

ABSTRACT

This study aims to analyze the factors influencing the effectiveness of audit follow-up in preventing fraud and recurring findings at the Medan Regional Audit Office of PT. Bank Rakyat Indonesia (Persero), Tbk. The variables examined include risk culture, internal control, the implementation of "Know Your Employee" (KYE) protocols, and disciplinary enforcement as factors hypothesized to affect audit follow-up effectiveness and, consequently, the incidence of fraud and recurring findings. The study employs a quantitative approach with an explanatory research design and utilizes SEM-PLS data analysis based on responses from 200 participants selected via purposive sampling.

The results indicate that the model employed demonstrates good validity and reliability, as well as adequate predictive capability. Overall, risk culture, internal control, KYE implementation, and disciplinary enforcement contribute to enhancing the effectiveness of audit follow-up, which in turn leads to a reduction in fraud and recurring findings. The findings underscore that fraud prevention relies not only on oversight systems but also on risk culture, the quality of supervision, employee integrity, and consistency in rule enforcement.

Keywords: *fraud, repeat findings, audit follow-up effectiveness, risk culture, internal supervision, KYE, discipline*

