

FRAUD PREVENTION STRATEGIES IN INDONESIAN MSMEs: THE SIGNIFICANCE OF HONESTY AND INTERNAL CONTROL FACTORS

Dwi Rahayu^{1*}, Rudy Hartanto², Iis Rohayati³, Reni Harni⁴

^{1,3,4}Universitas Sali Al-Aitaam, Bandung, Indonesia

²Universitas Islam Bandung, Bandung, Indonesia

[*dr.dwira@gmail.com](mailto:dr.dwira@gmail.com)

*Corresponding Author

Received: 13-06-2024

Revised: 24-06-2024

Approved: 27-06-2024

ABSTRACT

This study highlights the role of honesty and internal control in preventing fraud in Micro, Small, and Medium Enterprises (MSMEs) in Indonesia. MSMEs are an important pillar in the national economy, but face challenges such as poor management, limited human resources, and fraud. This study examines the impact of a culture of honesty and the implementation of effective internal controls to reduce fraud risk. The sample consisted of 150 MSMEs. Testing was performed using SmartPLS. The results show that honesty and good internal control can increase the reliability of financial information, operational efficiency, and consumer trust. In addition, the implementation of internal control, which includes risk assessment, control activities, and information and communication, has proven to be effective in mitigating the risk of fraud. To support MSMEs in moving up in class and achieving sustainable success, the government and other stakeholders must provide management guidance, training, and support programs that focus on increasing honesty and internal control. Thus, MSMEs can be better prepared to face business challenges, reduce the risk of fraud, and contribute more to national economic growth.

Keywords: *Fraud, Honesty, Internal Control, Micro Small and Medium Enterprises, MSMEs*

INTRODUCTION

Economic growth is crucial for a country due to business activities. Business activities are generally conducted by both large and small companies. In Indonesia, the economy is supported by the activities of Micro, Small, and Medium Enterprises (MSMEs) (Halim, 2020). According to Indonesian Government Regulation No. 7 of 2021, a micro-enterprise is a form of productive business owned by private entities or individuals that meets specific criteria stipulated in the micro-enterprise law. A small business is an independent economic entity, not a subsidiary or affiliate of other companies, with criteria defined by law. A medium-sized enterprise is an independent productive business managed by individuals or companies, not a subsidiary or branch of a large company, with assets or annual sales according to the law's provisions.

MSMEs are often considered a crucial sector for the country because they can support the economic recovery process by improving public welfare, driving economic growth, and creating jobs. In Indonesia, the role and contribution of MSMEs are substantial. The following are data on the growth of MSMEs in Indonesia from 2015 to 2019:

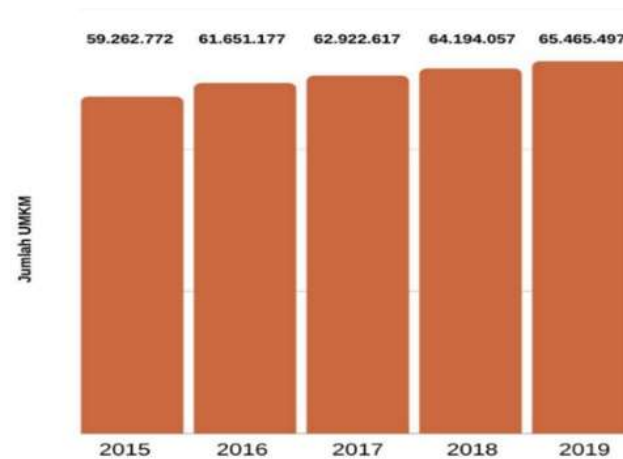


Figure 1. Data on MSME Growth 2015-2019

Source: Ministry of Cooperatives and MSMEs of the Republic of Indonesia, 2020

The data above shows that MSMEs in Indonesia have experienced significant growth from year to year. The Ministry of Cooperatives and SMEs hopes that MSMEs can develop, advance, and scale up their businesses from small to medium or even large, often referred to as "upgrading" (Pariyem et al., 2020). There are three main approaches to encouraging MSMEs to upgrade: first, the productivity approach, which focuses on improving entrepreneurial and business skills; second, increasing access to business capital and changing sources of capital; third, government intervention through economic measures, allowing MSMEs to graduate from assistance programs (Remmang, 2021).

However, in their development, MSMEs face challenges such as poor management, unqualified human resources, and lack of management guidance (Widiastuti et al., 2019). The most significant factor hindering the development of MSMEs is fraudulent activities (Joycelin et al., 2022). Fraud is behavior conducted by individuals or groups intending to gain benefits that harm others, which can occur in the business world and authorities, including MSMEs (Sadewo & Setyorini, 2018).

Fraud is often committed by employees who do not adhere to a culture of honesty. Honesty is the truth that encompasses the alignment between words, actions, feelings, and reality (Rahayu, 2024). Honest people enhance both physical and mental peace and health (Suud, 2017). The Prophet Muhammad SAW also stated that honesty leads to goodness, and goodness leads to paradise. In Padang in November 2022, there was a case where MSME operators were dishonest for substantial profit, resulting in customer dissatisfaction. Honesty and transparency in business are considered essential for success (Muhammad & Sukanto, 2020). Besides honesty, a lack of internal control can also lead to fraud. Internal control involves systems, processes, procedures, and policies designed to protect an institution's assets and ensure accurate accounting information (Putra & Manaf, 2021).

Internal control aims to protect assets, ensure the reliability of financial information, promote operational efficiency, prevent abuse, and ensure compliance with applicable regulations and policies. Good internal control will strengthen MSMEs' management readiness and reduce the risk of errors and fraud (Absari et al., 2023). In October 2022, the Regional Development Planning Agency (Bappeda) of East Kalimantan Province drafted development policy documents on inclusive and sustainable economic transformation and digital transformation for cooperatives and

MSMEs to facilitate competition in the digital era. These recommendations aim to increase the contribution of cooperatives and MSMEs in advancing the economy and public welfare.

Research shows that although internal control has been implemented in many MSMEs, some still need proper control. With internal control, appropriate policies, training, and supervision, MSMEs can detect fraud early, increase employee compliance, and prevent fraud (Absari et al., 2023). Previous research has focused heavily on financial reports and MSME development strategies, showing that financial reports in MSMEs are still simple and not by Financial Accounting Standards (SAK) (Prasanti et al., 2023; Sulistyowati, 2017). The development of MSMEs also requires quality human resource management and internal control systems to prevent fraud. Therefore, research on the influence of honesty and internal control on fraud prevention is crucial to helping MSMEs upgrade and achieve sustainable success.

LITERATURE REVIEW

According to Singleton & Singleton (2010), fraud is a broad term that encompasses various methods by which human intelligence is used to exploit the mistakes of others. There are no fixed and definite rules in defining fraud in general because it involves elements such as surprise, deception, unexpected methods, and unfair actions. Any form of action that uses surprise, deception, unexpected methods, and behavior considered unfair by others can be categorized as fraud (Rahayu, 2023).

According to Singleton & Singleton (2010), fraud is intentional deception in the management and reporting of assets to provide benefits for certain individuals or groups (Arthana, 2019). This fraudulent act is rooted in dishonesty, ultimately harming others to fulfill personal desires (Hartanto, 2023). This dishonesty often leads to manipulation and various other forms of fraud. There is no uniform rule that can define fraud in general, so the only way to identify fraud is by limiting dishonest behavior within individuals (Bolton & Hand, 2002).

Fraud can occur anytime there is an opportunity. According to Hall & Singleton (2007), there are three types of fraud, each with different characteristics and modes of operation. Financial reporting fraud is a type of fraud usually committed by company management. This fraud occurs when financial reports are dishonestly prepared to provide financial benefits, either directly or indirectly, to the perpetrator. For instance, management may manipulate figures in financial reports to show better performance than reality, aiming to attract investment or secure higher bonuses. The second type of fraud is corruption, which involves actions such as conflicts of interest, bribery, extortion, and unauthorized gifts. Corruption is often committed by public officials or employees in power, exploiting their positions for personal gain or for others by breaking the law. For example, an official may accept a bribe to award a government contract to a certain company or use their position to extort others for personal gain.

Third, asset misappropriation is a type of fraud usually committed by employees. This includes various dishonest actions such as embezzlement of funds, fraud in transactions, and data manipulation through computers. In this case, an employee might alter, delete, or add false transactions to divert assets to themselves. For example, a finance employee might falsify transaction evidence to steal money from the company. By understanding these three types of fraud, companies, and organizations can be more vigilant against various forms of fraud and take appropriate preventive measures to protect themselves from serious financial and reputational losses.

To prevent new or recurring fraud, fraud prevention measures are necessary. Fraud prevention is the act of eliminating the root causes of fraud itself (Amrizal, 2004). This aligns with Sudarmanto's (2020) opinion, stating that fraud prevention aims to eliminate the possibility or opportunity for fraud through the development and implementation of risk management, internal control, and good and honest corporate governance. Fraud prevention includes steps taken by an institution or company to prevent fraud, with the aim of avoiding financial losses that may result from such actions (Hartanto et al., 2024).

Fraud detection is usually done after prevention efforts fail, and fraud must be classified immediately once detected (Bolton & Hand, 2002). Therefore, continuous fraud detection is necessary because fraudulent acts still occur. Dimensions and indicators are used to measure the effectiveness of fraud prevention in research. According to Amrizal (2004) and Sow et al. (2018), the dimensions of fraud prevention include:

1. Creating a culture of honesty, openness, and mutual assistance. The most effective strategy to prevent fraud is through the implementation of anti-fraud programs and controls based on the company's core values. These values form a culture that promotes honesty, openness, and cooperation among members of the organization or company. The implementation of company values, team success, and anti-fraud control programs are indicators of this dimension's success.
2. Honest recruitment processes: A positive control environment and acceptance start from a strict and effective recruitment process aimed at reducing the chances of hiring and promoting individuals with low levels of honesty. The honesty of the recruitment process can be seen from the details of employee acceptance.
3. Fraud awareness: Training designed to provide participants with a comprehensive understanding of the steps and strategies for detecting and preventing fraud in the workplace. This aims to protect the company's assets and reputation. Fraud awareness can be measured by employee responsibility.
4. Positive work environment: Research shows that violations occur less frequently when employees have positive feelings toward their superiors. A comfortable and positive workplace can boost morale and reduce the likelihood of employees committing fraud. Indicators of this dimension include recognition of employee performance, performance reward systems, and employee compensation.
5. Clear, understandable, and adhered to code of ethics. A code of ethics that aligns with human morality and moral principles applied in specific activities. Building a culture of honesty and openness cannot be achieved without rules of conduct and a code of ethics followed by sanctions for violations. This is evident from the enforcement of behavior rules, codes of ethics, and sanctions in the employee environment.
6. Assistance programs for employees facing difficulties. Companies should assist employees experiencing difficulties to prevent fraud or misuse of company funds. Support and solutions provided can help employees cope with economic problems, thus reducing company losses due to fraud. This indicator can be seen from the company's efforts in helping employees economic problems.
7. Sanctions for all forms of fraud. Companies must enforce sanctions by designing and implementing regulations related to fraudulent acts. The goal is to reduce deviant behavior within the company and deter individuals from planning or committing fraud. Indicators are the sanctions for committed fraud.

Fraud prevention can be done by cultivating honesty. Honesty is a state where someone acts truthfully, reveals the truth, and has sincerity of heart, which can be seen and measured through concrete actions. Honesty means doing what we say and saying what we do. It is an attitude based on a high moral conscience, recognition of equal rights and responsibilities, and fear of mistakes and sins (Nizar, 2018). Oktafiani (2021) adds that the essence of honesty involves conveying everything according to reality, whether through words, writing, gestures, or other actions. Honesty must encompass all activities of each individual, from intention to execution, in speech, writing, testimony, or other actions.

Honesty can be defined as an attitude and behavior that is truthful, does not lie, does not commit fraud, and dares to admit mistakes. Honesty is one of the noble traits or commendable morals derived from sincerity and purity of heart, creating harmony between what is said, done, and felt. Dimensions and indicators are used to measure honesty in research. According to Nafisa (2020), the dimensions of honesty include:

1. Receiving: A person's response to external stimuli, such as problems, symptoms, or situations, where their behavior in conveying something is always in accordance with reality.
2. Responding: The reaction given by a person to external stimulation, shown through the behavior of admitting mistakes.
3. Evaluation: Giving value or appreciation to an activity or object, so that when the activity is not carried out, it is considered to cause loss or regret. This is evident from the behavior of not lying and not manipulating information.
4. Organization: The ability to form a value system as a guide in life, shown by following existing regulations.
5. Characterization by a value or value complex: Reflecting on everyday values so that these values become real guidelines in various aspects of life. This is seen in making honesty a daily necessity in activities.

Research by Syamsuddin and Wahyudi (2022) reveals that the trait of trustworthiness in a person, which arises from honesty and the responsibility given by superiors, positively influences fraud prevention. When fraud occurs, it results in the revocation of rights, wastefulness, inefficiency, and rampant white-collar crime. Arthana (2019) emphasizes the need for employees and companies to implement honest behavior to prevent fraud. Additionally, honesty is a positive and noble moral character because honesty reflects a person's decision not to manipulate or deceive others for personal gain. According to Oktafiani (2021), honesty is behavior that strives to be an individual who is always trustworthy in words, actions, and work, both towards oneself and others. Research by Harahap and Habra (2021) and Sow et al. (2018) shows that honesty influences fraud prevention through a culture of honesty and high integrity, as well as proper control processes.

H₁ = Honesty influences fraud prevention

Besides honesty, MSMEs need to implement internal control. Internal control is a process conducted by management within a company organization to provide reasonable assurance regarding the effectiveness and efficiency of operations, the reliability of financial reporting, and compliance with applicable regulations and laws (COSO, 2013). Internal control can only provide reasonable assurance, not an absolute assurance (HS et al., 2023). This means that even if internal control is well designed and managed, there are still limitations in ensuring that internal control objectives are achieved. Even with an optimal internal control design, its success depends on various

factors and limitations in its implementation, influenced by many different constraints (Yuniawati et al., 2023).

According to Hayes et al. (2017), internal control is a process influenced by management and employees within an economic entity, aimed at providing reasonable assurance related to achieving objectives in categories such as operational efficiency and effectiveness and financial reporting reliability. Additionally, Kumaat (2011) states that internal control is a prerequisite for an adequate accounting system, enabling company accountants to provide financial information to every level of management, owners or shareholders, creditors, and other financial report users, which can be used as a basis for financial decision-making. The dimensions and indicators used to measure internal control in research according to COSO (2013) are as follows:

1. **Control Environment:** Management's responsibility to explain the values of integrity and unethical behavior that are not tolerated. The control environment reflects a commitment to integrity, ethical values, competence, and the establishment of structure, authority, and responsibility.
2. **Risk Assessment:** Companies must identify and analyze the factors causing business risks and determine how to manage those risks. Risk assessment is seen from the setting of appropriate objectives and the identification and assessment of changes that might affect internal control.
3. **Control Activities:** Management must develop policies and procedures to identify specific risks faced by the company to reduce the likelihood of fraud. Control activities involve the selection and development of control activities and their implementation through policies and procedures.
4. **Information and Communication:** The internal control system must communicate and inform all company employees, from top management to the lowest levels. Information and communication must use appropriate information and effective communication.
5. **Monitoring Activities:** The internal control system must be regularly monitored. If serious deficiencies occur, they must be immediately reported to superiors. Monitoring involves selecting, executing, and developing continuous evaluations as well as evaluating and communicating internal control deficiencies.

As companies grow, internal control becomes very important for company operations as it is designed to protect company assets from fraud, theft, and unauthorized procedures, provide reliable financial information, and ensure that all employees comply with administrative regulations and legal requirements (Ansori & Kuntadi, 2022). Research by Rafsanjani and Maemunah (2022) shows that one of the factors in fraud prevention is the internal control system of the company. A good control system facilitates secure business operations and predicts undesirable events, such as asset misuse and accounting fraud committed by employees or external parties.

Research by Mukoffi et al. (2023) supports that internal control affects fraud prevention, as the more effective the implementation of the internal control system, the lower the likelihood of fraud. From here, it can be concluded that internal control affects fraud prevention.

H₂ = Internal control influences fraud prevention

RESEARCH METHODOLOGY

Research Object

According to Sugiyono (2011), the definition of a research object is a

characteristic, attribute, or value of a person, object, or activity with specific variations determined by the researcher to be studied and then concluded. The research object is something targeted by the research to provide a depiction of scientific objectives and to draw conclusions in order to obtain information and data for specific purposes and uses. The objects of this study are Honesty (X1), Internal Control (X2), and Fraud Prevention (Y).

Definition and Measurement of Research Variables

Independent variables, also known as free variables, influence changes in the dependent variables (Sugiyono, 2011). According to Hardani et al. (2020:399), independent variables cause or theoretically can influence other variables. To understand the measurements used in this research more clearly, an operational variable table will be organized. Below is the table that outlines the operationalization of variables.

Table 1. Operationalization of Variables

Variable	Dimension	Indicator
Honesty (X1)	Receiving	Always conveying something according to the actual situation
	Participation	Courage to admit mistakes made
	Evaluation	Not lying, not manipulating information
	Organization	Following existing regulations
	Formation of Life Pattern	Making honesty a necessity
Internal Control (X2)	Control Environment	1. Showing commitment to integrity, ethical values, and competence 2. Establishing structure, authority, and responsibility
	Risk Assessment	1. Setting appropriate objectives 2. Identifying and assessing changes that may affect internal control
	Control Activities	1. Selection and development of control activities 2. Implementation through policies and procedures
	Information and Communication	1. Using appropriate information 2. Good communication
	Monitoring Activities	1. Selecting, performing, and developing continuous evaluations 2. Evaluating and communicating internal control deficiencies
Fraud Prevention (Y)	Create a climate of honesty, openness, and mutual help	Implement company values, team success, and anti-fraud control programs
	Honest recruitment process	Detailed employee recruitment process
	Fraud awareness	Compliance with responsibilities
	Positive work environment	Recognition of employee performance, performance reward systems, and employee compensation
	Clear, easy-to-understand, and followed code of ethics	Enforcement of behavior rules, code of ethics, and sanctions for violations within the employee environment

Variable	Dimension	Indicator
	Employee assistance programs for those in need	Addressing employees' economic problems
	Sanctions for all forms of fraud	Sanctions for fraud

Sources and Data Collection Techniques

The data used in this study is primary data. Primary data refers to data sources that directly provide data to the data collector (Sugiyono, 2011). According to Sekaran and Bougie (2016), primary data is firsthand information the researcher obtains regarding the variables studied to achieve research objectives. This data will be collected and processed through the distribution of questionnaires to MSME employees in Bandung.

The data collection technique is the most strategic research stage, with the main goal being data collection. With knowledge of data collection techniques, a researcher will obtain data that meets the applicable data standards (Sugiyono, 2011). This study uses data collection techniques in the form of distributing questionnaires. A questionnaire is a data collection technique where the researcher provides a list of statements or written statements to be responded to by the respondents.

Population and Sample

Population refers to a generalization area of objects or subjects with certain qualities and characteristics determined by the researcher to be studied and concluded (Sugiyono, 2011). The population used in this study consists of 369 MSMEs in Bandung. A sample is a part of the population formed by the researcher (Sekaran & Bougie, 2016). The sampling method used in this study is non-probability sampling with a purposive sampling technique. The criteria used in purposive sampling for this study are employees who are currently working in MSMEs, have a minimum of 1 year of work experience, and the business has at least 4-5 employees. To determine the sample size, the rule of thumb is used, which states that the sample size should be several times (10 times) larger than the number of variables (Sekaran & Bougie, 2016). The sample in this study consists of 150 MSMEs respondents.

Data Analysis Technique

The data analysis technique is the most strategic step in research because the main goal of the research is to obtain data (Sugiyono, 2011). Data analysis in this study uses the Partial Least Square (PLS) method with SmartPLS 3.0 software. PLS is a Structural Equation Modeling (SEM) method, which is more advantageous than other SEM techniques. Partial Least Square (PLS) can confirm theories and explain whether there are relationships between latent variables.

RESULTS AND DISCUSSION

Descriptive Analysis

The number of respondents collected in this study is 150 people. The data below displays the respondents from MSME employees.

Table 2. Descriptive Statistics of Respondents

Description	Details	Quantity	Percentage (%)
Gender	Male	93	62%
	Female	57	38%
Department	Finance	63	42%
	Non-Finance	87	58%
Masa Kerja	<5 Years	123	82%
	5-10 Years	21	14%
	>10 Years	6	4%

Based on Table 2, out of 150 respondents who are MSME employees in Bandung, 93 (62%) are male, and 57 (38%) are female. In the respondents' departments category, 63 people (42%) were in the finance department, and 87 (58%) were in non-finance departments. For the work period category, 123 people (82%) have worked as MSME employees for less than 5 years, 21 people (14%) for 5 to 10 years, and only 6 people (4%) for more than 10 years.

Outer Model Testing

Several stages of testing are conducted in the outer model testing, including Reliability Tests using Cronbach's Alpha (CA) and Composite Reliability (CR), and Validity Tests using Average Variance Extracted (AVE). Additional tests include multicollinearity tests (variance inflation factor (VIF)) and Discriminant Validity tests. The results of the entire outer model testing are as follows:

Table 3. CA, CR, AVE, VIF Test Values

Factor	CA	CR	AVE	VIF
Honesty	0.900	0.918	0.529	
X1.1.1				2,776
X1.1.2				1,721
X1.2.1				3,765
X1.2.2				2,343
X1.3.1				4,314
X1.3.2				3,275
X1.4.1				9,620
X1.4.2				8,162
X1.5.1				3,264
X1.5.2				3,797
Internal Control	0.891	0.914	0.574	
X2.1.1				4,401
X2.1.2				3,162
X2.2				3,965
X2.3.1				3,882
X2.3.2				4,101
X2.4.1				2,891
X2.4.2				2,979
X2.5				2,940
Fraud Prevention	0.928	0.939	0.564	

Factor	CA	CR	AVE	VIF
Y.1.1				2,657
Y.1.2				1,474
Y.2.1				4,177
Y.2.2				4,727
Y.3				2,706
Y.4.1				3,587
Y.4.2				3,360
Y.5.1				2,766
Y.5.2				3,530
Y.6				2,297
Y.7.1				4,227
Y.7.2				4,949

Table 4. Discriminant Validity Test Results

Variable	Honesty	Fraud Prevention	Internal Control
Honesty	0,728		
Fraud Prevention	0,654	0,751	
Internal Control	0,721	0,666	0,758

Inner Model Testing

Inner model testing in SmartPLS 3.0 involves determining the value of the Coefficient of Determination using the R-square (R²) function. The results of the R² test are shown in Table 4. An R-square value of 0.860 indicates that honesty and internal control influence fraud prevention by 86%, while the remaining 14% is influenced by other variables not examined in this study.

Hypothesis Test Results

Hypothesis testing in this study uses the Bootstrapping function in SmartPLS 3.0, a t-test within the Partial Least Square framework. A hypothesis is accepted if the t-value is greater than the t-table value. The t-table value is 1.96 at a 5% significance level. If the significance value is greater than 1.96, the hypothesis is accepted, and if it is less than 1.96, the hypothesis is rejected.

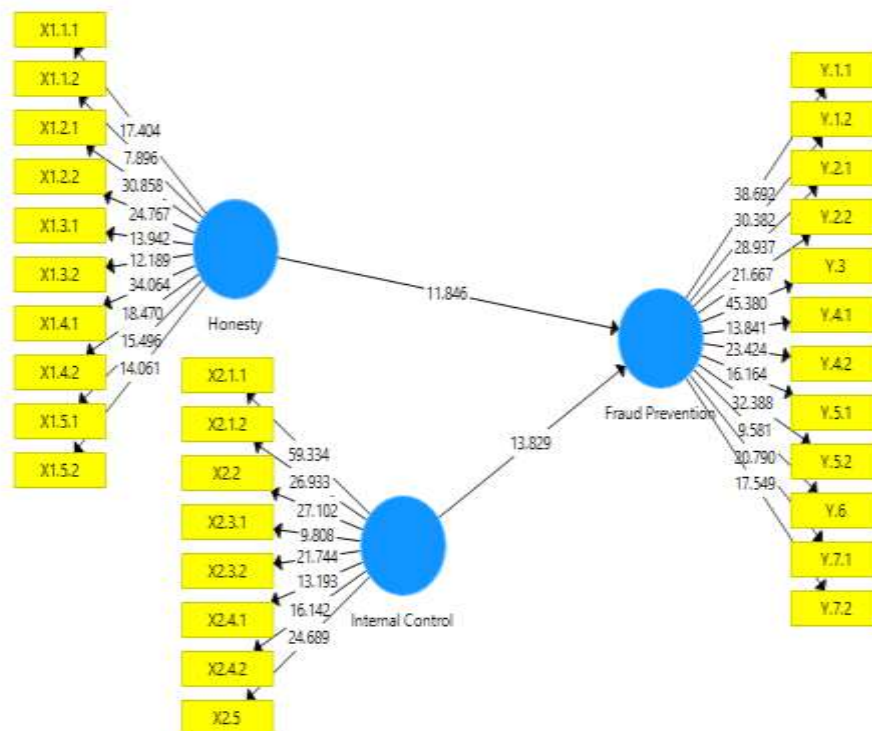


Figure 2. Research Model Structure

Table 5. Regression Results

Hypothesis	B	STDEV	T Statistics	p-value	Result
Honesty -> Fraud Prevention	0,478	0,044	10,883	0,000*	Accepted
Internal Control -> Fraud Prevention	0,522	0,040	13,050	0,000*	Accepted
R2	0.860				
Q2	0.449				
*sig < 0.05					

The results indicate that if MSMEs implement behavioral rules and codes of ethics that foster a culture of honesty and openness, employees will act honestly in their work, leading to a sense of security among them. This finding aligns with the research by Sow et al. (2018), which shows that honesty has a positive and significant effect on fraud prevention. Similarly, Syamsuddin and Wahyudi (2022) found that honesty positively influences fraud prevention as it deters individuals from engaging in fraudulent activities. Additionally, Harahap and Habra (2021) demonstrated that employees' honesty in their work positively impacts fraud prevention.

The impact of internal control on fraud prevention is consistent with Rafsanjani and Maemunah's (2022) findings, which indicate that internal control has a significant positive effect on fraud prevention, as effective internal control facilitates secure handling. This is supported by research from Mukoffi et al. (2023) and Sow et al. (2018), showing that internal control positively influences fraud prevention. Effective internal control enables the identification and prevention of fraud, thereby reducing its likelihood through proper integration.

CONCLUSION

This study highlights the importance of honesty and internal control in preventing fraud within SMEs (Small and Medium Enterprises) in Indonesia. SMEs play a crucial role in the national economy, significantly contributing to job creation and societal welfare. However, challenges such as poor management, unqualified human resources, and fraud remain significant obstacles to the development of SMEs. Fraud in SMEs often occurs due to a lack of a culture of honesty and weak internal controls. Fraud, including financial statement manipulation, corruption, and asset misuse, can damage the company's reputation and consumer trust. Honesty is key to creating a healthy business environment as it fosters peace and well-being, both physically and mentally, and supports good business relationships. Effective internal control is also essential for protecting company assets, ensuring the reliability of financial information, and promoting operational efficiency.

Implementing good internal controls, including risk assessment, control activities, information and communication, and supervision, can reduce the risk of fraud and enhance employee compliance. Moreover, creating a corporate culture that encourages honesty, transparency, and cooperation among organizational members can help prevent fraud. This study shows that although many SMEs have implemented internal controls, weaknesses still need to be addressed. To support SMEs in scaling up and achieving sustainable success, the government and other stakeholders must provide management guidance, training, and support programs focusing on improving honesty and internal control. Consequently, SMEs will be better prepared to face business challenges, reduce the risk of fraud, and contribute more significantly to national economic growth.

REFERENCES

- Absari, S. A., Mawardi, M. C., & Fakhriyyah, D. D. (2023). Analisis Penerapan Pengendalian Internal Dalam Mendeteksi Serta Mencegah Kemungkinan Adanya Tindakan Fraud Pada UMKM. *e_Jurnal Ilmiah Riset Akuntansi*, 12(02), 1285-1297.
- Amrizal. (2004). *Pencegahan dan Pendeteksian Kecurangan oleh internal auditor*.
- Ansori, D. Y., & Kuntadi, C. (2022). Pengaruh Sistem Informasi Akuntansi, Sistem Pengendalian Internal dan Penerapan Good Corporate Governance dalam Upaya Pencegahan Kecurangan (Fraud). *Jurnal Multidisiplin Indonesia*, 1(1), 349-354.
- Arthana, I. K. (2019). Analisis Faktor-Faktor Terjadinya Kecurangan (Fraud) Dalam Pengelolaan Dana Desa Pada Kecamatan Amabi Oefeto Timur. *Jurnal akuntansi: transparansi dan akuntabilitas*, 7(1), 35-43.
- Bolton, R. J., & Hand, D. (2002). Statistical fraud detection: A review. *Statistical science*, 17(3), 235-255.
- COSO. (2013). *Internal control-Integrated framework: Executive summary*.
- Halim, A. (2020). Pengaruh pertumbuhan usaha mikro, kecil dan menengah terhadap pertumbuhan ekonomi kabupaten mamuju. *jurnal ilmiah ekonomi pembangunan*, 1(2), 157-172.
- Hall, J. A., & Singleton, T. (2007). *Audit dan assurance teknologi informasi*. Salemba Empat.
- Harahap, J. P. R., & Habra, M. D. (2021). Analisis Pencegahan Kecurangan Akuntansi Dalam Mengelola Dana Desa Pada Desa Melati Ii Kecamatan Perbaungan. *Jurnal Riset Akuntansi Dan Bisnis*, 21(1), 32-45.

- Hartanto, R. (2023). Pengaruh Political Connections dan Foreign Ownership terhadap Kecurangan Laporan Keuangan Perbankan di Indonesia. *Owner: Riset dan Jurnal Akuntansi*, 7(3), 2141-2149.
- Hartanto, R., Sukarmanto, E., Rahayu, D., Aulia, A. T., & Puspita, N. D. (2024). Peran Struktur Tata Kelola dalam Mencegah Kecurangan Internal di Perbankan Indonesia. *Jurnal Akuntansi Berkelanjutan Indonesia (JABI)*, 7(1), 52-63.
- Hayes, R., Wallage, P., & Gortemaker, H. (2017). *Prinsip-prinsip pengauditan*. Salemba Empat.
- HS, W. H., Salsabila, M., & Harahap, N. (2023). Penerapan Sistem Informasi Akuntansi. *Jurnal EMT KITA*, 7(2), 317-324.
- Joycelin, J., Alex, A., Liu, M. S., Marliana, S. E., Shelvi, S., & Lulita, N. B. (2022). Analisis Manajemen Risiko Pada Bidang Usaha Kuliner Seoul Cafe. *Jurnal Mirai Management*, 7(3), 228-244.
- Kumaat, V. G. (2011). *Audit Internal*. Erlangga.
- Muhammad, N., & Sukamto, S. (2020). *Strategi dan Implementasi Penguatan Bisnis UKM*. Yayasan Pesantren Kontenporer Al-Hilmu.
- Mukoffi, A., Sulistiyowati, Y., & Reda, R. I. (2023). Pengaruh Audit Laporan Keuangan, Penerapan Good Governance, Dan Peran Internal Audit Terhadap Kualitas Laporan Keuangan. *Liabilities*, 6(2), 12-20.
- Nafisa, M. B. (2020). *Pengembangan Instrumen Penilaian Sikap Jujur Pada Pembelajaran Bahasa Prancis Berbasis Kurikulum 2013 di SMA Negeri 2 Wonosobo Universitas Negeri Yogyakarta*. Yogyakarta.
- Nizar, M. (2018). Prinsip Kejujuran Dalam Perdagangan Versi Islam. *Jurnal Istiqro*, 4(1), 94-102.
- Oktafiani, E. (2021). Penanaman Karakter Religius dalam Pembelajaran Akidah Akhlak pada Peserta Didik. *Industry and Higher Education*, 3(1), 1689- 1699.
- Pariyem, P., Widiyanto, W., & Sakitri, W. (2020). Variabel Determinant Pengembangan Usaha Mikro, Kecil, Dan Menengah Di Pasar Srandol. *Economic Education Analysis Journal*, 9(1), 316-331.
- Prasanti, S., Hendri, N., & Kurniawan, A. (2023). Analisis Penerapan Pencatatan Keuangan Berbasis SAK EMKM Pada Usaha Mikro Kecil Menengah (UMKM) Ai Your Lash Beauty Salon Kota Metro. *Jurnal Akuntansi AKTIVA*, 4(1), 30-36.
- Putra, K. A. S., & Manaf, S. (2021). Peran Sistem Informasi Akuntansi Dalam Pengendalian Internal Persediaan Bahan Baku Pada PT. Indopintan Sukses Mandiri Semarang. *Jurnal Ekonomi Manajemen Akuntansi*, 27(1), 71-86.
- Rafsanjani, A. Q., & Maemunah, M. (2022). Pengaruh Peran Auditor Internal dan Sistem Pengendalian Internal terhadap Pencegahan Kecurangan. Bandung Conference Series: Accountancy,
- Rahayu, D. (2023). Pengaruh Mekanisme Good Corporate Governance dan Periode Terjadi Covid19 Terhadap Kecurangan Laporan Keuangan Perbankan Indonesia. *Jurnal Ekonomi Manajemen dan Akuntansi (JEMSI)*, 9(3), 762-773.
- Rahayu, D. (2024). Personal Values, Ethical Orientation, and Ethical Behavior in Accounting Students as Prospective Professional Accountants. *Jurnal Ilmiah Akuntansi Fakultas Ekonomi (JIAFE)*, 10(1), 1-12.
- Remmang, H. (2021). *Perencanaan Bisnis UMKM*. Sah Media.
- Sadewo, R. J., & Setyorini, D. (2018). Pengaruh Pengendalian Internal Dan Kepuasan Kerja Terhadap Kecurangan Akuntansi Pada Dinas Perindustrian Perdagangan Koperasi Dan Umkm Daerah Istimewa Yogyakarta. . *Jurnal Profita: Kajian Ilmu*

- Akuntansi*, 6(3).
- Sekaran, U., & Bougie, R. (2016). *Research methods for business: A skill building approach*. John Wiley & Sons.
- Singleton, T. W., & Singleton, A. J. (2010). *Fraud auditing and forensic accounting* (Vol. 11). John Wiley & Sons.
- Sow, A. N. G., Basiruddin, R., Mohammad, J., & Rasid, S. Z. A. (2018). Fraud prevention in Malaysian small and medium enterprises (SMEs). *Journal of Financial Crime*, 25(2), 499-517.
- Sudarmanto, E. (2020). Manajemen risiko: deteksi dini upaya pencegahan Fraud. *Jurnal ilmu manajemen*, 9(2), 107-121.
- Sugiyono. (2011). *Metodologi penelitian kuantitatif kualitatif dan R&D* (Vol. 62). Alfabeta.
- Sulistyowati, Y. (2017). Listing Registration of SME Financial Reporting (A Case Studi in Malang). *Jurnal Ilmu Manajemen dan Akuntansi*, 5(2), 49-55.
- Suud, F. (2017). Kejujuran dalam perspektif psikologi Islam: Kajian konsep dan empiris. *Jurnal Psikologi Islam*, 4(2), 121—134-121—134.
- Syamsuddin, & Wahyudi, P. (2022). Pencegahan Fraud Dalam Perspektif Metafora Amanah.
- Widiastuti, C. T., Widyaswati, R., & Meiriyanti, R. (2019). Strategi peningkatan sumber daya manusia kreatif dan inovatif pada UKM batik semarang (studi di Kampung Batik Semarang). *Jurnal Riptek*, 13(2), 124-130.
- Yuniawati, R. I., Fitria, F., Himawan, I. S., Maryadi, A. F., Rahayu, D., Kurniawan, R., . . . Rahmadi, R. (2023). *Akuntansi Manajemen*. Penerbit Widina.