The Effect of Independence, Professionalism, and Experience of Internal Auditors on Fraud Prevention with Organizational Culture as Moderating Variable

Ni Putu Achintya Wibawa Putri  
Udayana University, Denpasar, Indonesia

I Nyoman Wijana Asmara Putra  
Udayana University, Denpasar, Indonesia

Made Gede Wirakusuma  
Udayana University, Denpasar, Indonesia

I Dewa Gede Dharma Suputra  
Udayana University, Denpasar, Indonesia

Abstract---This study aims to examine the effect of independence, professionalism, and experience of internal auditors on fraud prevention with organizational culture as a moderating variable. The research data were collected through questionnaires, the research respondents were the internal auditors of Rural Banks in Bali. The method of determining the sample using purposive sampling with the criteria of internal auditors who have more than a year of work experience, with 140 respondents. The data analysis technique used in this research is Path Analysis (SEM-PLS). The results showed that the independence, professionalism, and experience of internal auditors had a positive effect on fraud prevention; and organizational culture strengthen the positive influence of independence, professionalism, and experience of internal auditors on fraud prevention.

Keywords---culture, experience, independence, prevention, professionalism.
**Introduction**

Fraud prevention is a management activity in terms of setting policies, systems, and procedures, the aim of which is to ensure that every part of the organization including the board of commissioners, directors, and employees of the company has achieved reliability in financial reporting, effectiveness, and efficiency of company operations as well as compliance with applicable laws and regulations (COSO, 1992). Button et al. (2015), argue that developing countries are very vulnerable to fraud such as corruption. The rise of various fraud cases that have recently occurred in the Indonesian banking sector has become a special concern for the government and the public. Fraud is defined as a fraudulent and unlawful activities carried out in such a way as to benefit the perpetrator and harm other parties. Fraud causes significant losses, both in terms of financial and non-financial such as reputation, public trust, and bank soundness. Efforts were made by the government to minimize the occurrence of fraud by issuing POJK 39/POJK.03/2019 regarding the implementation of anti-fraud strategies for banking. The regulation regulates the obligation for banks to implement an anti-fraud strategy and reporting obligations for banks that are more comprehensive to provide added value.

In preventing losses due to fraud, it is necessary to increase the effectiveness of internal control by maximizing the function of the internal auditor. The internal auditor is an independent party, objective in providing recommendations for improvements to the company’s operations. Internal auditors assist management by evaluating the system and pointing out weaknesses in internal control, as well as assuring that the company’s risk, governance, and internal controls are running effectively (MacAilao, 2020). Internal auditors can provide recommendations regarding fraud issues, but cannot guarantee that the company is free from fraud because it remains the responsibility of management.

Bank Indonesia noted that almost 70% of liquidation at Rural Banks was due to fraud cases by internal bank parties including employees, directors, commissioners, and shareholders (Rustiarini et al., 2016). The potential for fraud in Rural Banks is higher than in commercial banks. The number of cases of liquidation of Rural Banks is increasing every year, the reason is that the internal control system of Rural Banks and implementation of good corporate governance is still weak. Weak internal control is an opportunity for certain individuals to commit various fraudulent actions, including misuse of company assets, misrepresentation of financial statements, and acts of corruption. Seeing the increasing number of fraud cases and their impact on the reputation and health of the company, fraud must be prevented as much as possible (Rustiarini et al., 2016). According to Taufik (2019), Prevention efforts can be carried out by recruiting honest employees and providing training on awareness of the risk of fraud, creating a positive work environment, providing an understanding of the code of ethics or ethics at work, and regularly conducting training programs for employees.

The phenomenon of fraud cases still threatens the banking sector, especially Rural Banks. For example, the case of revocation of the Rural Banks Legian business license was issued through a decision by the Indonesian Financial
Services Authority on June 21, 2019. The bank went into liquidation because it had been proven that fraudulent practices amounted to 10 to 20 billion rupiahs. In addition, a fraud case also occurred at Rural Banks KS Bali Agung Sedana (KS BAS) in 2018. The President Director of IHSC dispatched Indonesian Migrant Workers to work in Japan with one of the conditions for submitting a property title certificate as collateral. However, the certificate of ownership of the property was used as collateral to obtain credit at KS BAS. The funds obtained from the credit were handed over to IHSC. Total fraud amounted to 24.225 billion rupiahs in the period March 2014 to December 2014 (Andriyanti & Latrini, 2019).

The cases of these frauds are clear evidence that the impact of fraud losses is very large for internal and external parties of the bank. Thus the prevention of fraud is very important to reduce these losses (Kiswanto & Maulana, 2019). Based on the results of the 2019 Indonesian fraud survey, 38.9% stated that the media was the media that contributed the most to the disclosure of fraud in Indonesia, meaning that the main source of the discovery of fraud came from the reports of the company’s employees themselves. The second order is internal audit as much as 23.4%. These results indicate that internal audit is in second place after reporting media as an alternative media for detecting and preventing fraud. This indicates that the role of the internal auditor is considered effective enough to minimize losses that occur due to fraud (ACFE, 2020). Currently, internal auditors are primarily directed to prevent errors and fraudulent transactions that have a high risk. Therefore, repressive and preventive strategies are needed in dealing with fraud. The aim is to assist company management in carrying out their responsibilities by providing analysis, research, suggestions, and comments regarding the activities being audited (Andriyanti & Latrini, 2019). Several factors that influence the success of internal auditors in preventing fraudulent actions include their independence, professionalism, and experience.

Biksa & Wiratmaja (2016); Windasari & Juliarsa (2016); Nugroho (2017); Andriyanti & Latrini (2019), stated that independence has a positive and significant influence in preventing fraud. However, Sulistyowati & Supriyati (2015); Astuti & Sormin (2019); Sukses (2019), that independence does not affect the ability of the auditor to detect fraud, because there is a possibility that the internal auditor is influenced by the internal control environment that does not support the ability to prevent fraud. Widaningsih & Hakim (2015); Windasari & Juliarsa (2016); Said & Munandar (2018); Astuti & Sormin (2019); Bayuandika & Mappanyukki (2021), stated that professionalism has a positive and significant effect on fraud prevention, however, Astuti & Sormin (2019), states that the professionalism of internal auditors does not affect their ability to prevent fraud. Sulistyowati & Supriyati (2015); Biksa & Wiratmaja (2016); Kiswanto & Maulana (2019); Sukses (2019); Narayana & Ariyanto (2020), stated that experience had a significant positive effect on the ability to prevent fraud, however, Zeng et al. (2020), revealed the results that the internal audit executive’s supervisory ability had a significant negative effect on fraud prevention. Based on the exposure of previous research regarding the effect of independence, professionalism, and experience of internal auditors on fraud prevention, various or inconsistent results were found which were thought to be due to other factors that influenced the relationship between the independent variable and the dependent variable.
The Theory Planned of Behavior (TPB) has been widely used in various studies, especially to find out the factors that influence unethical behavior such as fraud. (Ian et al., 2014). The subjective norm in TPB refers to the social pressure that engulfs the individual to do or not to do an act. Culture is very similar to subjective norms because organizational culture can shape individual mindsets towards an action. This means that organizational culture has a role in individuals to encourage individuals to display behavior. Mayer et al. (2010), found that there is a strong relationship between the level of leadership ethics and organizational culture. This means that leaders who promote ethical behavior will create an ethical organizational culture and vice versa. It is very possible if individual behavior will change along with the change of leadership which tends to change the existing culture according to its character. This means that there is a linear relationship between the leadership and organizational culture in influencing individual behavior. This is the reason why organizational culture can be categorized as a derivation of subjective norm constructs in TPB theory (Kustina et al., 2019; Jati & Suprasto, 2020; Sanjaya Adi Putra, & Dwirandra, 2019).

**Literature Review**

**Attribution theory**

The grand theory that underlies this research is attribution theory which explains a person’s behavior as a process of how a person can determine the causes and motives for the behavior of others or himself which will be determined whether internally, for example, character, attitude, etc. or external, for example, the pressure of certain situations or circumstances that will influence individual behavior (Heider, 2013). This study uses attribution theory as a theoretical basis because the researchers conducted empirical studies related to auditor behavior caused by internal and external factors to prevent fraud. Internal factors in question include independence, professionalism, and experience (Ferdiansyah, 2016).

**Theory of planned behaviour (TPB)**

TPB is used to predict whether or not a person will perform a behavior, predict and understand the impact of behavioral intentions, and identify strategies to change behavior. This theory is the basis for selecting the moderating variable, namely organizational culture. Organizational culture is related to the subjective norm construct in TPB. Culture is very similar to subjective norms because organizational culture is able to shape individual mindsets towards an action. This means that organizational culture has a role on individuals to encourage individuals to display behavior. The influence that brings individuals to behave ethically or unethically depends largely on the habits of the culture whether they are accustomed to ethical or unethical behavior (Mayer et al., 2010).

**Fraud prevention**

Fraud prevention is an effort made by all parties to reduce the causes of fraud or fraud. According to Cressey (1953), Fraud prevention is carried out so that the
causes of fraud (fraud triangle) can be suppressed, namely through efforts including reducing pressure on the company’s work so that employees are able to meet their needs, minimizing opportunities to commit fraud and eliminating the emergence of a sense of rationalization that raises justifications for the fraudulent acts committed.

**Independence**

Independence can be concluded as a mental attitude that is free from influence, cannot be controlled by others, does not depend on others, is honest in considering facts not only to the management and owners of the company, but also to creditors and other parties, namely the public and users of financial statements who others who place their trust in the work of the internal auditor, and are objective in formulating and expressing their opinions. If an internal auditor cannot act independently, it will be difficult to prevent and detect fraud in the company (Sulistyowati & Supriyati, 2015).

**Professionalism**

Professionalism is credibility owned by internal auditors which is one of the keys to success in company supervision. With the professionalism of the internal auditors, it is hoped that steps can be taken to detect and anticipate any irregularities that may occur. Suggestions and corrective attitudes from internal auditors will be very helpful to prevent irregularities from happening again in the company and become a subject of an action for employees who commit irregularities (Widaningsih & Hakim, 2015).

**Experience**

Experience is knowledge gained from an event through direct observation or participation in the event. An auditor who often performs his audit duties either directly or only participates will have more complex and in-depth knowledge in carrying out his audit duties (Kiswanto & Maulana, 2019). The experience of the auditor will make a major contribution to the improvement of his audit task, namely assisting the auditor in increasing his knowledge of errors and fraud.

**Organizational culture**

Definition of organizational culture according to Robbins & Judge (2008), is a system of shared meanings shared by members that distinguish an organization from other organizations. If the behavior of organizational members consistently displays ethical behavior, it will be a good culture and vice versa. Thus, a good organizational culture will force members to stay away from fraudulent behavior (Mayer et al., 2010). Wicaksono & Urumsah (2017), supports that organizational culture will prevent fraudulent behavior in organizations.

**Research hypothesis**

Based on dispositional attributions in attribution theory, the attitude of independence is an internal cause that refers to aspects of individual behavior
contained in a person. An auditor who has this attitude tends to act honestly and impartially to any interests to produce quality audit results. The output of this internal audit is not only in the form of recommendations for system and method improvements, but also includes corrective actions that minimize and eliminate weaknesses, failures, inefficiencies of various programs that have been planned by the company, and prevent fraud (Nugroho, 2017). Biksa & Wiratmaja (2016); Windasari & Juliarsa (2016); Irawan et al. (2019), Andriyanti & Latrini (2019), state that independence has a positive and significant influence in preventing fraud, meaning that the higher the independence of the auditor, the ability of the auditor to prevent fraud tends to be higher and easier. An independent attitude is also needed by the auditor to be free from the interests and pressures of any party so that fraud in the company can be detected and properly prevented.

**H1: Independence has a positive effect on fraud prevention**

Attribution theory explains that one’s behavior is caused by internal factors (dispositional attributions). In this case, the attitude of professionalism is a dispositional factor that influences a person's behavior in acting due to psychological factors that precede his behavior. Professionalism is one of the personality variables which is defined as the ability, expertise, and commitment of the profession in carrying out their duties accompanied by the principles of prudence, thoroughness, accuracy, and guided by standards and regulations. Widaningsih & Hakim (2015); Sulistyowati & Supriyati (2015); Windasari & Juliarsa (2016); Atmaja (2016); Biksa & Wiratmaja (2016); Said & Munandar (2018); Astuti & Sormin (2019); Bayuandika & Mappanyukki (2021), found that professionalism is positively and significantly related to fraud prevention, as well as its relationship to fraud detection. This means that the auditor must have the skills and use his professional skills carefully and thoroughly in determining the type of examination, determining the scope of the examination, choosing a methodology, determining the type and amount of evidence to be collected, or in selecting tests and procedures to carry out the audit. This capability will certainly greatly affect the auditor's ability to detect and prevent fraud.

**H2: Professionalism has a positive effect on fraud prevention**

Attribution theory describes a person’s behavior is determined by a combination of internal forces and external forces. The internal strengths that a person has in this regard include ability, knowledge and effort. A person's business is reflected in the experience he has. The experience of the auditor greatly determines the level of his understanding of how to detect, analyze, and recommend fraud prevention methods. Internal auditors who have a lot of experience will not only have the ability to find unusual fraud in the company's financial and operational reports but can also provide a more accurate explanation of the findings compared to auditors who still have little experience (Narayana & Ariyanto, 2020). Therefore, the success or failure of each auditor in carrying out an audit task depends on one’s experience.

**H3: Experience has a positive effect on fraud prevention**
Internal auditors must have an attitude of independence in carrying out their duties and responsibilities, meaning that auditors who have this attitude tend to take honest actions in order to consider objective facts and not take sides with any interests in formulating and expressing their opinions even though they are under pressure from a party. Organizational culture is a shared perception of the value system that is believed by all members of the company's organization and is used as a reference for behavior in the organization to achieve the company's goals that have been set. It is concluded that the higher the independence of the internal auditors reinforced by the organizational culture, the better the fraud prevention efforts that can be done. Thus, the following hypothesis is formulated (Petrașcu & Tieanu, 2014; Rahman & Anwar, 2014; Gregory et al., 2009).

**H4: Organizational culture strengthens independence on fraud prevention**

Professionalism affects the prevention of fraud because the auditor can provide an objective, unbiased and unrestricted opinion. So the problem as it is can be reported, not reporting the problem as desired by a particular organization or company. Associated with the problem of fraud, one of the factors that can prevent fraud is an organizational culture that is honest and has a professional commitment in carrying out its duties accompanied by the principles of prudence, thoroughness, and accuracy guided by standards and regulations so as to minimize fraudulent actions that occur. It is concluded that the higher the professionalism of the internal auditors reinforced by the organizational culture, the better the fraud prevention efforts that can be done (Putra et al., 2021; Nazarova et al., 2021; Jancowicz-Pitel, 2019).

**H5: Organizational culture strengthens professionalism on fraud prevention**

Fraud in the organization may be the result of external influences on individuals that cannot be controlled by the individual himself. One example of external influence is organizational culture. Wicaksono & Urumsah (2017), found that organizational culture has a positive impact on fraudulent behavior. These findings can be interpreted that individual behavior is strongly influenced by the existing culture in the organization whether it will be brought to an ethical or unethical culture. The ethical or unethical of organizational culture is closely related to the culture formed by its leaders. Experience plays a role in detecting and assessing possible fraud risks in the company. Auditors with high experience will focus more on activities that lead to material and suspicious matters. This happens because the auditor already has a deep understanding of conducting examinations and detecting signs of fraud (Kiswanto & Maulana, 2019). Experience can provide a more accurate explanation of things that need special attention, especially those that lead to fraud. Organizational culture is a system containing long-standing norms, which must be adhered to and obeyed by all members of the organization to achieve organizational goals and as a guide for solving organizational problems. Organizational culture is very important because it will affect the members of the organization in working so as to create good behavior and minimize the intention to commit fraud. It is concluded that the higher the experience of internal auditors reinforced by organizational culture, the better the fraud prevention efforts that can be done.
Method

This research was conducted at the Rural Bank in the Province of Bali with several considerations. In general, Rural Banks in Bali Province have a healthy and conducive performance even in the midst of the COVID-19 pandemic. However, it is undeniable that there are still some weaknesses that must be improved, such as strengthening Rural Banks’ capital, improving the quality of human resources on an ongoing basis, as well as implementing good governance. The method of determining the sample in this study used a purposive sampling technique. The sample criteria in this study are Rural Banks that are registered with the Financial Services Authority and have an Internal Audit Unit with at least 1 year of working experience in their field (Zahmatkesh & Rezazadeh, 2017; Windsor & Warming-Rasmussen, 2009). The number of samples in this study was 140 respondents. The data collection method used in this study using a questionnaire using a Likert scale of 1 to 4. The analysis technique used is a structural equation model (Structural Equation Modeling - SEM) based on variance or component-based SEM, known as Partial Least Square (PLS)

Results and Discussion

Respondents’ characteristics

The majority of respondents who participated were women (69 percent), the majority of respondents’ ages were from 31 - 40 years, the majority of respondents’ education levels were Undergraduates at 79 percent, and the
majority of respondents worked as internal auditors for 3 - 10 years at 61 percent.

**Descriptive statistics test results**

The overall fraud prevention variable obtained an average value of 3.43 which means that the level of fraud prevention at Rural Banks is very high. The independence variable as a whole obtained an average value of 2.99 which means that the level of independence of the internal auditors at Rural Banks is high. Respondents think that they highly value their independence in their work. The overall professionalism variable has an average value of 3.37, which means that the level of professionalism of the internal auditors at Rural Banks is very high. Respondents believe that the high professionalism of internal auditors is supported by regular self-development programs (Ghazali et al., 2014; Kaplan & Mauldin, 2008; Aktaş et al., 2011). The overall experience variable has an average value of 3.39, which means that the experience level of internal auditors at Rural Banks is very high. The organizational culture variable as a whole obtained an average value of 3.34 which means that the level of organizational culture in Rural Banks is very high.

**Hypothesis testing results**

<table>
<thead>
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<th>Path coefficients</th>
<th>Original Sample (O)</th>
<th>Sample Mean (M)</th>
<th>Standard Deviation (STDEV)</th>
<th>t-statistic</th>
<th>p-values</th>
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<td>0.042</td>
<td>6.603</td>
<td>0.000</td>
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<td>0.062</td>
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<td>0.123</td>
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</table>

**Independence on fraud prevention**

The independence variable has a positive and significant effect on fraud prevention. This is indicated by the p-values <0.05, which is 0.000 so that the first hypothesis (H1) is accepted. The results showed that the higher the independence of the internal auditor, the more optimal fraud prevention was carried out at Rural Banks. This is in line with attribution theory which explains that one of the causes of a person’s behavior is caused by internal factors (dispositional attributions). Independence is an internal factor that causes a person to behave in a certain way, in this case preventing fraud. An auditor who has an independent attitude tends to act honestly, be objective in considering the facts, and not take sides with any interests to produce quality audit results. The results of this study are consistent with Biksa & Wiratmaja (2016); Windasari & Juliarsa (2016); Nugroho (2017); Irawan et al. (2019). For internal auditors,
independence is an inherent attitude and an absolute requirement that must be possessed to produce quality audit results. Internal auditors are also able to provide recommendations for improvement as well as objective information about the activities examined at all levels of management. Thus, the independent attitude of the internal auditor can prevent fraudulent actions.

**Professionalism in fraud prevention**

Professionalism has a positive and significant effect on fraud prevention. This is indicated by the p-values <0.05, which is 0.000 so that the second hypothesis (H2) is accepted. The results showed that the higher the professionalism of the internal auditors, the higher the prevention of fraud that occurred in Rural Banks. The results of this study are in line with attribution theory which explains that there are behaviors related to individual attitudes and characteristics, which can be known by looking at a person's behavior and can also predict his behavior in dealing with certain situations. Professionalism is an internal factor (dispositional attributions) that encourages internal auditors to prevent fraud. Professionalism is one of the personality variables which is defined as the ability, expertise, and commitment of the profession in carrying out their duties accompanied by the principles of prudence, thoroughness, accuracy, and guided by standards and regulations. Internal auditors who have a professional attitude are expected to strive to anticipate any irregularities that may occur and can provide advice that helps in preventing fraud. The results are consistent with Widaningsih & Hakim (2015); Sulistyowati & Supriyati (2015); Windasari & Juliarsa (2016); Atmaja (2016); Biksa & Wiratmaja (2016); Said & Munandar (2018); Astuti & Sormin (2019); Bayuandika & Mappanyukki (2021). The professionalism of the internal auditors in preventing fraud at Rural Banks by participating in self-development programs such as in-house training, seminars, comparative studies with other Rural Banks as well as education/training organized by the Rural Banks themselves and from external parties regularly. The ability to communicate well among co-workers, superiors, and outsiders is very important in maintaining a professional attitude and building a good work environment. Thus, the professionalism of the internal auditor can prevent fraud.

**Experience in fraud prevention**

Experience has a positive and significant effect on fraud prevention. This is indicated by the p-values <0.05, which is 0.010 so that the third hypothesis (H3) is accepted. The results of the study show that the more experience the internal auditors have in carrying out their duties, the higher the fraud prevention can be at Rural Banks in the Province of Bali. The results are in line with attribution theory which explains the process of how we determine the causes and motives of a person's behavior, which will be determined whether from internal, external factors or a combination of both. Experience is an internal factor that can give us an explanation and understanding of someone's behavior. The experience of internal auditors will continue to increase along with the increasingly complex work or tasks carried out, especially in preventing fraud, this experience can make it easier for the auditor to find indications of fraud committed by others. The results of this study are consistent with Sulistyowati & Supriyati (2015); Biksa & Wiratmaja (2016); Atmaja (2016); Andriyanti & Latrini (2019); Kiswanto &
Maulana (2019); Sukesi (2019); Narayana & Ariyanto (2020). The experience of internal auditors, which is reflected in the number of jobs, can provide opportunities to learn whether from failures or successes that have been experienced. A person who has worked for a long time in the same field, in this case as an internal auditor of Rural Banks, will be more capable and proficient in understanding and resolving obstacles in carrying out his duties. If an indication of fraud occurs in the work environment, it will be identified quickly so that prevention and control measures that should be carried out based on previous experience can be implemented. Thus, the experience of internal auditors can prevent fraud.

**Independence on fraud prevention with organizational culture as a moderating variable**

Based on the analysis of path coefficients, a higher organizational culture can increase the influence of the independence of internal auditors on fraud prevention. This is indicated by the p-values <0.05, which is 0.000 and has a positive value so that the fourth hypothesis (H4) is accepted. The results of this study are in line with the explanation of the Theory of Planned Behavior which assumes that an individual is rational enough to use the available information and consider the consequences of his actions before the following behavior or not. Organizational culture is an external factor (normative values) in the form of a value system that is believed by all employees and is used as a reference to achieve company goals which will shape employee perceptions (subjective norm). Organizational culture can play a role in helping to create a sense of belonging to the organization, creating an emotional attachment between the organization and employees, and finding patterns of behavioral guidelines as a result of the customary norms that are formed in the daily life of each employee to achieve company goals. The organizational culture also encourages the internal auditor’s intention to always uphold the attitude of independence in preventing fraud and audit assignments. The company motivates to actively take every opportunity that exists and encourages initiative and creativity in doing work. The Theory of Planned Behavior is strengthened by the results of this study which confirms that organizational culture increases the intention of internal auditors to uphold an attitude of independence in an effort to prevent fraud (Linnenluecke & Griffiths, 2010; Purnamasari & Amaliah, 2015).

**Professionalism in fraud prevention with organizational culture as a moderating variable**

Based on the analysis of path coefficients, a higher organizational culture can increase the influence of internal auditor professionalism on fraud prevention. This is indicated by the p-values <0.05, which is 0.000 and has a positive value so that the fifth hypothesis (H5) is accepted. The results of this study are also in line with the explanation of the Theory of Planned Behavior which assumes that an individual is rational enough to use the available information and consider the consequences of his actions before the following behavior or not. Organizational culture is an external factor (normative values) in the form of a value system that is believed by all employees and is used as a reference to achieve company goals which will shape employee perceptions (subjective norm). Organizational culture
can play a role in helping to create a sense of belonging to the organization, creating an emotional attachment between the organization and employees, and finding patterns of behavioral guidelines as a result of the customary norms that are formed in the daily life of each employee to achieve company goals. Internal auditors who apply a good organizational culture will maintain an attitude of independence in carrying out their work, especially in terms of fraud prevention, this is because organizational culture creates the perception of internal auditors to be able to maintain a professional attitude, namely being honest, having a professional commitment in carrying out their duties accompanied by the principle of prudence, thoroughness, accuracy that is guided by the standards and regulations. The Theory of Planned Behavior is reinforced by the results of this study which confirms that organizational culture encourages internal auditors' intentions to maintain a professional attitude in an effort to prevent fraud.

**Experience in fraud prevention with organizational culture as a moderating variable**

Based on the analysis of path coefficients, a higher organizational culture can increase the influence of internal auditor experience on fraud prevention. This is indicated by the p-values <0.05, which is 0.004 and has a positive value so that the sixth hypothesis (H6) is accepted. The results of this study are also in line with the explanation of the Theory of Planned Behavior which assumes that an individual is rational enough to use the available information and consider the consequences of his actions before the following behavior or not. Organizational culture can play a role in helping to create a sense of belonging to the organization, creating an emotional attachment between the organization and employees, and finding patterns of behavioral guidelines as a result of the customary norms that are formed in the daily life of each employee to achieve company goals. Organizational culture assures internal auditors that based on the many experiences that internal auditors have in their previous work, it will make it easier to prevent fraud, internal auditors have a deep understanding to identify and prevent fraud and provide appropriate recommendations based on their experience. Experience at least will provide an overview of things that need special attention, especially those that lead to fraud. The Theory of Planned Behavior is strengthened by the results of this study confirming that organizational culture can increase the perception/intention of internal auditors based on their experience in preventing fraud.

**Research limitations**

The study was conducted during the COVID-19 pandemic, so the duration of the interview and the number of informants were limited. The researcher only uses the variables of independence, professionalism, experience, and organizational culture as fraud prevention factors and the respondents of this study are limited to bank internal auditors.
Conclusion

The independence, professionalism, and experience of internal auditors are known to have a positive influence on fraud prevention at Rural Banks in Bali Province and organizational culture can strengthen their influence. Rural Banks must be committed so that there is no conflict of interest or intervention in the implementation of the duties of the internal auditors. In addition, all recommendations from internal auditors must be followed up properly so that company goals can be achieved. The existence of a conflict of interest can cause internal auditors to lose their independence in carrying out their duties. Management of Rural Banks is also expected to have an effective recruitment procedure, aiming to provide a complete and accurate description of the track record of prospective employees. Rural Bank's internal auditors must be able to separate personal interests from work interests, respect each other's work done by other colleagues, always arrive on time, and be disciplined, and it is hoped that previous experience factors can improve decision-making abilities. This study uses the fraud triangle model, it is hoped that further research will use the fraud prevention model: the fraud pentagon or the fraud hexagon.

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