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The Effect of Internal Control, Risk Management, and Whistleblowing Systems on Fraud Prevention

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ABSTRACT

This study aims to determine the effects of internal control, risk management, and whistleblowing on fraud prevention. The research sample included as many as 75 respondents, including structural officials within OPD. Quantitative research using the survey approach method was used. The secondary data used were questionnaires distributed to the Lebong district OPD officials. The data analysis method used was multiple linear regression using SPSS version 29. This study results the internal control variable significantly affects fraud prevention, the risk management variable has no significant effect on fraud prevention, and the whistleblowing system variable significantly affects fraud prevention. This study provides practical insights for government organizations to strengthen fraud prevention strategies through better monitoring and reporting mechanisms. In addition, risk management needs to be reviewed to be more effective in reducing potential fraud. By implementing the right strategy, OPD can create a more transparent and accountable financial and operational management environment

Keywords: Internal Control, Risk Management, Whistleblowing System, Fraud Prevention

1. Introduction

Regardless of the type, scale of operations, and activities, every organization faces the possibility of fraud. Fraud in an organization is a serious issue that can have widespread impacts, causing financial losses and damaging its reputation, lowering employee morale, and reducing public or stakeholder trust in the organization (Sulistiyo & Yanti, 2022). Fraud can take various forms, such as financial statement manipulation, abuse of authority, embezzlement, bribery, and corruption (Harahap & Erlina, 2024). The impact of fraud can disrupt organizational operations and lead to significant losses, both directly (financial losses) and indirectly (loss of trust and reputation) (Wahyudi et al., 2021).

According to a report from the Association of Certified Fraud Examiners (ACFE), fraud-related losses in organizations can reach billions of dollars annually. An ACFE study published in 2022 found that fraud accounts for approximately 5% of an organization's annual global revenue, highlighting the significant risks of fraudulent practices (Adeniyi, 2025). Fraud occurs across various sectors, both public and private. In the public sector, fraud often involves budget mismanagement and misuse of funds. In contrast, in the private sector, fraud can take the form of financial statement manipulation, corruption, and asset misappropriation (Wilda et al., 2024).

In the local context, Lebong Regency in Bengkulu Province faces significant challenges related to regional financial management that is vulnerable to fraudulent practices (Saida et al., 2023). Based on media reports and oversight by the regional inspectorate, several cases of village fund misappropriation and misuse of regional budgets have been identified over the past few years. These cases involve not only village officials but also structural officials within the Regional Device Organizations (OPD). This phenomenon indicates that the potential for fraud arises not only due to weak external supervision but also because of the low effectiveness of internal control systems and limited awareness of whistleblowing mechanisms (Meitasir et al., 2022).

Common fraudulent acts include manipulation of financial documents, falsification of budget accountability reports, and collusion in the procurement of goods and services (Raharja & Sulistyowati, 2024). In some cases, findings by the Audit Board of Indonesia (BPK) and the Regional Inspectorate have revealed budget mark-ups and the use of funds that are inconsistent with their intended purposes (Sembiring, 2022). The primary obstacles in preventing fraud in Lebong Regency include a weak culture of integrity, limited human resources knowledgeable in good financial governance, and minimal reporting from within organizations due to fear of pressure or retaliation (Nurhayati et al., 2022). The prevalence of corruption cases underscores the need for proactive measures to prevent fraud within organizations, particularly in managing regional and village funds, to prevent future state losses.

To address this issue, fraud prevention must be a top priority in organizational management. Organizations have implemented various key factors to prevent fraud, including internal controls. Internal control is a system implemented within an organization to ensure that operational activities run efficiently, financial reports are prepared accurately, and organizational resources are appropriately managed (Tewu et al., 2024). Internal control also functions to prevent or detect fraud. Practical internal control elements include clear procedures, appropriate division of tasks, and continuous supervision and evaluation mechanisms (Wilda et al., 2024). With a strong internal control system, organizations can reduce opportunities for fraud, particularly in areas prone to manipulation, such as finance and procurement.

Risk management is also crucial in fraud prevention, as it involves identifying, assessing, and mitigating risks that could impact organizational objectives (Sulistiyo & Yanti, 2022). Risk management is essential in fraud prevention as it helps organizations recognize and manage potential fraud risks before they escalate into more significant issues (Marzuki et al., 2020). By evaluating existing risks, organizations can prepare necessary mitigation measures, preventing fraud or minimizing its impact if it occurs.

Another key factor in fraud prevention is the whistleblowing system. A whistleblowing system enables employees or external parties to report suspicious or illegal activities without fear of retaliation (Anandya & Werastuti, 2020). An effective reporting system helps organizations detect internal fraud before it grows into a larger issue, causing significant losses (Nur'aini & Arismutia, 2024). By providing details on what, where, how, who, and when the violation occurred, along with strong evidence, whistleblower reports can be followed up appropriately. Research by Transparency International has shown that a secure and legally protected reporting system enhances early fraud detection and helps organizations take appropriate actions.

The relevance of these three factors can be observed in their implementation in the government sector, particularly in the Regional Government Organizations (OPD) of the Lebong Regency. Although the Lebong Regency Government has adopted the Government Internal Control System (Sistem Pengendalian Intern Pemerintah, SPIP) through Regent Regulation No. 82 of 2017, its implementation at the OPD level remains suboptimal. Evaluations of SPIP implementation reveal that internal supervisory functions are still largely formalistic, and risk management practices have not been specifically directed towards fraud prevention. Additionally, the whistleblowing system managed by the Regional Inspectorate has yet to provide a sense of security and trust for whistleblowers to report alleged violations.

This study replicates the research by Sulistiyo and Yanti (2022), which explains that well-designed internal control systems by company management can prevent fraud as they provide mechanisms and policies. Effective risk management practices help prevent fraud by identifying and mitigating risks before they become significant threats to organizations. Similarly, a properly implemented whistleblowing system helps deter fraud by allowing misconduct to be reported safely, reducing fraudulent actions. Sulistiyo and Yanti (2022) found that internal control, risk management, and whistleblowing systems significantly influence

fraud prevention in private and public companies (including banking) audited by KAP Kanaka Puradiredja Suhartono.

This research is based on the Fraud Triangle Theory, developed by Donald Cressey (1953), which explains how three key elements that trigger fraud opportunity, pressure, and rationalization can be managed through the implementation of internal control, risk management, and whistleblowing systems. According to this theory, fraud occurs when these three elements are present simultaneously. The opportunity to commit fraud can be minimized through strong internal controls, such as task separation and continuous oversight (COSO, 2024). Pressure, which drives individuals to commit fraud, such as financial needs or unrealistic performance expectations, can be identified and mitigated through effective risk management (Harahap & Erlina, 2024). Meanwhile, rationalization, or the justification individuals use to legitimize fraudulent actions, can be reduced by implementing transparent whistleblowing systems, which create psychological deterrents for potential fraudsters (Anandya & Werastuti, 2020). By effectively managing these three elements, the purpose of this study is to analyze the influence of internal control, risk management, and the whistleblowing system on fraud prevention within Regional Government Organizations (OPD) in Lebong Regency. This research aims to provide empirical evidence on how these three factors contribute to mitigating the risk of fraud and to offer strategic recommendations for enhancing oversight and accountability in regional financial management.

2. Literature Review

2.1. Fraud Triangle Theory

Donald Cressey presented the Fraud Triangle Theory in his 1953 book *Other People's Money: A Study in the Social Psychology of Embezzlement*. This theory outlines that fraud occurs simultaneously when three key factors exist: pressure, opportunity, and justification. Pressure can be financial, such as urgent economic needs, or non-financial, such as pressure to meet unrealistic targets or maintain a reputation. An opportunity arises when individuals identify gaps in an organization's system that allow them to commit fraud without a high risk of detection. These opportunities often stem from weaknesses in internal control, such as a lack of task separation or weak supervision. Rationalization is an individual's justification process to make fraudulent acts seem morally acceptable. According to Cressey (1953), fraud perpetrators often convince themselves that their actions are necessary or do not harm anyone. These three elements form a crucial framework for understanding why individuals commit fraud.

2.2. Definition of Fraud

Several perspectives exist on the distinction between fraud and general dishonesty, making defining fraud as merely an act of deception slightly inaccurate. According to the English-Indonesian Dictionary, fraud is deception, cheating, or misappropriation of public funds. Meanwhile, dishonesty is defined as untruthfulness or deceitfulness in the *Kamus Besar Bahasa Indonesia* (Indonesian Dictionary) (Wulandari, 2021).

Fraud is the deliberate misappropriation of shared ownership, such as organizational, corporate, or national resources, conducted knowingly and consciously for personal gain while concealing the misappropriation by providing false information (Widodo & Cahyaningrum, 2023). The Association of Certified Fraud Examiners, known as ACFE, clearly shows workplace fraud through the Fraud Tree Model. The three primary parts of the workplace fraud tree include corruption, taking assets without permission, and dishonest financial reports.

2.3. Fraud Prevention

According to Rashid et al. (2022), fraud prevention is a strategic effort to reduce the risk of fraudulent acts or crimes within various organizational, business, or governmental environments. Fraud prevention encompasses all efforts to deter potential perpetrators, limit opportunities for fraud, and identify high-risk fraudulent activities. The tendency for fraudulent financial reporting, abuse of authority, and embezzlement is often driven by conflicts of interest between principals and agents. Employees in Regional Government Organizations (OPD) act as agents responsible for optimizing and maximizing the use of public funds according to established rules and objectives. Fraud prevention involves an integrated effort to minimize the factors leading to fraudulent acts (Sulistiyo & Yanti, 2022).

2.4. Internal Control

Internal controls help organizations succeed in their work, reporting, and following the rules. The Treadway Commission's Committee of Sponsoring Organizations (COSO) says internal control has five important parts: Control Environment, which includes organizational culture, ethics, and values guiding employee behavior; Risk Assessment, which involves identifying and evaluating risks that may hinder organizational objectives; Control Activities, which include policies and procedures designed to mitigate identified risks; Information and Communication, which ensure critical information is communicated effectively; and Monitoring, which involves continuous evaluation to ensure controls function effectively. These components are crucial in fraud prevention as each element helps organizations systematically identify, minimize, and respond to fraud risks.

2.5. Risk Management

Risk management is a systematic process for identifying, assessing, and managing risks that may impact an organization's objectives, including fraud (Martini et al., 2020). The risk management process is typically measured through risk identification, risk analysis, risk control, and monitoring and evaluation (Sulistiyo & Yanti, 2022). Risk management is crucial in fraud prevention because it enables organizations to recognize and manage potential fraud risks before they escalate into major problems (Marzuki et al., 2020). By evaluating existing risk factors, organizations can prepare necessary mitigation strategies, thus preventing fraud or minimizing its impact when it occurs (Alkhyoon et al., 2023).

2.6. Whistleblowing System

Whistleblowing is the disclosure of misconduct, illegal acts, unethical behavior, or other violations that may harm an organization or stakeholders. This disclosure can be made by employees, managers, or external parties with relevant knowledge about the breach (Sulistiyo & Yanti, 2022). A whistleblowing system is a reporting mechanism that provides a safe and confidential channel for employees or third parties to report suspicious activities (Anandya & Werastuti, 2020). This system effectively prevents fraud by enabling organizations to detect fraudulent activities early (Anandya & Werastuti, 2020).

The effectiveness of a whistleblowing system is measured by factors such as employee perception of the system's implementation, the level of fraud prevention efforts, protection for whistleblowers, and the organization's response to reports received. Proper management of the whistleblowing system enhances organizational transparency and strengthens internal controls (Nur'aini & Arismutia, 2024).

2.7. Research Hypothesis

2.7.1. The Influence of Internal Control on Fraud Prevention

According to the Fraud Triangle theory, opportunity is one of the main elements allowing fraud. The opportunity arises when an organization's internal control system is weak, such as the absence of segregation of duties, weak supervision, or a lack of periodic evaluation. With firm internal control, organizations can limit the opportunities for individuals to commit fraud through mechanisms such as segregation of duties, access restrictions, and adequate supervision. Based on the findings (Anggoe & Reskino, 2023; Nur'aini & Arismutia, 2024; Oppong et al., 2024; Sulistiyo & Yanti, 2022; Tarjo et al., 2022), it is stated that internal control has a positive effect on fraud prevention. Internal control that is implemented effectively can reduce the incidence of fraud, especially in governments that have a strong control environment, where ethical values and integrity are consistently applied. Segregation of duties, ongoing monitoring, and access restrictions are specific examples of control activities that can limit the opportunity for fraud. With firm internal control, organizations can increase accountability and transparency in business processes, significantly reducing fraud risk. Based on this, internal control significantly positively affects fraud prevention.

H1: Internal control has a positive effect on fraud prevention.

2.7.2. The Effect of Risk Management on Fraud Prevention

The Fraud Triangle Theory states that fraud is often triggered by pressure from the work environment, financial conditions, or unrealistic expectations. Risk management serves to identify these potential pressures and develop appropriate mitigation steps, such as managing realistic targets, evaluating operational risks, and

handling conflicts of interest. Based on the findings (Harahap & Erlina, 2024; Hermawan & Novita, 2021; Muhammad et al., 2017; Sulistiyo & Yanti, 2022; Wilda et al., 2024), positive risk management can significantly prevent fraud. Thus, organizations that are proactive in managing fraud risks have a more remarkable ability to prevent and reduce the impact of fraud than organizations that do not implement good risk management. Fraud risk assessment as part of risk management can help organizations understand fraud patterns and prepare appropriate controls in areas most vulnerable to fraud. Thus, risk management is an identification tool and prevention that narrows the space and opportunity for fraud to occur. Therefore, risk management will positively impact fraud prevention by creating a systematic approach to dealing with the threat of fraud.

H2: Risk management has a positive effect on fraud prevention.

2.7.3. The Effect of the Whistleblowing System on Fraud Prevention

The rationalization element in the Fraud Triangle explains that fraudsters often justify their actions as reasonable or necessary. A whistleblowing system can reduce this rationalization by creating an environment encouraging transparency and accountability. This system allows individuals to report fraud confidentially, provides a psychological monitoring effect, and strengthens the signal that the organization is committed to fraud prevention. Based on the findings (Akhyar et al., 2022; Fahreza et al., 2022; Romadaniati & Nazar, 2020; Trijayanti et al., 2021; Wahyudi et al., 2021), the whistleblowing system has a positive influence on fraud prevention. Suppose the whistleblowing system can effectively detect fraud when equipped with policies that protect reporters from retaliation and maintain the confidentiality of the reporter's identity. In that case, it can pressure the regional apparatus not to commit fraud. In addition, a whistleblowing system that all levels of employees can access shows that the organization is committed to transparency and accountability, which ultimately encourages a more honest organizational culture and prevents fraud.

H3: The whistleblowing system has a positive effect on fraud prevention.

2.8. Conceptual Framework

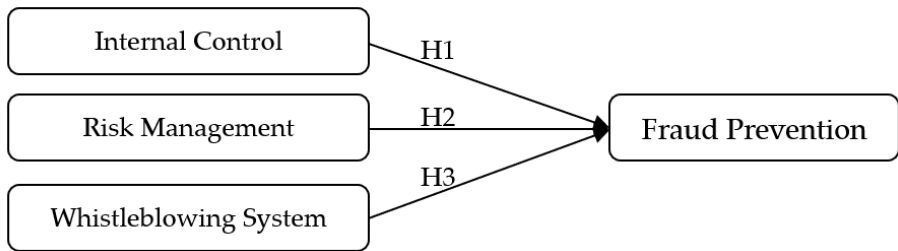


Figure 1. Research Framework

3. Methodology

3.1. Type of Research

This research uses a quantitative method with surveys to gather information from participants. The data for this research is primary data collected straight from the subjects using a five-point Likert scale. The research type utilized is causal research, where the researcher describes the relationships of cause and effect between different variables.

3.2. Population nad Sample

Population is an overall element of a suitable object and the subject that becomes the research focus, with several appropriate characteristics noted. Population in study This is 25 Organizations Regional Apparatus in Regency Lebong. The sampling technique used in the study is non-probability sampling with type purposive sampling, namely method election sample based on specific criteria (Sugiyono, 2013). The criteria are as follows: the respondents for each OPD, namely: head department, secretary and sub-section head planning, management finance, and internal supervision representing each OPD in the Regency Lebong. Based on the criteria, research to obtain a sample of as many as 75 respondents.

3.3. Data Analysis Techniques

The analysis of the data involves checking the validity, testing the reliability of research tools, doing descriptive analysis, verifying classical assumptions, testing hypotheses, and carrying out a multiple linear regression analysis using the Ordinary Least Squares (OLS) model to evaluate how significant the relationships are among the variables through their regression coefficients. The formula used for the regression in this research is as follows: $Y = a + b_1 X_1 + b_2 X_2 + b_3 X_3 + e$. Multiple regression analysis helps to understand the impact of different variables on each other fully. This is performed using the Social Sciences (SPSS) software version 29, which is designed to assess the effect of several independent variables on the dependent variable.

4. Results and Discussion

4.1. Research Results

4.1.1. Statistics Descriptive

This analysis provides an overview of minimum, maximum, and average (mean) characteristics and standard deviation values. The following are the results of the descriptive statistical analysis test seen in Table 1, as follows:

Table 1. Statistical Test Results Descriptive

	N	Minimum	Maximum	Mean	Std. Deviation
Internal Control	75	34	50	40.47	3.269
Risk Management	75	28	40	32.81	2.486
Whistleblowing System	75	22	40	31.75	3.297
Fraud Prevention	75	21	35	27.96	3.082

4.1.2. Reliability and Validity Test

The testing validity used is the Pearson Correlation. Significance Pearson correlation used in study This is 0.05. A reliability test was used to determine the firm correlation grains in the questionnaire. A variable is valid and reliable if marked with Pearson Correlation and Chrocobach's Alpha (α) > R table.

Table 2. Reliability and Validity Test Results

Variables	Question Items	R table	Pearson Correlation	Croanbach's Alpha	Conclusion
Fraud Prevention	10	0.227	0.442 – 0.695	0.766	Valid and Reliable
Internal Control	8	0.227	0.442 – 0.695	0.728	Valid and Reliable
Risk Management	8	0.227	0.342 – 0.679	0.675	Valid and Reliable
Whistleblowing System	7	0.227	0.558 - 0.808	0.814	Valid and Reliable

According to the information in Table 2 mentioned earlier, the study's findings indicate that the Pearson Correlation for all indicators exceeds the R table value when tested at the 0.05 significance level. This implies that the elements are valid. The reliability assessment of each variable has a Cronbach Alpha value that is higher than the R table. Specifically, the values for fraud prevention, internal control, risk management, and the whistleblowing system are 0.766, 0.728, 0.675, and 0.814, respectively. Therefore, every variable assessed in this research is considered reliable.

4.1.3. Assumption Test Classic

A. Normality Test

The study's normality assessment employs the Kolmogorov-Smirnov test. A significant value of less than 0.05 indicates that the data is not normally distributed. In contrast, a significant value greater than 0.05 suggests that the data is usually distributed. Below are the findings from the study's normality test:

Table 3. Normality Test Results

		<i>Unstandardized Residual</i>
N		75
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	2.45020769
Most Extreme Differences	Absolute	.044
	Positive	.044
	Negative	-.042
Test Statistic		.044
Asymp. Sig. (2-tailed) ^c		.200 ^d

The outcomes from the Kolmogorov-Smirnov test indicate a noteworthy value of 0.200, meaning the data follows a normal distribution. It is determined that the regression model can be used appropriately since it fulfills the normality requirement.

B. Multicollinearity Test

The multicollinearity examination looks at how the independent variables relate to each other in a multiple regression analysis. This examination is determined by the tolerance level and the Variance Inflation Factor (VIF).

Table 4. Multicollinearity Test Results

Model	Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics		
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
(Constant)	4.025	4.085		.985	.328		
Internal Control	.249	.129	.264	1.926	.048	.475	2.106
Risk Management	.149	.172	.121	.866	.389	.460	2.174
Whistleblowing System	.283	.125	.302	2.267	.026	.501	1.997

Table 4 multi-test values obtained, namely the tolerance value that produces $0.475 > 0.1$ for the internal control variable (X1), tolerance value $0.460 > 0.1$ for the risk management variable (X2), and tolerance value $0.501 > 0.1$ for the whistleblowing system variable (X3). Meanwhile, the VIF value for the internal control variable (X1) is $2.106 < 10$, the VIF value for the risk management variable (X2) is $2.174 < 10$, and the VIF value for the whistleblowing system variable (X3) is $1.997 < 10$.

According to the rules of tolerance and VIF values, the findings from the multicollinearity test in this research have satisfied the criteria, which are a tolerance value > 0.1 and $VIF < 10$. This means that in this research, there is no multicollinearity, and it can proceed to further testing.

C. Heteroscedasticity Test

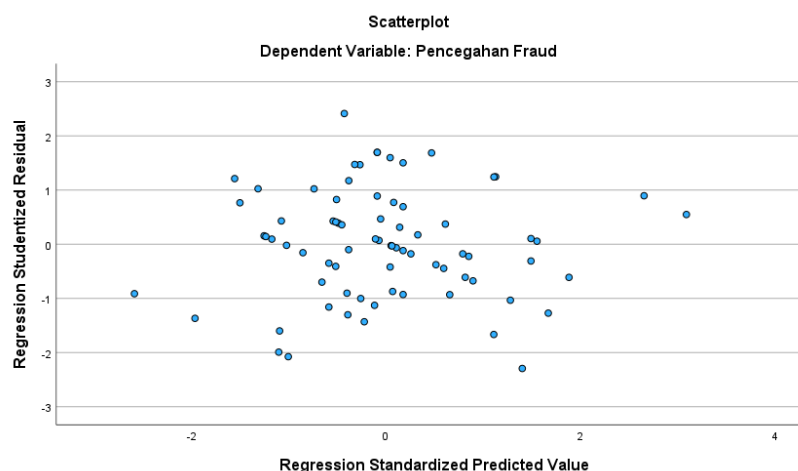


Figure 2. Heteroscedasticity Test Results

The dots on the scatterplot are widely placed and do not create a straightforward design, which leads to the conclusion that the regression model does not show heteroscedasticity. The results of the classical assumption test that was carried out conclude that no errors in the regression model need to be studied. An analysis must first be conducted to determine whether the measurement results are by the desired hypothesis.

4.1.4. Analysis Multiple Linear Regression

Multiple linear regression analysis determines the effect of independent variables on dependent variables. This study uses internal control, risk management, and whistleblowing systems as independent variables and fraud prevention as dependent variables. The following are the results of multiple linear regression analysis in this study:

A. T-test

The t-test is conducted to test how the variables sales growth, liquidity, and asset tangibility affect the capital structure with a significance level of 0.05 separately.

Table 5. T-test results

Model	Unstandardized Coefficients		Standardized Coefficients	T _{value}	Sig.	T _{table}
	B	Std. Error	Beta			
(Constant)	4.025	4.085		.985	.328	.227
Internal Control	.249	.129	.264	1.926	.048	.227
Risk management	.149	.172	.121	.866	.389	.227
Whistleblowing System	.283	.125	.302	2.267	.026	.227

Internal control shows a significance level of 0.048, which is less than 0.05, and a T_{value} of 1.926, which is more than T_{table} at 0.227; it can be concluded that the internal control variable significantly affects fraud prevention. Risk management presents a significance level of 0.389, which is higher than 0.05, and a T_{value} of 0.866, also more than T_{table} at 0.227; consequently, it can be said that the risk management factor does not have a major impact on preventing fraud. The whistleblowing system indicates a significance level of 0.026, which is below 0.05, and a T_{value} of 2.267, which exceeds T_{table} at 0.227; thus, it can be concluded that the whistleblowing system factor significantly influences fraud prevention.

B. Coefficient Determination (R²)

The value of the determination coefficient seeks to find out the extent to which the variables of internal control, risk management, and whistleblowing systems contribute to preventing fraud, represented by the R² value. Below are the outcomes of the determination coefficient test, which are displayed in Table 6, as follows:

Table 6. Coefficient Test Results Determination

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.607 ^a	.368	.341	2,501

Based on Table 6, the correlation coefficient value R is 0.607, meaning that the level of relationship between internal control (X1), risk management (X2), and whistleblowing system (X3) to fraud prevention (Y) is strongly positive. Meanwhile, the value of the determinant coefficient R-Square is 0.368, or equal to 36.8%. This figure means that the variables of internal control (X1), risk management (X2), and whistleblowing system (X3) simultaneously (together) affect the fraud prevention variable (Y) by 36.8%. The rest ($100\% - 36.8\% = 63.2\%$) are influenced by other variables beyond this regression equation.

4.2. Discussion

4.2.1. The Impact of Internal Control on Fraud Prevention

The research results show that internal control variable has a significant coefficient value of positive 0.249. A positive beta value indicates that internal control effectively helps in reducing fraud. Thus, the contribution variable internal control directly influences fraud prevention, amounting to 0.249. The significance show a value of $0.048 < 0.05$, where the variable is a significant internal control at the 5% level. So, the study's results prove that internal control influences fraud prevention. Hence, it can be said that H_a is accepted (H_1 is accepted).

The results of this study indicate that internal control has a significant and positive effect on fraud prevention. This finding supports the Fraud Triangle Theory proposed by Cressey (1953), which posits that the opportunity to commit fraud can be effectively minimized through a strong internal control system. Internal control mechanisms such as segregation of duties, supervision, and procedural standardization limit the chances for fraudulent activities to occur undetected. This result is consistent with prior research conducted by Sulistiyo and Yanti (2022), which revealed that well-established internal control systems significantly reduce the potential for fraud in both public and private sectors. Likewise, Oppong et al. (2024) emphasized that internal control frameworks, when effectively implemented, enhance transparency and accountability, which are essential components in preventing fraudulent behavior within governmental institutions.

4.2.2. The Impact of Risk Management on Fraud Prevention

The research results show that the coefficient value of variable risk management is as significant as a positive value of 0.149. With a positive beta value, risk management positively influences fraud prevention. Thus, the contribution of variable risk management that directly influences fraud prevention amounts to 0.149. The significance show a value at $0.389 > 0.05$, where variable risk management is insignificant at the 5% level. So, the study results prove that Risk management negatively influences fraud prevention. As such, it can be concluded that H_a is rejected (H_2 is rejected).

The results show that risk management does not significantly affect fraud prevention, which contrasts with findings by Hermawan and Novita (2021) and Hermawan and Novita (2021) and Harahap (2024). The discrepancy may stem from limited integration of fraud-specific risk assessments within OPD, where risk management may be focused more on operational or financial aspects rather than fraud detection.

4.2.3. The Impact of the Whistleblowing System on Fraud Prevention

The research results show that the whistleblowing system variable has a significant coefficient value of positive 0.283. With a positive beta value, This shows that the whistleblowing system positively influences fraud prevention. So, the contribution of whistleblowing system variables directly influences fraud prevention, amounting to 0.283. The significance shows a value of $0.026 < 0.05$, where the whistleblowing system variable is significant at the 5% level. So, the results prove that the whistleblowing system influences fraud prevention. Thus, it can be noted that H_a is accepted (H_3 is accepted)

The whistleblowing system has a significant positive effect on fraud prevention, supporting the idea that rationalization a key fraud motivator, can be deterred through transparent reporting mechanisms (Cressey, 1953). This is consistent with Wahyudi et al. (2021) and Transparency International Indonesia who emphasize that protected and responsive reporting systems contribute to a culture of integrity and early fraud detection.

5. Conclusion

Based on the results of the analysis and discussion, the conclusions that can be drawn are: The results of the study indicate that partially, the internal control variable has a significant influence on fraud prevention, the risk management variable does not have a significant influence on fraud prevention, and the whistleblowing system variable has a significant influence on fraud prevention in the regional apparatus organization (OPD) of Lebong Regency.

This research contributes to District OPD Lebong strengthening policy internal control and whistleblowing system to increase fraud prevention. In addition, risk management needs to be reviewed and repeated to be more effective in reducing potential fraud. With the implementation of the right strategy, it is hoped that OPD can create a more transparent and accountable environment in management finance and operations.

This study is limited to three variables: internal control, risk management, and the whistleblowing system, without considering other potential factors. It focuses only on OPD in Lebong Regency, which may limit generalizability. The study further recommended involving more OPDs or government agencies to get more generalizable results. Research can explore other variables, such as culture, organization, audit technology, or employee ethics, in preventing fraud. Using an approach to understand more besides the quantitative and qualitative methods, like interviews with OPD officials, can give a more deeply related outlook on implementing fraud prevention strategies.

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