

The Effect of Internal Auditor Competency and Internal Control Systems to Fraud Behavior

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Abstract

This study aims to examine the effect of internal auditor competence and internal control systems on fraud behavior in the Financial Services Authority. Sampling in this study using the primary data method. Data was collected using a survey method by distributing questionnaires to the Financial Services Authority office. The target of this research is all auditors in OJK, but respondent data is received and can be processed 60 respondent answers. The method used in this study is the method of analyzing correlation data with IBM SPSS version 25 software. To test the quality of the instrument used is done by validity and reliability test, T test, F test and coefficient of determination test. Correlation data analysis results show that variations in fraud behavior variables can be explained by variations in internal audit competency variables and internal control systems by 64.5%. F statistical test shows that the model used is able to predict fraud behavior and is statistically significant. The T static test shows that the auditor internal competency variable has a positive effect on fraud behavior and statistical significance, and the internal control system variable has no effect on fraud behavior and has no statistical significance. The results showed that the internal auditor competency variable had a positive effect on fraud behavior while the internal control system variable had no effect on fraud behavior. The results of the hypothesis submission provide the synthesis that the better the internal competence of the auditor, the better the fraud behavior produced by the auditor.

Keywords: Internal auditor competence, internal control system, and fraud behavior.

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PENDAHULUAN

Fraud in a Financial Institution illustrates an agency's internal audit performance. Management makes the Anti-Fraud Bureau a form of supervision to consumers and is used by companies to oversee the company's business. Various phenomena that underlie this research, among others: the still rampant cases of bank burglary in various banking industries as reported by Kompas.com mentioned Jos Luhukay, Strategic Banking observers Indonesia said, the mode of banking crime is not just a matter of fraud (fraud), but the weakness of internal control banks against human resources are also a gap point in banking crime.

To get the maximum results of an investigation, an internal auditor must also master a number of internal control techniques, including: disguising techniques or tapping techniques, interview techniques, when going to face the auditee, people suspected of having the required information, seducing techniques to get information, whether by using one's

own abilities or with the help of others, understanding body language, in reading the position of the auditee, lying or honest, and can be done with the help of software, such as CAAT (computer assisted audit tools).

The formulation of the problem in this study is whether the Internal Auditor Competence and Internal Control System affect the Fraud Behavior.

DESIGN AND METHOD

This research is included in descriptive research. The population of this research is the Financial Services Authority auditor. While the sample in this study used a purposive sampling method. This research method uses quantitative methods. Data processing using SPSS version 25. Analysis methods in this study include:

1. Test- t (Partial Test)
2. Test-F (Simultaneous Test)
3. Determination Coefficient Test (R^2)

RESULTS AND DISCUSSION

1) Test- t (Partial Test)

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	8,512	3,900		2,183	0,033
	kompetensi	0,833	0,083	0,796	10,039	0,000
	SPI	0,046	0,070	0,052	0,659	0,512
a. Dependent Variable: perilaku						

Source: Spss vs. 25 processed data output

As shown in the table above, the results are obtained that there is a significant partial effect between the auditor's internal competence and fraud behavior.

While there is no significant effect between the internal control system and fraud behavior.

2) Uji F (Simultan)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	485,949	2	242,975	51,745	,000 ^b
	Residual	267,651	57	4,696		
	Total	753,600	59			
a. Dependent Variable: perilaku						
b. Predictors: (Constant), SPI, kompetensi						

Source: Spss vs. 25 processed data output

From table 4.10 above, a Fcount of 51.745 is obtained and the significance is 0.000. Df 1 = (k-1) = 3-1 = 2 and df 2 (n-k-1) or 60-2 - 1 = 57. The results obtained for Ftable are 3.16. When compared to

Fcount > Ftable which is 51.745 > 3.16 and significant <0.05 so it can be concluded that the auditor's internal competence and internal control system simultaneously have a significant effect on fraud behavior.

3) Determination Coefficient Test (R²)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,803 ^a	,645	,632	2,16694
a. Predictors: (Constant), SPI, kompetensi				

Source: Spss vs. 25 processed data output

Based on the table above, a determination coefficient of 0.645 or 64.5% is obtained. This means that 64.5% of fraud behavior is influenced by the auditor's internal competence and internal control system. While the remaining 35.5% (100% - 64.5% = 35.5%) are influenced by other factors not included in this study.

Hypothesis testing has been carried out, it can be put forward some discussion below:

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The results of this data processing are in line with research by Khoiril [1], Sandi Prasetyo [2] and Wiwi Idawati & Andrew Gunawan [3]. Sri Anjarwati & Apollo [4] which states that internal auditor competence has a significant effect on fraud behavior. System quality, information quality and perceived has significant influence on user satisfaction.

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The results of this study are in line with the research of Manggarani, Liesthianty [5], Wayne Tervo, L. Murphy Smith and Marshall Pitman [6], Dwi Asih Surjandari & Irma Martaningtyas [7]. Who stated that the internal control system had no significant effect on fraud behavior and there was no negative correlation between internal control system and fraud, it was opposite with recommendation world bank and prior research.

CONCLUSIONS AND SUGGESTIONS

CONCLUSIONS

Based on the results of research with panel data regression analysis, the conclusions of this study are:

1. Internal auditor competence of the Financial Services Authority has been very good, this is seen from the results of the study of auditor competency indicators including knowledge, skills, and attitudes that show points running

according to auditing standards in force at the Financial Services Authority.

2. The internal control system conducted by the Financial Services Authority auditor has been running well. This is seen from the results of the study of the indicators of the internal control system including the control environment, risk assessment, control activities, information and communication, and monitoring shows the points run according audit standards applicable to the Financial Services Authority.
3. From the results of research on the influence of internal auditor competence and internal control systems on fraud behavior carried out by researchers, the variables influencing fraud behavior, namely auditor competence has an influence on the ability of auditors to commit fraud behavior, and internal control systems have an influence on behavior fraud as well as the auditor's internal competence and internal control system simultaneously influence the behavior of fraud in the Financial Services Authority.

SUGGESTION

In the research results stated that the competence of the internal auditor and internal control system has an influence on the behavior of fraud so the researcher will provide some suggestions for further research, namely:

1. For further researchers can add new variables in addition to this study to be able to find out what factors can influence fraud behavior other than in this research variable.
2. For company management with the results of this research, the company management is expected to be able to further improve the competence of internal auditors and internal control that runs consistently and structured because the better competence and systems in the company means the prospects of the company in the future are considered better, meaning fraud companies will also be rated as getting better in the eyes of the financial services authority.
3. For the Financial Services Authority it is certainly a very important lesson material to be able to

conduct audits in accordance with applicable standards because the auditor's internal competence and internal control system are important elements that must always be considered so as not to cause fraud that causes consumers to be harmed going forward.

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