which are values that can create an environment that supports auditor behavior to direct their actions. However, the audit committee needs to take into account the potential for neglect of internal control by management, as well as oversee the fraud prevention process and fraud control program by management.

This research is in accordance with the attribution theory developed by Fritz Heider which argues that a person's behavior is determined by a combination of internal forces, namely factors that come from within a person, such as ability or effort, and external forces, namely factors that come from outside such as difficulties in work or luck. Attribution theory can be used to support this research, because in this study it will be tested regarding variables that can affect fraud prevention, namely organizational culture. Organizational culture is an external factor in an auditor.

Research conducted by researchers supports or is in line with previous research, such as research conducted by Trisna Wulandari in 2017 and Dina Maulidina Muthmainnah in 2019 which shows that organizational culture has a significant effect on fraud prevention. However, the results of this study contradict Dwi Noviani's research in 2021 which shows that organizational culture has no effect and is not significant on fraud prevention.

2. The Effect of the Internal Auditor's Role on Fraud Prevention

Based on the results of hypothesis testing, it can be concluded that H2 is rejected, which means that the internal auditor role variable partially has no effect and is not significant. to fraud prevention. This shows that the high or low role of internal auditors does not necessarily prevent fraud at the Regional Inspectorate of South Sulawesi Province. This is due to the possibility of influence from other parties. In addition, another cause may be that the auditor is in a work environment that is less supportive of fraud prevention.

Based on the questionnaires that have been distributed and data processing that has been carried out, the indicators on the internal auditor role variable consisting of independence and objectivity, professional expertise and care, scope of audit work, implementation of internal audit tasks and management of the internal audit section show that the internal audit section management indicator has the lowest score of all indicators. The professional expertise and care indicator has the highest score of all indicators. This shows that the auditors at the Regional Inspectorate of South Sulawesi Province have a high level of technical ability, so they can account for it properly. but internal audit checks need to be improved, in order to prevent fraud.

The fraud prevention variable which consists of supervision by the audit committee, management responsibility for evaluating and a high honest and ethical culture shows that the indicator of supervision by the audit committee has the lowest score of all indicators. The high honest and ethical culture indicator has the highest score of all indicators. This shows that auditors at the Regional Inspectorate of South Sulawesi Province have a high honest and ethical culture which are values that can create an environment that supports auditor behavior to direct their actions. However, the audit committee needs to take into account the potential for neglect of internal control by management, as well as oversee the fraud prevention process and fraud control program by management.

This research is in accordance with the attribution theory developed by Fritz Heider which argues that a person's behavior is determined by a combination of internal forces, namely factors that come from within a person, such as ability or effort, and external forces, namely factors that come from outside such as difficulties in work or luck. So an auditor may be influenced by other parties and is not responsible for carrying out his duties, be it in the form of evaluating the reliability and effectiveness of controls.

Research conducted by researchers supports or is in line with previous research, such as research conducted by Diadara Gloria and Anton Arisman which shows that the role of internal auditors has no effect and is not significant on fraud prevention. However, the results of this study contradict the research of Trisna Wulandari in 2017 and Komang Yoga Mahendra, A. A. Erna Trisnadewi, and Gusti Ayu Intan Saputra Rini in 2021 which shows that the role of internal auditors has a positive and significant effect on fraud prevention.

3. The Effect of Auditor Integrity on Fraud Prevention

Based on the results of hypothesis testing, it can be concluded that H3 is rejected, which means that the auditor integrity variable partially has no effect and is not significant on fraud prevention. This shows that high or low auditor integrity does not necessarily prevent fraud at the Regional Inspectorate of South Sulawesi Province. This is due to the possibility of influence from other parties. In addition, another cause may be that the auditor is in a work environment that is less supportive of fraud prevention.

Based on the questionnaires that have been distributed and data processing that has been carried out, the indicators on the integrity variable consisting of auditor honesty, auditor courage, auditor prudence and auditor responsibility show that the auditor courage indicator has the lowest score of all indicators. The auditor's expertise and honesty indicators have the highest score of all indicators. This shows that auditors at the Regional Inspectorate of South Sulawesi Province have the expertise and honesty needed by an auditor in preventing fraud, but auditors who do not have high courage will trigger fraud. Auditors are expected to have high courage to make disclosures and take the necessary actions, in order to prevent fraud.

The fraud prevention variable consisting of supervision by the audit committee, management responsibility to evaluate and a high honest and ethical culture shows that the indicator of supervision by the audit committee has the lowest score of all indicators. The high honest and ethical culture indicator has the highest score of all indicators. This shows that auditors at the Regional Inspectorate of South Sulawesi Province have a high honest and ethical culture which are values that can create an environment that supports auditor behavior to direct their actions. However, the audit committee needs to take into account the potential for neglect of internal control by management, as well as oversee the fraud prevention process and fraud control program by management.

This research is in accordance with the attribution theory developed by Fritz Heider which argues that a person's behavior is determined by a combination of internal forces, namely factors that come from within a person, such as ability or effort, and external forces, namely factors that come from outside such as difficulties in work or luck. So an auditor may be influenced by other parties and an evasive attitude or blame others which can cause harm to others. In addition, it can be caused by the possibility of auditors not behaving honestly and irresponsibly.

The research conducted by researchers supports or is in line with previous research, such as research conducted by Tri Listya Utami in 2021 which shows that auditor integrity has no effect and is not significant on fraud prevention. However, the results of this study contradict the research of Ratu Syiddah Ayu Az-Zahra, Achmad Jaelani and Mulyadi Nursi in 2020 and Dewi Novita Wulandari and Muhammad Nuryatno in 2018 which showed that auditor integrity has a positive and significant effect on fraud prevention.

CONCLUSIONS AND RECOMMENDATIONS

1. The results of the research prove that organizational culture has a positive and significant effect on fraud prevention. This shows that the higher the organizational culture, the more fraud prevention at the Regional Inspectorate of South Sulawesi Province will increase.
2. The results of the research prove that the role of internal auditors has no effect and is not significant on fraud prevention. This shows that the high or low role of internal auditors does not necessarily prevent fraud at the Regional Inspectorate of South Sulawesi Province.
3. The results of the research prove that integrity has no effect and is not significant to fraud prevention. This shows that the high or low integrity of auditors may not necessarily prevent fraud at the Regional Inspectorate of South Sulawesi Province.

ADVANCED RESEARCH

1. The sample in this research was small and limited to auditors who worked at the Regional Inspectorate of South Sulawesi Province. It is recommended that further research can add, as well as expand the area and number of samples.
2. The distribution of questionnaires can be accompanied by an interview method so that respondents can better understand the questionnaire statements so that the research results studied are more accurate.
3. Auditors are expected to maintain organizational culture, the role of internal auditors and auditor integrity on fraud prevention, and always maintain the trust given to them by the public or clients.
4. This research is expected to provide input and consideration for the Regional Inspectorate of South Sulawesi Province, because to increase fraud prevention, it is necessary to increase the organizational culture, the role of internal auditors and the integrity of auditors possessed by an auditor, in order to prevent fraud.

5. Further research is expected to increase the number of new variables other than those in this research, such as experience, independence, skepticism, competence and so on, so that future researchers can find out more about what factors can influence fraud prevention.

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