ABSTRACT

Fraud is a global and national problem that is still common today. Fraud causes a lot of financial and non-financial losses. Organizations need to take preventive measures to reduce fraudulent behavior. The purpose of this study is to build a fraud prevention model with an effective whistleblowing system and fraud awareness and adequate organizational commitment in an organization.

This research is a quantitative research using area sampling as a sampling technique. Research data is primary data taken from questionnaires distributed to 450 samples of employees at the Central Statistics Agency throughout Indonesia. The research analysis method is Ordinary Least Square (OLS) by processing cross-section data using the Eviews 9 application, equipped with a difference test between clusters and factor analysis.

This study tested 3 (three) hypotheses and the results of the analysis showed that the three research hypotheses were statistically accepted. The first hypothesis is that the whistleblowing system has a positive effect on fraud prevention. The second hypothesis is that fraud awareness has a positive effect on fraud prevention. The third hypothesis is that organizational commitment has a positive effect on fraud prevention. The results of this study indicate that the whistleblowing system, fraud awareness and commitment have a positive influence on fraud prevention. This research also reveals how to create an effective whistleblowing system and how to increase fraud awareness effectively. This study describes best practices related to fraud prevention models, by building an effective whistleblowing system and fraud awareness and strong organizational commitment

Keyword: fraud prevention, whistleblowing system, fraud awareness, organizational commitment