

## ABSTRACT

*Misappropriation in the form of goods procurement by government is one of fraud action happened in public sector. Fraud performer came from some variety public sector organization of Indonesia. The effort which support fraud prevention are building better Internal Control System (SPI), maximizing the preventive activity, strengthen organizational culture, maximizing internal audit function, and reinforcing the software application. Fraud term is accidentally translated as Fraudulent.*

*Fraud term known by accountant, KUHP is arranged by many articles and some kind of definitions used. People has 3 reasons for conducting fraud, they are Opportunity, Pressure, and Rationalization. The fraud detector and prevention method that has been developed is still on research based on auditor perception.*

*The goal of this study is to find out the understanding methods which have high effectiveness towards fraud detection and prevention, from internal and external auditor point of view on Indonesian Public sector. By the case study taken from Semarang internal and external auditor, the writer hopes that this research will give best result of effective method to detect and prevent fraud. Furthermore, this study reveals internal factor effect (certification, experience, and knowledge) which initiate people to choose the effective method to detect and prevent fraud.*

*The result of this study reveals that internal and external auditor do not have different perception against fraud detection from fraud procedure aspect. Meanwhile, from fraud software aspect both of the auditors have different perception on each method effectiveness assessment. It is based on the scope work of two different institutions so that the methods used are different. Another fundamental reason is because the influence of internal auditor factor against the method. The result of this study also reveals that there are some effects on internal factor supported by significant certification, experience, and expertness against the effectiveness assessment to fraud detection and prevention method.*

*Keywords : Fraud detection, fraud prevention, internal factor*