

## **ABSTRACT**

*This research aims to test the moderating effect of internal quality control procedures on the relationship between perceptions of organizational justice and employee fraud. This research also aims to test the effects of three organizational factors, namely: environmental ethics, internal audit activity, the risk management training on the quality of internal control procedures.*

*This research was conducted using the survey method of accounting department heads or supervisors Indonesian companies from 60 companies located in Kudus district. Where in this study developed two models. The first model test using logistic regression analysis, and testing the second model using multiple regression analysis.*

*The results showed that the first model reveals that the quality of internal control procedures provide moderating influence on the relationship between perception of organizational justice with employee fraud. Then in the second model suggests that three organizational factors, namely: environmental ethics, internal audit activity and risk management training does not affect the quality of internal control procedures.*

**Keywords** : *Quality of internal control procedures, fraud, ethics, employees, auditing*