

How to Cite

Dewanata, N. P. W. P., & Putra, I. N. W. A. (2024). Moderate of organizational culture: independence, integrity, professionalism and experience of internal auditors on fraud prevention. *International Journal of Business, Economics and Management*, 7(4), 184-195. <https://doi.org/10.21744/ijbem.v7n4.2347>

Moderate of Organizational Culture: Independence, Integrity, Professionalism and Experience of Internal Auditors on Fraud Prevention

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Abstract---This study aims to examine the effect of internal auditors' independence, integrity, professionalism, and experience on fraud prevention with organizational culture as a moderating variable. The data for this study were collected through a questionnaire, the research respondents were BPR internal auditors in Bali Province. The method of determining the sample was purposive sampling with the criteria of internal auditors who have more than 1 year of work experience, so 149 respondents were obtained. The data analysis technique used in this research is Path Analysis (SEM-PLS). The results showed that the integrity, professionalism, and experience of internal auditors have a positive and significant effect on fraud prevention, while the independence of internal auditors has no significant effect on fraud prevention; and organizational culture strengthens the effect of integrity, professionalism, and experience of internal auditors on fraud prevention, but is unable to strengthen the effect of internal auditor independence on fraud prevention.

Keywords---culture, experience, independence, integrity, prevention, professionalism.

Introduction

One of the factors that need to be considered in fraud prevention strategies according to [Rahman & Anwar \(2014\)](#), is internal control because, with good internal control, organizational assets will be maintained ([Nyakarimi et al., 2020](#)). According to [Akinola \(2024\)](#), internal control must be implemented to support effective operations so that banks can achieve their stated goals and build public trust. [Putri et al. \(2022\)](#), stated that increasing the effectiveness of internal control can reduce losses due to fraud because internal control can help prevent fraud. [Ginanjari & Syamsul \(2020\)](#), said that to increase the effectiveness of internal control, it is necessary to maximize the function of internal auditors. According to [Arief \(2016\)](#), an internal audit is an independent assessment function carried out in a company to test and evaluate internal control. Internal audit is also a key element in fraud prevention because it can identify 15% of fraud incidents and prevent 75% of fraud cases [Insani et al. \(2023\)](#). According to [Lukman & Chariri \(2023\)](#), internal auditors have the task of organizing and implementing audit procedures to obtain reasonable assurance that the company's financial statements are free from serious misstatements, whether caused by fraud or error, therefore their function becomes increasingly crucial. An independent, honest, professional, and experienced internal auditor can better assess internal control's effectiveness and provide an objective view of the company's financial statements ([Verhoef et al., 2009](#); [Gentile et al., 2007](#)). [Tuanakotta \(2022\)](#), explains that independence is the auditor's attitude that is balanced and not effected by personal interests or effected by other parties in making professional judgments. This attitude is stated in SE OJK No. 7 of 2016 concerning the Standards for Implementing the Internal Audit Function of Rural Credit Banks, that every auditor must have independence in carrying out audits and expressing views and thoughts by their profession and audit standards. According to [Wulandari & Nuryanto](#)

(2018), auditors' independence is very important to avoid conflicts of interest, so that auditors can work objectively and free from the effect of any party. According to Limbong et al. (2023), if an auditor is independent, the auditor will assess the audit carried out without having any burden on any party to avoid conflicts of interest that risk causing fraud.

Auditor integrity also plays an important role in addition to independence. Integrity according to Rahmawati et al. (2023), is a quality that underlies public trust and is a benchmark for members in testing all their decisions. Based on POJK 1 / POJK.03 / 2019 concerning the implementation of internal audit functions in banks, it states that the Internal Audit Work Unit (SKAI) is required to uphold integrity in carrying out its duties which is reflected in actions such as being reliable, firm, honest and trustworthy, maintaining the confidentiality of information obtained in carrying out its duties, avoiding conflicts of interest and implementing the Internal Audit Code of Ethics.

The professionalism and experience of internal auditors also contribute greatly to preventing fraud. Professionalism according to Wulandari & Nuryanto (2018), is the ability, expertise, and commitment of the profession in carrying out tasks accompanied by the principles of caution, accuracy, and precision, and guided by the standards and provisions of laws and regulations. In carrying out their duties, an auditor must have extensive knowledge of the complexity of modern organizations. According to Wijaya & Adechandra (2020), if this professional attitude has been possessed by an auditor, the potential for fraud can be avoided. Experience according to Sedarmayanti (2001), is a skill possessed by an individual obtained from participation or observation while doing work. The longer a person's experience, the more it will increase their knowledge and abilities regarding the work they do. According to Hanifah & Alkautsar (2024), the auditor's experience can be seen from the experience of working as an auditor, completing audit tasks according to commitments, categorizing errors accurately, identifying errors appropriately according to plan, and minimizing the level of errors in carrying out audit tasks. The longer the auditor's experience, the more it will increase the effectiveness of control so that it can prevent fraud (Zhang et al., 2007; Dart, 2011).

Independence, integrity, professionalism, and work experience are aspects of an individual's personality or something that exists within a person. Based on Heider's attribution theory (1958), there are efforts made to understand individual behavior, whether the behavior is caused by internal factors (dispositional attribution) or external factors (situational attribution). Internal factors refer to aspects of an individual's personality or something that exists within a person, such as self-perception, nature, character, attitude, ability, and self-motivation, while external factors refer to the environment that effects individual behavior, such as social conditions, social values, pressures of certain situations or circumstances and views of society that cause a person or individual to commit an act. Based on the presentation of previous research on the effect of independence, integrity, professionalism, and experience of internal auditors on fraud prevention, inconsistencies in results were found which were suspected to be due to other factors that effect the relationship between exogenous and endogenous variables. According to Govindarajan (1986), there is a possibility that there is no consistency in research results depending on other factors or better known as contingency factors. A contingency approach is needed to be able to adjust conflicting results, where this approach acts as a moderator or mediator in the research model. Based on the conceptual and empirical research results, several variables are suspected to play a role in moderating the effect of independence, integrity, professionalism, and work experience of internal auditors on fraud prevention, one of which is worth considering is organizational culture (Chen et al., 2013; Mertzanis et al., 2020).

Literature review and hypothesis development

Auditor independence according to Stewart & Subramaniam (2010), is a condition free from situations that threaten objectivity or appear to threaten objectivity. Sayyadi Tooranloo & Azizi (2018); Salehi & Moradi (2010), in their research stated that independence is an important component for auditors to gain user trust in the financial statements they have audited. If ignored, other values will lose their meaning. Abbott et al. (2016), in their research, stated that independent internal auditors are more likely to report errors and demand that the party responsible for the error correct them. Taha (2024), stated that when auditors are not independent, there is a high risk of potential errors, omissions, or even fraud in the financial statements. Based on this, when associated with fraud prevention, independent auditors are more likely to take fraud prevention measures. Previous research on the effect of independence on fraud prevention was also conducted by Putri et al. (2022), Pitriani & Dewi (2023) Sari et al., (2022) Rahmawati et al., (2023) and Limbong et al., (2023) Marfiana (2020) stated that independence has positive and significant effects in preventing fraud, meaning that the higher the auditor's independence, the better the audit quality will be, which will increase the effectiveness of internal audit in preventing fraud Lonto et al., (2023).

H1: Internal auditor independence has a positive effect on fraud prevention

Rifai & Mardijuwono (2020), stated that integrity in the form of ethics and control environment are two important things related to fraud prevention. Watson (2004), explained that an auditor must have a code of ethics as a moral principle that governs the relationship between the auditor and the auditee. Therefore, an attitude of integrity is one of the codes of ethics where the auditor must have an honest, courageous, wise, and responsible attitude (Herawati et al., 2023). An auditor with high integrity will always take the right action for the organization, in this case, the action taken is fraud prevention. The attitude of integrity possessed by an auditor will have an impact on the auditor's performance and the quality of the audit results. This is supported by research conducted by Hermawan et al. (2022), where the results show that integrity is significantly related to auditor performance. In addition, other studies conducted by Hubais et al. (2023), Dyhati & Wahyudi (2022), show that integrity has a significant relationship to audit quality, an important element in fraud prevention. Previous research on the effect of integrity on fraud prevention was conducted by Sari et al. (2022), Wulandari & Nuryanto (2018), Rahmawati et al. (2023), Sulpi et al. (2023), and Sinaga et al. (2024), found that integrity is positively and significantly related to fraud prevention. This shows that auditors must have an attitude of integrity in every assignment, integrity here means that auditors must be honest, and brave in expressing their opinions and conveying objective audit results. This attitude can certainly help in preventing fraud.

H2: Internal auditor integrity has a positive effect on fraud prevention

Internal auditors can be said to be professional if they have set standards in the relevant professional field in carrying out their duties or profession by complying with the established professional ethics (Muhyiddin, 2018). Afrah et al. (2022), stated that if internal auditors apply a professional attitude and accuracy in carrying out their duties, then the internal audit function can run well and be able to prevent fraud. According to Paranoan et al. (2018), the higher the professionalism of the internal auditor, the more effective the likelihood of fraud prevention. Previous research on the effect of professionalism on fraud prevention was conducted by Panatap (2024), Lubis et al. (2024), Wijaya & Adechandra (2020), Rahmawati et al. (2023), and Putri et al., (2022), Andriyanti & Latrini (2019), Wulandari & Nuryanto (2018), found that professionalism was positively and significantly related to fraud prevention. This means that auditors must have skills and use their professional skills carefully and thoroughly in determining the type of examination, determining the scope of the examination, choosing a methodology, determining the type and amount of evidence to be collected, or choosing tests and procedures to carry out the audit. This ability will certainly greatly affect the auditor's ability to detect and prevent fraud.

H3: Internal auditor professionalism has a positive effect on fraud prevention

Internal auditors must have a high level of theoretical knowledge and practical experience in order to carry out their role optimally. Petraşcu & Ticianu (2014), Lonto et al. (2023), stated that with the optimal role of an internal auditor, fraud prevention can be carried out. The same thing was also stated by Putri & Nengzih (2021), that experienced auditors have advantages in preventing errors or fraud from occurring. Previous research on the effect of experience on fraud prevention was conducted by Pramono et al. (2023), Bella & Pramudyastuti (2023), Yulindah et al. (2024), Hanifah & Alkautsar (2024), Andriyanti & Latrini (2019), Putri et al. (2022), Marfiana (2020), stated that experience has a significant positive effect on the ability to prevent fraud. This result means that experienced auditors have more knowledge and better memory structures than inexperienced auditors because they have a variety of suspected fraudulent behaviors that have an impact on fraud prevention more effectively.

H4: Internal auditor experience has a positive effect on fraud prevention

The situation that generally occurs in organizations or companies is that each individual is not only effected by internal factors in displaying a behavior. External factors can also effect an individual's mindset towards an action. One external factor that can effect individuals is organizational culture, an ethical or unethical organizational culture that is adopted will affect the individual's ethical or unethical behavior (Zheng et al., 2010; Linnenluecke & Griffiths, 2010).

Urumsah et al. (2018), stated that organizational culture is closely related to the subjective norm construct in the Theory of Planned Behavior (TPB) developed by Ajzen (2011). Subjective norm according to Ajzen (2011), refers to the social pressure that hits individuals to carry out or not carry out an action. Organizational culture according to Robbins & Judge (2008), is a system of shared meanings believed by members that distinguishes an organization from other organizations. By adopting an ethical organizational culture, the higher the organizational culture can increase the effect of internal auditor independence on fraud prevention efforts carried out.

H5: Organizational culture strengthens the effect of internal auditor independence on fraud prevention

Individual behavior is not only effected by internal factors, but external factors can also effect individual behavior. Organizational culture is one of the external factors that can effect individual behavior [Urumsah et al. \(2018\)](#). The Theory of Planned Behavior (TPB) developed by [Ajzen \(2011\)](#), generally states that individuals will carry out behavior, one of which is because of others. Subjective norms are a form of external effect that effects individuals to display behavior.

Organizational culture according to [Astuti et al. \(2019\)](#), is a system of shared values and beliefs because of interactions with people, structures and systems of an organization that produce norms of individual and group behavior. Related to the problem of fraud, one of the factors that can prevent fraud is an honest organizational culture and has a professional commitment in carrying out tasks accompanied by the principles of caution, accuracy, and precision that are guided by standards and provisions so that it can minimize fraudulent actions that occur. It is concluded that the higher the organizational culture, the effect of the internal auditor's integrity attitude on fraud prevention efforts.

H6: Organizational culture strengthens the effect of internal auditor integrity on fraud prevention.

As social beings, an individual's personality or behavior cannot be separated from the environment or culture. According to [Urumsah et al. \(2018\)](#), individuals who are in an organization that has an ethical culture will tend to behave ethically. This is to the Theory of Planned Behavior (TPB) developed by [Ajzen \(2011\)](#), which generally explains that individuals will behave due to the effect of other people. Organizational culture according to [Robbins & Judge \(2008\)](#), is a system of shared meanings believed by members that distinguishes an organization from other organizations. Based on this, it can be concluded that the higher the organizational culture, the effect the effect of the professionalism of internal auditors on fraud prevention efforts. Research by [Putri et al. \(2022\)](#), [Hanifah & Alkautsar \(2024\)](#), [Rahmawati et al. \(2023\)](#), [Wijaya & Adechandra \(2020\)](#), [Vadasi et al. \(2019\)](#), [Vadasi et al. \(2021\)](#), found that the professionalism of internal auditors is positively and significantly related to fraud prevention. Based on this, it means that the auditor's professional attitude when conducting an audit helps the auditor in preventing fraudulent acts that occur in the company. Empirically, this study supports the attribution theory explained by [Heider \(1958\)](#). Inconsistent with the research of [Sari et al. \(2022\)](#), which states that the professionalism of internal auditors does not affect the auditor's ability to prevent fraud, this means that the attitude of professionalism does not necessarily reflect whether the internal auditor can work professionally or not. It is possible that the professional attitude is used by internal auditors to commit fraud, or that intervention from outside is considered an obstacle that can interfere with professional autonomy. The inconsistency that occurred in previous studies prompted researchers to include a moderating variable, namely organizational culture because researchers suspect that there are variables that interact with the effect of internal auditor professionalism on fraud prevention.

H7: Organizational culture strengthens the effect of internal auditor professionalism on fraud prevention

In addition to internal factors, external motivation is also important in shaping actions. One of the external motivations is organizational culture. Organizations that implement an ethical and professional culture will support individuals in achieving organizational goals [Urumsah et al. \(2018\)](#). The Theory of Planned Behavior (TPB) proposed by [Ajzen \(2011\)](#), explains that before an individual behaves, there are factors that effect intention, which then leads to behavior. One of the external factors that effects behavior is subjective norms, where pressure from the surrounding environment effects individual behavior ([Ajzen, 2011](#)). Fraud in organizations is often the result of external effects that cannot be fully controlled by the individual. Therefore, a strong organizational culture is very important because it can effect members of the organization to behave well and minimize the intention to commit fraud. Research by [Andriyanti & Latrini \(2019\)](#), [Pramono et al. \(2023\)](#), [Hanifah & Alkautsar \(2024\)](#), [Putri et al. \(2022\)](#), [Marfiana \(2020\)](#), [Argento et al. \(2018\)](#), states that experience has a significant positive effect on the ability to prevent fraud, this result means that experienced auditors will have more knowledge and better memory structures than inexperienced auditors. So that experienced auditors have a variety of suspected fraudulent behavior that has an impact on fraud detection more effectively. Empirically, this study supports the attribution theory explained by [Heider \(1958\)](#). Inconsistent with research by [Zeng et al. \(2021\)](#), which obtained different results that the supervisory ability of internal audit executives has a significant negative effect on corporate fraud prevention. The supervisory ability of internal audit executives is mainly focused on individual characteristics, namely work experience. The inconsistency that occurred in previous studies prompted researchers to include organizational culture moderating variables because researchers suspected that there were variables that interacted with the effect of experience on fraud prevention.

H8: Organizational culture strengthens the effect of internal auditor experience on fraud prevention

Methods

The population in this study were all internal auditors of Bank Perekonomian Rakyat as the function responsible for carrying out internal supervision of the internal control system of Bank Perekonomian Rakyat. The number of Bank Perekonomian Rakyat in Bali Province registered with the Financial Services Authority (OJK) as of 2024 was 130 Bank Perekonomian Rakyat. The data was obtained from the OJK website www.ojk.go.id. Based on the results of a preliminary survey, the number of internal auditors in all Bank Perekonomian Rakyat was 154 people, so the number of analysis units in this study was 154 people. The sampling method in this study used the purposive sampling technique. The data collection method used in this study was a questionnaire. The questionnaire was distributed via Google Form to each respondent.

Moderated Regression Analysis (MRA) is a common method used in multiple linear regression analysis by including a third variable in the form of a multiplication of two independent variables (exogenous) as a moderating variable. This will cause a non-linear relationship so that the measurement error of the MRA estimation coefficient if using latent variables becomes inconsistent and biased. The solution that can be done is to use a structural equation model where SEM can correct this measurement error by including the interaction effect into the model.

Result and Discussion

Outer Model

Outer model testing is a concept and research model that cannot be tested in a relational and causal relationship prediction model if it has not passed the verification stage in the measurement model. This study uses a data analysis test that can be carried out using an outer model test consisting of two parts, namely validity and reliability tests.

Convergent validity

The measurement model with a reflective indicator model is assessed based on the correlation between the item score or component score with the construct score calculated using SmartPLS software. The reflective measure is said to be high if it correlates more than 0.70 with the construct to be measured. However, for early research on the development of a measurement scale, a loading value of 0.50 to 0.60 is considered sufficient (Ghozali, 2008). The results of the convergent validity test show that all outer loading values of the variable indicators have values effect than 0.50. Thus, it can be concluded that all indicators have met the requirements of convergent validity.

Discriminant validity

Hair et al. (2021), stated that a good alternative to measure discriminant validity is to use the Heterotrait-Monotrait ratio (HTMT). HTMT is defined as the average value of the correlation of inter-construct indicators (i.e., heterotrait-heteromethod correlation) relative to the average (geometric) average correlation for indicators measuring the same construct (i.e., monotrait-heteromethod correlation). The ideal HTMT is one with the smallest possible correlation value. Henseler et al. (2015) in Hair et al. (2021) proposed a threshold value of 0.90 for structural models with conceptually very similar constructs, such as cognitive satisfaction, affective satisfaction, and loyalty. In this context, HTMT values above 0.90 indicate that discriminant validity is not met. However, if the constructs are more conceptually distinct, it is recommended to use a more conservative threshold, such as 0.85 (Henseler et al., 2015).

Table 1
Heterotrait-Monotrait (HTMT) Values

	Culture	Independence	Integrity	Prevention	Experience
Culture					
Independence	0,681				
Integrity	0,602	0,682			
Prevention	0,654	0,854	0,634		
Experience	0,496	0,514	0,453	0,636	
Professionalism	0,558	0,739	0,715	0,732	0,533

Primary Data, 2024

Based on Table 1, it can be seen that the HTMT value has a correlation value below 0.85 so that the discriminant validity is met.

Composite reliability

In addition to the validity test, a variable reliability test was also carried out which was measured by two criteria, namely composite reliability and cronbach's alpha from the indicator block that measures the variable. The variable is declared reliable if the composite reliability and cronbach's alpha values are above 0.70. The output results can be seen in Table 2 below.

Table 2
Composite Reliability

	Cronbach's Alpha	Composite Reliability
Culture	0,931	0,939
Independence	0,808	0,876
Integrity	0,912	0,921
Prevention	0,962	0,967
Experience	0,971	0,974
Professionalism	0,722	0,811

Primary Data, 2024

The output results of composite reliability and cronbachs alpha for the variables of independence, integrity, professionalism, internal auditor experience, organizational culture and also fraud prevention are all above 0.70. Thus, it can be explained that all variables have good reliability.

Inner Model Evaluation Test Results

After the data has passed the outer model test, the data processing of the research variables can be continued to the structural model testing stage to be able to meet the contribution of the independent variables (X) to the dependent variables (Y). The following are the criteria for testing the structural model that must be met in this study, namely the value of the coefficient of determination (R²) and Q square.

The R-Square value is used to measure the level of variation in changes in the independent variables to the dependent variable. The R² criterion consists of three classifications, namely the R² value of 0.75, 0.50, and 0.25 as strong, moderate and weak (weak) [Hair \(2017\)](#). Changes in the R² value can be used to see whether the effect of exogenous latent variables on endogenous latent variables has a substantive effect. The coefficient of determination (R²) of the dependent variable can be presented in Table 3 below.

Table 3
Determination Coefficient

	R Square
Prevention	0,986

Primary Data, 2024

Based on Table 4, The coefficient of determination in the model by including moderation variables shows that the model is included in a strong model with a percentage of 98.6% variation in fraud prevention carried out by Internal Auditors due to independence, integrity, professionalism, experience, organizational culture and also the interaction of the four with the existing organizational culture, while the remaining 1.4% is other factors not included in this study. To measure how well the observation values are produced by the model and also its parameter estimates, it is necessary to analyze the Q-square (Q²) results as follows:

Table 4
Q Square

	SSO	SSE	Q ² (=1-SSE/SSO)
Prevention	1397,000	413,456	0,704

Primary Data, 2024

The Q² value has a value with a range of $0 < Q^2 < 1$, where the closer to 1 means the better the model. The calculation results obtained the Q² value is 0.704 so it can be concluded that the model has good predictive relevance.

Hypothesis Testing Results

The bootstrapping method can be used for various things, one of which is to determine the t-statistic value as is done in the SEM Partial Least Square model. With the bootstrapping method or resampling up to 5000 times, the Standard Deviation value can be calculated so that the t-statistic value can then be calculated by dividing the regression coefficient by the Standard Deviation. Significance testing is carried out to determine the significance of direct and indirect effects. The requirement for T-statistics must be effect than the T-value. The T-value used is 1.96. Testing the direct effect between variables can also be seen from the results of the path coefficient validation test on each path for direct effect in Table 5 below:

Table 5
Summary of Bootstrapping

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Culture -> Prevention	0,935	0,929	0,069	13,557	0,000
Independence -> Prevention	0,018	0,031	0,052	0,338	0,368
Integrity -> Prevention	-0,046	-0,008	0,112	0,405	0,343
Professionalism -> Prevention	0,153	0,155	0,059	2,594	0,005
Experience -> Prevention	0,328	0,335	0,138	2,385	0,009
Independence*Culture -> Prevention	0,232	0,218	0,077	3,030	0,001
Integrity*Culture -> Prevention	0,390	0,361	0,126	3,092	0,001
Professionalism*Culture -> Prevention	0,193	0,162	0,083	2,319	0,010
Experience*Culture -> Prevention	0,136	0,117	0,048	2,826	0,002

Primary Data, 2024

Hypothesis testing in this study was conducted by looking at the T-Statistics and P-Values. The research hypothesis is declared acceptable if the t-statistics values are more than 1.96 and the P-Values <0.05. Based on the results of the path coefficients in Table 5, the results of the hypothesis testing can be determined as described in the following description:

- 1) Hypothesis testing on the effect of internal auditor independence on fraud prevention (β_1) results in a correlation coefficient value (Original Sample) of 0.018. The p value is $0.368 > 0.05$, so the effect of independence on fraud prevention is not significant. Thus, hypothesis 1 (H1) which states that internal auditor independence has a positive effect on fraud prevention is rejected.
- 2) Hypothesis testing on the effect of internal auditor integrity on fraud prevention (β_2) results in a correlation coefficient value (Original Sample) of 0.153. The p value is $0.005 < 0.05$, so the effect of internal auditor

integrity on fraud prevention is significant. Thus, hypothesis 2 (H2) which states that the integrity of internal auditors has a positive effect on fraud prevention is accepted.

- 3) Hypothesis testing on the effect of internal auditor professionalism on fraud prevention (β_3) results in a correlation coefficient value (Original Sample) of 0.136. The p value is $0.002 < 0.05$, so the effect of internal auditor professionalism on fraud prevention is significant. Thus, hypothesis 3 (H3) which states that professionalism has a positive effect on fraud prevention is accepted.
- 4) Hypothesis testing on the effect of internal auditor experience on fraud prevention (β_4) results in a correlation coefficient value (Original Sample) of 0.232 The p value is $0.001 < 0.05$, so the effect of work experience on fraud prevention is significant. Thus, hypothesis 4 (H4) which states that the work experience of internal auditors has a positive effect on fraud prevention is accepted.
- 5) Hypothesis testing of the moderating effect of organizational culture on the effect of internal auditor independence on fraud prevention is shown in Table 5.7 By looking at the value (β_1) which is positive and insignificant and the value of β_5 which is -0.046 with a p-value of 0.343, it shows that organizational culture does not strengthen the effect of internal auditor independence on fraud prevention. Thus, hypothesis 5 (H5) is rejected.
- 6) Hypothesis testing of the moderating effect of organizational culture on the effect of internal auditor integrity on fraud prevention is shown in Table 5.7 By looking at the value (β_2) which is positive and significant and the value of β_6 which is 0.328 with a p-value of 0.009, it shows that organizational culture strengthens the effect of internal auditor integrity on fraud prevention. Thus, hypothesis 6 (H6) is accepted.
- 7) Hypothesis testing of the moderating effect of organizational culture on the effect of internal auditor professionalism on fraud prevention is shown in Table 5.7 By looking at the value (β_3) which is positive and significant and the value of β_7 , namely 0.193 with a p-value of 0.010, it shows that organizational culture strengthens the effect of internal auditor professionalism on fraud prevention. Thus, hypothesis 7 (H7) is accepted.
- 8) Hypothesis testing of the moderating effect of organizational culture on the effect of internal auditor experience on fraud prevention is shown in Table 5.7 By looking at the value (β_4) which is positive and significant and the value of β_8 which is 0.390 with a p-value of 0.001, it shows that organizational culture strengthens the effect of internal auditor work experience on fraud prevention. Thus, hypothesis 8 (H8) is accepted.

Conclusion

- 1) Independence has no effect on fraud prevention or in other words the independence of internal auditors has no effect on preventing fraud.
- 2) Integrity has a positive and significant effect on fraud prevention or in other words the integrity possessed by the internal auditor helps him in carrying out his duties to prevent fraud.
- 3) Professionalism has a positive and significant effect on fraud prevention or in other words, the professional attitude possessed by an auditor will make him able to prevent fraud in the company where he works.
- 4) Experience has a positive and significant effect on fraud prevention or in other words, the more experience an internal auditor has, the more he will have the ability to detect and prevent fraud in the company where he works.
- 5) Organizational Culture does not strengthen the effect of independence on fraud prevention or in other words, organizational culture is unable to strengthen the independence of auditors to have the ability to prevent fraud.
- 6) Organizational Culture strengthens the effect of integrity on fraud prevention or in other words, organizational culture is an indirect factor that can strengthen the integrity of internal auditors so that they have the ability to prevent fraud.
- 7) Organizational Culture strengthens the effect of professionalism on fraud prevention or in other words, a good organizational culture and a positive work attitude or in this case professionalism supports auditors to prevent fraud.
- 8) Organizational culture strengthens the effect of experience on fraud prevention or in other words the work experience possessed by the auditor and supported by a good organizational culture will help him in carrying out his duties to prevent fraud.

Managerial Implication

This research provides more studies in preventing fraud through the variables used. Not only that, theoretically this research supports the theory used as the main theory, namely attribution theory which explains the motives or causes of the behavior of others and individuals determined by internal and external factors as stated in this study. Fraud prevention is better when individuals have integrity, professional attitudes, work experience that continues to be honed, and a good organizational culture. Not only that, the combination of organizational culture with independence in preventing fraud can be implemented when auditors do not do work that is not their field and are free from pressure. Meanwhile, the combination of organizational culture with an attitude of integrity, professionalism, and experience can support fraud prevention. Practically, the results of this study are useful for academics in terms of developing science and for internal auditors and stakeholders to prevent fraud by considering placing the right resources on the right tasks, not pressuring internal auditors to carry out actions that harm the company, providing support so that a professional attitude and good organizational culture emerge in preventing fraud from occurring in the company.

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