

ABSTRACT

The purpose of this research is to analyze and obtain empirical evidence whether internal control and organizational culture have a negative and significant influence on asset misappropriation and whether uncertainty of the business environment as a situational variable has a negative and significant influence between internal control and organizational culture on asset misappropriation.

The population in this research is the Micro, Small and Medium Enterprises (SMEs) in the Province of DKI Jakarta, Indonesia. The questionnaire of this research was distributed as 124 starting from July 2019 until October 2019. Regarding the results of 124 questionnaires distributed, 113 were returned and 11 did not return, based on 113 processed questionnaires, all passed the validity and reliability test so that they could be used as a research sample. The statistical method used is the SPSS 24 analysis tool.

Based on the analysis conducted, this research shows the results that the internal control variable has a negative and significant influence on the asset misappropriation (H1) accepted, organizational culture has a negative and significant influence on the asset misappropriation (H2) accepted, the moderating variable is the uncertainty of the business environment has a negative influence and significant between internal control over asset misappropriation (H3a) is accepted, but the uncertainty of the business environment does not have a negative and insignificant influence between organizational culture towards the asset misappropriation (H3b) is rejected.

Keywords: *Internal Control, Organizational Culture, Asset misappropriation, Uncertainty of The Business Environment.*