

ABSTRACT

Internal control is an activity control instrument for various entities, both the public and private sectors. Likewise, the results of previous studies that discuss the ineffectiveness of internal control that causes fraud in the Catholic church and other religious organizations. Most of the studies have not yet discussed in depth the application of internal control in preventing fraud at Catholic foundations.

This research uses a qualitative methodology and interpretive paradigm through case studies. Interpretive paradigm is a paradigm which views that reality and truth in real life are not limited to one side, but rather have many sides, so that it can be studied from various points of view. Likewise with internal control in preventing fraud at the Catholic foundation. In-depth interviews were conducted with the management and staff of a Catholic foundation in East Timor. Data analysis and central phenomenon of research are obtained through the process of open, axial, and selective coding (Strauss, 2003). The Habitus perspective is used as a lens to discuss the main phenomena of research.

The results showed that there was a sense of "Senti Moe" / hesitate to cause ineffectiveness in the application of internal control in the Catholic foundation so that fraud occurred. Therefore "the harmony of faith and morals" is a central phenomenon and becomes the foundation in preventing fraud by building transparency based on solidarity as a strategy and an effort to improve governance structures.

Keywords: Internal Control, Faith and Moral by Building Transparency Based on Solidarity, Habitus.