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## THREE CORPORATE CONTROL STRATEGIES AND ACCOUNTING FRAUD

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### Abstrak - Tiga Strategi Pengendalian Perusahaan dan Kecurangan Akuntansi.

**Tujuan Utama** - Penelitian ini berupaya untuk mengetahui dampak tiga strategi pencegahan atas kecurangan akuntansi dapat diminimalisir sekecil mungkin.

**Metode** - Penelitian ini menggunakan uji T sebagai metode. Adapun sampel penelitian adalah 105 karyawan perusahaan.

**Temuan Utama** - Penelitian ini menemukan hingga saat ini masih banyak kasus korupsi dan kecurangan akuntansi. Kasus penggelapan uang tunai dan hilangnya bukti transaksi di dalam perusahaan masih dilakukan oleh karyawan. Kasus lainnya adalah praktik mempercantik laporan keuangan guna meningkatkan kinerja keuangan perusahaan.

**Implikasi Teori dan Kebijakan** - Auditor Internal bertanggung jawab untuk mendukung pencegahan kecurangan akuntansi. Selain itu, adanya pengendalian internal, SOP perusahaan, dan profesionalisme auditor internal dapat mencegah kecurangan akuntansi.

**Kebaruan Penelitian** - Penelitian ini menggabungkan teori agensi, teori segitiga *fraud*, serta *gone theory* dalam mencegah kecurangan akuntansi.

### Abstract - Three Strategies of Corporate Control and Accounting Fraud.

**Main Purpose** - This study seeks to determine the impact of three prevention strategies on accounting fraud that can be minimized as small as possible.

**Method** - This study uses the T-test as a method. The research sample is 105 company employees.

**Main Findings** - This study found that there are still many cases of corruption and accounting fraud. Cases of embezzlement of cash and loss of evidence of transactions within the company are still carried out by employees. Another case is the practice of beautifying financial statements to improve the company's financial performance.

**Theory and Practical Implications** - Internal auditors are responsible for supporting the prevention of accounting fraud. In addition, the existence of internal controls, company's SOP, and the professionalism of internal auditors can prevent accounting fraud.

**Novelty** - This research combines agency theory, fraud triangle theory, and gone theory to prevent accounting fraud.



The high incidence of accounting fraud makes the company must try to be careful to prevent and anticipate it. It will cause a loss for the company not only in terms of finances but also in time and energy. Therefore, the management team needs to think of the right way to prevent accounting fraud from happening in the company. This study focuses on three prevention variables of the formulation of the problem, which are the company's efforts or actions to reduce the occurrence of accounting fraud and the consequences of corruption to create an honest work environment where conveyed information is completely transparent and accountable to the decision-makers.

This current study continues the previous research, namely proprietary research by Fung (2019), Hauser (2019), Krajčovič et al. (2020), Madolidi & Bayunitri (2021), Odukoya & Samsudin (2021), Oyerogba (2021), and Paugam et al. (2021). The theory used as a reference in this research is a combination of theories. Specifically, agency theory, fraud triangle theory, and gone theory. Agency theory states that the company's employment contract relationship with employees and managers is interrelated by giving authority to the duties and obligations of employees for managers to make decisions that will benefit the company and reduce excess costs, including tax costs. Agents will try to find profit for themselves to get bonuses from the company in various ways, for example, committing accounting fraud in the financial report (fraudulent financial). This theory has a preference to trust the management team and employees is difficult because the management team (agents) is assumed to not always act in the interests of shareholders (Riney, 2018). Fraud Triangle theory states that there are three stages to the cause of accounting fraud which are: pressure, opportunity, and rationalization. Yuniarti (2017) argue that someone who commits accounting fraud can be caused by their behavioral intentions or external factors.

People can think about committing fraud because usually, there is enough time and opportunity to do so, which is supported by an intense impulse due to financial pressure carried within a rational mind. Those three combined become one unit (Barker, 2020). The following is an explanation of each accounting fraud triangle: pressure, one's desire to live a better life and escape from a bad economic situation, and the encouragement from the environment for a luxurious lifestyle makes a person feel pressured to fulfill all his desires. Therefore, he commits accounting fraud. Opportunity, weak internal controls, and inadequate management make someone dare to commit accounting fraud, believing that no one will know about his actions, thus making the perpetrators dare to take the opportunity to commit accounting fraud (Donelson et al., 2017). Rationalization is accounting fraud committed by someone who usually looks for various rational

reasons to cover up their actions by convincing people that their efforts are considerable and reasonable to the community. In Indonesia, the laws governing accounting fraud have been regulated. Out there, there are still many conflicts with ethics that should not be violated (Dion, 2019).

The researcher uses a combination of accounting fraud theory which is agency theory. Fraud triangle theory and gone theory is in the different business section. They focus on three prevention control strategies within the company where there is an economic crush, greed, prestige for luxury styles, and conflicts of interest to enrich themselves. Then, there is time and the thought that has been planned to commit corruption, all of which are factors for committing accounting fraud. If the company does not take decisive action to stop it, then the company will go bankrupt (Abdel-khalik, 2019; Black et al., 2021; Friedrich, 2021). For this reason, the company is trying to take strict supervisory steps and enforce company's SOP for all employees who are supported by internal audit supervision, which always oversees the company's operations. When an employee is found to have violated or is caught doing corruption, the company immediately provides termination penalties to the employee for the company to run smoothly and have an impact by ensuring employees don't do it again.

Being committed to the organization and the existence of culture in the organization, the role of competence as well as the independence of internal audit are the limitations of previous research (Krajčovič et al., 2020; Odukoya & Samsudin, 2021). Now, this research emphasizes controlling the three strategies implemented by the company to eradicate and reduce all forms of fraud so that all company rules and strict supervision are expected to be carried out properly then. The role of internal audit can conduct the audit function correctly to achieve company goals and targets and also run smoothly due to early detection in overcoming the occurrence of accounting fraud in the company. The number of criminal cases in business and government, such as corruption, bribery, gratuities, illegal fees, and the rise of other social issues related to the practice of accounting fraud have encouraged the emergence of forensic accounting science (Bao et al., 2020). Forensic accounting is a combination of expertise in auditing and accounting supported by investigative abilities in financial matters that trigger accounting fraud (Rezaee & Wang, 2019). The purpose and contribution for the general public and students is to emphasize the importance of studying forensic accounting because through this knowledge. It is hoped that it can help build awareness and equip us all with the understanding to distinguish from the beginning what is right and wrong with a rational way of thinking to minimize accounting fraud and mental corruption (Liu, 2016).

**Table 1. Overview of Questionnaire Distribution**

Descriptive	Total
Questionnaire distribution	150
Missing and incomplete questionnaires	(45)
Sample Questionnaire	<b>(105)</b>

**METHOD**

The method required for research is multiple regression linear analysis with the reason of knowing the influence of the relationship between three company strategies, including internal control, company’s SOP, and professionalism of internal auditors on one dependent variable, which is the efforts to prevent accounting fraud by using descriptive statistical test analysis tools that are correlated with the coefficient of determination test (R2) and statistical using a partial test (T-test). The samplings used in this study took only 105 respondents who were involved in accounting fraud from the data of 150 company employees.

Figure 1 shows the conceptual framework. From the picture above, the researchers formulate and create an equation model as follows

$$AFPM = \alpha + \beta_1 IC + \beta_2 CS + \beta_3 AP + e \tag{1}$$

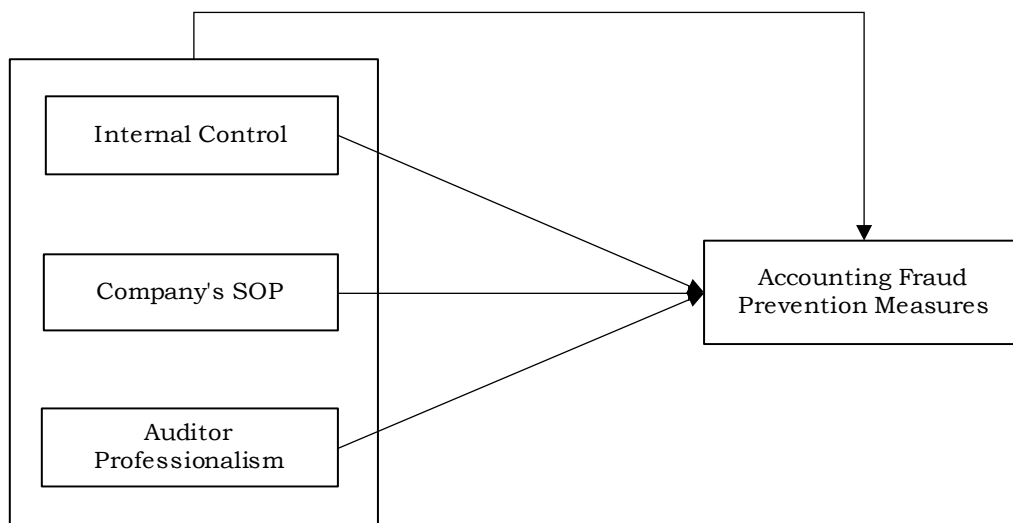
Accounting fraud prevention measures (AFPM) are used as a dependent variable. Likert scale measurement (scale 1-5) about accounting fraud prevention measures states that indicators create an attitude of honesty, create openness, transparency, an honest recruitment process, and awareness of fraud. Sanctions against all forms of accounting fraud are used as benchmarks in filling out the questionnaire (Lisic et al., 2015). In comparison, the independent variable consists of several variables, Internal Control (IC) measured

by a Likert scale (scale value 1-5). With the environmental control information, there is a risk and activity control, and communication facilities are available to obtain and monitor informations clearly (Madolidi & Bayunitri, 2021). Company’s SOP (CS) variable is measured by a Likert scale (value scale 1-5) by looking at indicators such as ease, clarity, effectiveness and efficiency, dynamicity, legal compliance and law as a reference for filling out the questionnaire. Auditors professionalism (AP) likert scale (scale 1-5) shows that the indicators of professional service, social obligations, independence, trust in the profession and profession relations are the benchmarks for filling out a questionnaire.

Questionnaire data are analyzed using descriptive analysis, which data has been tested previously to obtain an accurate data by multicollinearity, and the correctness of data is measured by heteroscedasticity. The suitability of data is based on autocorrelation and test conditions. The results of the study are presented after a multi-regression analysis test is performed.

Table 1 shows the scheme of questionnaire distribution. Based on Table 1, the 150 questionnaires that are evenly distributed. It turned out that those that could be processed into research samples are only 105 respondents with the response rate of 70%.

Internal control questions, company’s SOP, and professional auditors in the questionnaire are stated to be correlated and validated according to the prevention of accounting fraud. After there is



**Figure 1. The Conceptual Framework**

**Table 2. Descriptive Analysis**

Variable	Mean	Skewness
Internal Control	40,895	0,076
Company's SOP	40,781	-0,032
Auditor Professionalism	40,781	-0,041
Accounting Fraud Prevention	39,01	-0,229

a correlation and a valid relationship between the three prevention strategies for accounting fraud, the descriptive analysis stage is carried out.

## RESULTS AND DISCUSSION

One business risk that must be anticipated is the occurrence of accounting fraud. Whether a company is large or small there is still a risk of accounting fraud or theft. A mindset that tends to tolerate and consider bad things as a habit results in many acts of accounting fraud. Behind the cases of accounting fraud in various private organizations and government institutions, a fancy lifestyle is usually the cause of a high level of consumerism. So, it is necessary to build a solid supervisory system, improve the regulations and systematic development of aspects of the quality of human resources (Prabowo, 2016). The most crucial understanding now for companies is the role of internal auditors for them to fulfill the development of a new paradigm. As the internal company's auditor, checking is not an only function but other roles are also important such as the service function and consultative function to improve the company's performance that has more roles and those are the functions of internal auditors are desired nowadays (Bakri et al., 2017).

Table 2 shows that the results of the comparison between skewness and standard error show skewness internal control is controllable. Tight internal controls carried out by company can minimize accounting fraud prevention measures. It is concluded that if the company's SOP is appropriately implemented, adhered to all company employees and receive special attention from internal audit. It will be able to control the company's activities in making a positive contribution to the company due to data information obtained with a normal distribution.

The concept of agency theory explains the occurrence of an employment relationship agreement from the company to employees regarding their duties and responsibilities in contributing to the company in achieving company goals and targets for its delegation to employees (Jensen & Meckling 1976). Agents will try to find their own profit to get bonuses from the company in various ways, such as committing accounting fraud in financial reporting (fraudulent financial). Agency theory says that giving trust to management team (managers and employees) is a difficult thing

to do, because management team (agents) are assumed to not act in the interests of shareholders (Riney, 2018).

Acts of accounting fraud within the company is occurring everywhere, it can be done by anyone under any conditions because the motivation and intentions of the perpetrators have been planned and there is a strong urge in them to cheat by seeing the unestablished rules and weak internal auditor controls so that they will commit accounting fraud (Nathan & Jacobs, 2020; Yuniarti, 2017). People's desire to live a better life and avoid a bad economic situation as well as environmental influence for a luxurious lifestyle makes a person feel pressured to fulfill all his desires. Therefore, he commits accounting fraud. Weak internal control and inadequate management causes someone to dare to take accounting fraud actions believing that no one will know about their actions, thus making someone dare to take the opportunity to take accounting fraud. The perpetrators of accounting fraud find various rational reasons to cover up their actions so that the actions they do is considered to be normal habits by society.

The factors that occur in accounting fraud can be caused by the greed in human nature supported by existing opportunities that they are not supervised thus committing accounting fraud, or it can also be the result of economic conditions that are always lacking due to the necessities of life such as tertiary needs because of prestige. In Indonesia, the laws governing fraud have been regulated, but out there are still many conflicts with ethics that should not be violated. As we already know that accounting fraud is an act that can harm other people or companies. Therefore, accounting fraud must be prevented as much as possible. Several ways that could be used to control accounting fraud are: internal controls, company's SOP, and auditor professionalism.

Internal control is a strategy that is influenced by the directors, managers, and other stakeholders that is planned with confidence in achieving the objectives of operational reporting and compliance reports. These three strategies can be achieved by taking into account the factors of internal controls, namely the controls for environment, risk for assessment, controls for activities, communication availability to access information (Puspita, 2021). Internal control is a structured strategy to achieve the company's

**Table 3. T-Test Result**

Independent Variables	Coefficients	T Values
Constant	-14,597	-5,072
Internal Control	1,287	22,58
Company's SOP	1,314	19,324
Auditor Professionalism	1,339	21,254

planning targets (Amaliyah, 2019); the reality of the transparency of financial reports so that the effectiveness and efficiency are in compliance with the company's regulations. The efforts and strategies can minimize accounting fraud in the company that is carried out with the right mindset and lifestyle under strict supervision while working in a healthy work environment is a supervisory strategy that can create a working environment that's honest and free from all accounting fraud, then the implementation of internal control must be effectively integrated (Aksa et al., 2020; Roszkowska, 2021).

Anisykurlillah et al. (2020) and Hashem (2021) stated that the accounting fraud eradication policy will be effective if it is supported by the right company's SOP and it should reviewed periodically to be effective and not outdated. SOP is need to be understood by all employees. A company needs to convey important data about anticorruption through socialization of SOP discipline. This activity requires all employees to socialize, accompanied by strict sanctions from the company if there are employees who dare to commit accounting fraud or corruption. This punishment must be carried out indiscriminately, both on the lawbreakers and the perpetrators of corruption, so it is hoped that acts of accounting fraud or corruption that exist in the company will be minimized.

Prevention of accounting fraud can also be done in other ways, namely by analyzing finances properly so that the opportunity for employees to carry out accounting fraud can also be reduced. This action is important to take as a form of anticipation so that it can minimize accounting frauds. According to Utami et al. (2020) and Yuniarti (2017), accounting fraud in the form of financial statements can generally be detected through vertical analysis, horizontal analysis, and ratio analysis in financial reports.

Table 3 shows the t-test result. Based on Table 3, it can be seen that all independent variables has positive coefficients. Then, the equation model is formed:

$$Y = -14,597 + 1,287IC + 1,314CS + 1,339AP + e \quad (1)$$

The t-test in statistic explains that the significant is worth 0,000, thus the three prevention strategies in the company are able to reduce and minimize accounting fraud. Based on this signif-

icant value, it can be concluded that the three corporate strategies are positive.

It is recommended for stakeholders and all parties involved in company activities to maintain integrity, trust and good ethics in order to create a clean and comfortable work environment free from accounting fraud, so that management team should not intervene at all in the auditor's decisions. So, that internal auditors can be responsible for their independence and objectivity as to produce truly transparent information for decision makers within the company, for all company employees must comply with all company's rules and SOP that have been set and run them well. Company management always controls internal by periodic and routine company's SOP for the operations of daily activities within the company so that if symptoms or signs of accounting fraud are found, they can be prevented and addressed as soon as possible and for them to take further actions.

**The effect of internal control on accounting fraud prevention action strategy.** The current phenomenon of fraud and corruption cases is due to the nonexistent or weak internal controls that are carried out loosely and ineffectively, therefore, we need a prevention/eradication method of accounting fraud with accounting fraud prevention strategy. The application of accounting fraud prevention theory in cleaning up accounting fraud within the company must be carried out with a strict supervision and employees must carry out an effective work in creating a clean workplace so that the occurrence of accounting fraud can be minimized as much as possible (Brazel et al., 2021; Suwitoyo et al., 2021).

Accounting fraud in the company occurs because there is no firm action from the management in giving strict punishments such as firing them so that many employees won't dare to do it again because they are punished strictly. This research is in accordance with Madolidi & Bayunitri (2021), Fung (2019), Hauser (2019), and Krajčovič et al. (2020) who show that internal controls a positive and signific effect on accounting fraud prevention but it contradicts with Popoola et al. (2015)'s argument which shows that internal controls negative value and there's also no signific effect on accounting fraud prevent.

Accounting fraud prevention procedures have a good control system. It can prevent a collision with supervising employees and provide telecommunications channels for reporting ac-

counting fraud thus creating a picture of the penalties that will be received if accounting fraud is committed and inspections should be carried out proactively.

**The Influence of Company SOP on accounting fraud prevention action strategy.** The policy for eradicating accounting fraud should establish a training program on banishing accounting fraud and establishing behavioral rules, including training and educating employees on accounting fraud, awareness of accounting fraud, programs for eradicating accounting fraud and behavioral rules related to efforts to eradicate accounting fraud within the company (Anisykurlillah et al., 2020; Hashem, 2021). SOP is a description of the work steps (systems, mechanisms, and internal work procedures) needed in carrying out tasks, so that company goals are achieved. Anti-accounting fraud socialization as the company's slogan and SOP as a document/instrument that contains processes and procedures for an effective and efficient task based on a predetermined standard. SOP are based on quality management that prioritizes documentation procedures that have been systemized and standardized in accordance with applicable accounting practices. The current phenomenon of accounting fraud and corruption cases is due to the company SOP that are not running well and where there is no support from the company's leadership to implement an operational system and procedure correctly for all employees. This requires a prevention/eradication of accounting fraud and corruption using an accounting fraud prevention strategy.

Agency and gone theory show that the stricter the company's SOP are carried out for all employees to create a conducive and clean work environment from all forms of fraud, automatically improves the company's performance so that it can reduce accounting fraud in the company if accounting fraud prevention actions are carried out effectively and efficiently. Odukoya & Samsudin (2021) shows that SOP have a positive value for accounting fraud prevention. However, they contradicts with Krajčovič et al. (2020) which shows that the anti-accounting fraud awareness contained in the company's SOP has no effect on preventing accounting fraud.

The company's management team can prevent accounting fraud by introducing the anti-corruption SOP. Both old and new employees must be fully aware of the anti-corruption regulations along with the consequences.

**The influence of auditor professionalism on accounting fraud prevention action strategy.** With the role of internal audit, it is hoped that the company will be more careful with accuracy so that internal audit can carry out its duties to control and analyze financial statements with reliable expertise and commitments according to the applicable accounting standards so that it can help management teams find out the weaknesses and strengths that exist within the company so

that when accounting fraud is found, it can be immediately detected and a decisive action can be taken as fast as possible as a punishment for those who violate it. It can improve the company's performance for the survival of the company in attracting investors to invest in the company (Jiang & Zhao, 2020). Valuable information obtained from financial statements for the company must be transparent and presented correctly and it must be the disclosure of actual facts that occur in the company's operational activities. The financial reports produced by the company are considered successful in conveying information in a transparent and quality manner for the decision-makers must be in accordance with the application of the generally accepted financial analysis (Scheetz & Fogarty, 2019). A phenomenon could occur when there is a lack of strict supervision from internal auditors. The importance of a controlled supervision for all employees are so that the company can run smoothly without any interference from accounting fraud. A weak internal audit will make it easier for the management team to commit accounting fraud getting maximum profit and making themselves rich.

The application of accounting fraud prevention theory shows that the better the financial analysis are carried out by the company's internal auditors, the greater the number of financial reports that shows a piece of accurate and correct information as to reduce accounting fraud in the company. Therefore, fraud prevention actions in the company is done (Xiang & Zhu, 2020). This is done if the internal auditor's role is carried out properly, it will lead to a high level of prevention of accounting fraud. This research is in accordance with Fung (2019), Oyerogba (2021), Krajčovič et al. (2020), and Paugam et al. (2021) which show the influence of auditor professionalism to prevent accounting fraud.

The procedure for assessing the risk of accounting fraud, audit teams must identify the risks of accounting fraud together into an element of the accounting fraud triangle. The risks that have been classified into the elements of the accounting fraud triangle will later be assessed on a significance level based on a professional judgment. The fraud risk assessment procedure is carried out with the following stages. First, audit team discussion is discussing information obtained by members of the audit team to obtain an integrated belief regarding possible fraud risk factors (Black et al., 2021). Second, identification of fraud risk factor is a process of identifying fraud risk factors (Boo et al., 2021). Third, the assessment of fraud risk is to estimate the likelihood of the risk of an occurrence and the magnitude of the impact using a risk register (Oyerogba, 2021). Fourth, fraud risk register is a form of format for identifying and assessing fraud risks (Shariha, 2014). Fifth, determination of significant risks is an assessment of a level's significance of identified risks by transferring the values contained in the

probability of occurrence and the impact (Khersiat, 2020). Six, significant risk is addressed when the risk is declared significant, internal auditors need to be redesigned to implement internal control and not rely on the results of the previous year's control evaluation (Eilifsen et al., 2019).

**The effect of internal controls, company's SOP, and auditor professionalism on accounting fraud prevention actions strategy.** It can be said that together with internal controls, company's SOP, simultaneous auditor professionalism and significant efforts to prevent accounting fraud. This means internal controls, company's SOP, and auditor professionalism are substantial in efforts to prevent accounting fraud. Many companies fail to eradicate and reduce accounting fraud committed by their employees due to actions that are carried out intentionally because the company tolerates and is lax in implementing company rules that are supported by the internal audit's function not working properly. It is an embarrassing phenomenon for all companies who failed to address accounting fraud within their company like laws that are not regulated, employees are pressured into achieving financial goals and objectives leading to fraudulent acts and internal auditors who do not adequately understand the internal control structure cause the company to not run well, therefore, the company should take constructive and positive steps to reduce the threat (Anisykurillah et al., 2020; Hashem, 2021).

The current phenomenon of accounting fraud and corruption cases is due to the absence of strict supervision in the company's operational activity, company's SOP that do not work properly along with the absence of support from the company's leadership can cause accounting fraud, for that the company can take constructive and positive steps to reduce the threat. The application of the theory of accounting fraud prevention in cleaning up accounting fraud within the company must be carried out continuously and it must be obeyed by all company employees in addition of strict supervision, with the operation of the procedure system running correctly and the existence of continuous internal audits will reduce accounting fraud in the company. The combination of internal control, company's SOP and auditor professionalism which is a strong accounting fraud prevention coordinated with corrective actions that are done in time, can mitigate fraud risk significantly. This research talking about the same thing with Fung (2019), Hauser (2019), Krajčovič et al. (2020), and Madolidi & Bayunitri (2021) who show that the company's internal controls, SOP, and positive professional auditors will cause an impact to accounting fraud.

Corruption caused by the unethical behavior of an employee affects the number of irregularities in Indonesia (Anindya & Adhariani, 2019; Lehmann & Heagy, 2017; Ramadhan & Arifin, 2019). Employees with an unethical behavior is

an act that is not compatible with the main goals or tasks that will be agreed upon simultaneously in a company (Omar et al., 2016; Wahyuni et al., 2021). Abusing one's position and exploiting the use of power, improper management of an organizational resource will shape the behavior of someone who will do unethical behaviors (Brown et al., 2016). With the existence of employees who are disappointed and their absence or lack of attention to supervision from management is always open to the risk of accounting fraud (Shafer et al., 2016; Triantoro et al., 2020). Therefore, the government is required to strive encouraging ethical behavior among its employees to reduce the acts of corruption. The increase of unethical behavior of employees in the company is due to the absence of internal controls, the higher the act of noncompliance with company's SOP along with no support from internal audit within the company, the higher the fraud that occurs in the company (Bailey, 2017; Joseph et al., 2021).

According to 2014's reports, accounting fraud violations is mainly caused by the abuse of power thus they commit fraud, companies generally experience a loss of 5% of their annual turnover due to employee's fraud. The practice of accounting fraud is a critical necessity to combat in the world of business and government, it is necessary to make efforts to prevent and handle these cases with concrete actions through proficient knowledge in these fields. Forensic accounting is a combination of expertise in auditing and accounting supported by investigative capabilities in financial issues that trigger accounting fraud (Sahdan et al., 2020). The steps that the company should take to ensure it is safe from the crime of accounting fraud are: conducting external audit reports, establishing an employee code of conducts, supervising the management of financial statements, conducting financial by the management team, developing employee support programs, providing fraud accounting training for management/executives, conducting sudden and final internal audits, and giving prizes to the whistleblowers (Ghafoor et al., 2019).

## **CONCLUSION**

Internal Auditors are responsible for supporting the prevention of accounting fraud by evaluating the effectiveness of system internal controls, company's SOP, and the firmness of supervisory function of the internal audit is in accordance with the level of the risk that will be lost will incur potential in activities company. If the internal auditor suspects that there is an accounting fraud, the internal auditors will provide information to the authorities within the company. Internal audit should give suggestions on carrying out any investigations deemed necessary in these conditions of unapplicable rule of laws, employees are regulated, improperly exploited, abused or placed under tremendous pressure to achieve financial goals and objectives that lead to fraudulent ac-

tions and intern auditors who do not properly understand the internal control structure within the company so that it is not running well, to that the company can take constructive and positive steps to reduce it's threats.

The combination of internal control, company's SOP and auditor professionalism is a strong accounting fraud prevention coordinated with corrective actions that are done in time, can mitigate the fraud risk significantly. With the improvement of internal control, company's SOP, and professionalism in auditors can influence to prevent accounting fraud. It will have a positive impact on the company. Therefore, companies must participate in the improvement of preventing accounting fraud, so one way is to carry out internal control of company is to always organize anti-accounting fraud training and socialization in the company's SOP that have been set and hold a professional training session for internal auditors who are competent in performing their duties to audit all financial transactions of the company to improve the ability and quality of internal auditors in their contribution to do work for the company.

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