
The Determinant Factors of Strategic Fraud

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Abstract:

Fraud is a potential threat to every company, even more for a financial institution, hence, research on strategic fraud determinant factors in financing institutions, with its large market share and assets, becomes necessary. The objective of this study is to investigate the partial and simultaneous influence of compensation, internal control and organizational culture toward the fraud tendency.

This study uses quantitative explorative methods. The samples are determined using proportionate stratified random sampling; the survey used questionnaire and IDI. The analysis uses SPSS with multiple regression test instrument, classical determinant tests, and individual tests.

The population of this study involved all the 2,123 employees. The samples are taken using proportional random sampling through an incidental sampling of Slovin formula which accounted for 337 samples.

The study reveals that: (a) Compensation (X_1) has the most significant and negative influence toward the fraud tendency; (b) Internal Control (X_2) has a positive but insignificant influence toward the fraud tendency; (c) Organizational Culture (X_3) has a negative but insignificant influence toward the fraud tendency; (d) The success rate of curbing fraud tendency simultaneously can be predicted using the proposed regression formula; (e) Policy is needed to optimally curb the tendency of fraud by improving compensation, internal controls, and improving the organizational culture.

Keywords: Compensation, fraud, internal control, organizational culture.

1. Introduction

In the Association of Certified Fraud Examiner (ACFE) report to the Nations on Occupational Fraud and Abuse. A Global Study in 2012 reported the following issues:

- a) Fraud reduces the income of companies by 5% each year. Based on the Gross World Product calculation, this is a loss of \$ 3.5 trillion or equivalent to 46.9 trillion IDR.
- b) Medium scale fraud deprivation risk was USD 140,000, and more than one-fifth of fraud cases have caused at least \$1 million losses.
- c) It is usual for the fraud action to be first detected 18 months after it was committed.
- d) Asset misappropriation (cash or non-cash) is the type of fraud that happens most often, which accounted for 87% of the total incidents. This type of fraud has the least loss impact, reporting an average loss of \$ 120,000. Fraud in financial statements consists of a small percentage among fraud cases, with only 8 percent of reported cases. However, this type of fraud has the most significant loss impact, with an average loss of \$1 M. Middle scheme corruption is a mis-appropriation of assets fraud with the average loss of \$250,000.
- e) Fraud in the workplace is generally revealed through a report filed by the employees of the victim company.
- f) The largest fraud risk, which accounted for 5% of the reported fraud cases, is corruption fraud and billing scheme fraud. These types of fraud use pose billing.
- g) Fraud in the workplace has become a severe threat to small-scale companies. Small-scale companies usually have a weak and vulnerable control system, hence, smallest companies suffer the most.
- h) Banks and other non-finance institutions, public administration and government, and manufacturers are institutions that often become victims of fraud.
- i) Loss risk due to fraud in the workplace and the lengthy time to detect fraud can be minimized by establishing a solid control system. The more solid the control system, the smaller the loss due to fraud and the faster it is for fraud to be detected.
- j) The higher the rank of the person who commits fraud within a company, the bigger the loss that the company experiences. The loss risk due to fraud committed by the executives on average is \$ 573,000; by managers \$180,000, and by staff \$ 60,000.
- k) The longer the person who committed fraud has been with a company, the larger the risk of fraud. The average amount of fraud committed by people who have been working for a company for more than ten years is \$229,000, and for those with less than one-year working tenure, the average fraud amounts to \$25,000.

- l) 77% of the people who commit fraud are those who work in the accounting departments, operational departments, marketing departments, executives, customer service, and procurement.
- m) The people who commit fraud usually do it for the first time, and they usually have a clean past: 87% of people who commit fraud have never committed it before, and 84% of people who committed fraud have never been prosecuted or fired due to fraud.

Based on these phenomena, fraud is a potential threat to all companies. Fraud in this study refers to Cressey's (1953) concept of fraud as found in Tuanakotta (2010:206), where fraud is a triangle of pressure, opportunity, and rationalization.

The three concepts of fraud triangle will be used as dependent variables, whereas the independent variables, which will describe the dependent variables above, will be based on the phenomena that happened in the largest financing company for various automotive brands in Indonesia. This financing institution has the most significant market share and assets, with more than 200 branches, more than 12,000 employees, and more than 1 million customers. With this type of company profile, fraud is prone to happen. The amount of fraud committed by the employees in the last six years was 4%; 16%, 23%, 17% and 20% or 16% per year. This makes research on fraud necessary.

The most common fraud committed in the company is cash fraud including cash theft and false expenses such as false checks and transaction document forgery. In dealing with this fraud phenomenon, a study on the influence of compensation as the essential element in motivation, internal control system to reduce the fraud incident, and organizational culture to control rationalization of fraud is needed.

2. Literature review

2.1 Fraud

Boynton and Kell (2002) as cited in Najahningrum (2013) proposes that fraud is an act of planned embezzlement by providing misleading information, fleecing and or providing false facts which have important values hence, incurring a loss for others. The Association of Certified Fraud Examiners (ACFE) in Kurniawati (2012) state that fraud is a contemplated act against the law with certain purposes, such as, manipulating or providing false report for others, which is committed from the inside or outside of the organization, with the ultimate purpose of personal or group profit gain, which incurs direct or indirect loss for other parties. Other forms of fraud are infringing the observed law and regulation for personal gain by providing a false report, hiding transaction evidence, or not providing the material facts, misappropriation of assets, and corruption. Three main factors that contribute to the act of fraud are:

- a) Pressure. Pressure is an individual motivation for an employee to commit fraud. The main motives are financial and non-financial factors, personal pressure or organizational pressure (leadership, heavy workload, etc), hence, the influence of compensation becomes more crucial.
- b) Opportunity. Opportunity rises due to weak or ineffective internal controls. The weaknesses that should be the focus of internal controls is system weakness, policy, procedure, process, etc., which could provide an opportunity for an employee to commit fraud. Thus, the influence of internal control becomes even more important.
- c) Rationalization. Rationalization is an attitude or a thought process by the individual employee who makes sense or rationalizes the fraudulent act. Fraud happens due to the culture related to the local ethics and values that allow for the fraud to take place. The fraudulent act is a consequence of a gap in individual employee integrity or moral logic. Rationalization happens when a person or a group of a person develop a rationalization toward a committed fraud. Generally, the person who committed fraud tries to rationalize his or her actions that the committed act was not theft or fraud. Hence, the influence of organizational culture also becomes important.

2.2 Compensation

Filippo (1984) as cited in Hasibuan (2013), writes that compensation is the fair and suitable reward given to the employees for the services provided in achieving the objectives of the organization. Compensation may have a different meaning for different persons. Compensation is needed for an employee to afford the appropriate standard of living. Compensation is also an indicator of the value of an individual for the organization. Compensation is also awarded as a strategy in human resource management, which has a significant impact on the functions of human resources. Compensation or salary is important for the employees who work for a company to be able to afford their needs, hence, compensation may have an impact on fraud incident.

2.2 Internal control

According to Mulyadi (2008), an internal control system is a process implemented by the board of directors, management, and other personnel which is designed to provide an appropriate level of confidence on the achievement of three types of objectives: obstacles in financial reporting, obedience toward the law and regulation, operational effectiveness and efficacy. Tjiptogoro (2017a), states that internal control refers to the identification of who is responsible for each activity; setting the objective of the activity as part of the control indicator; review the policy and procedure used on achieving the objective of the activity; preparing the report on recommended target, policy, and procedure; developing action plans to improve objectives, policies, and procedure; follow up for the action plan as means of solving problems.

2.3 Organizational culture

Robbins and Judge (2008), state that the idea to see the organization as a culture, where there is a meaningful system co-owned by its members, is a relatively new phenomenon. While, according to Laudon and Laudon (2012), stated that all organizations have an underlying assumption, which is non-debatable and unquestionable by its members, which describes the objectives and the product of that organization.

Organizational culture consists of certain assumptions on products produced by the organization, how the organization produces them, where they produce them, and who is the product intended for. Tjiptogoro (2017b) says that organizational culture is a philosophy and underlying assumption of the organization on the value, beliefs, and shared norms as core characteristics of the organization, management, and the entire members of that organization on the ability to innovate and the willingness to take risk; accomplish the task in a timely manner and appropriately, analyze, and pay attention to detail in the implementation of tasks; focus on the result or outcomes rather than on the means and process to create outcomes; make decisions by considering the impact of that outcome on the employees; organize activities in teams rather than individually; aggressiveness and employees' competencies in implementing the tasks rather than just doing business as usual; conduct activities to grow rather than to maintain the status quo.

3. Research methodology

3.1 Types and research design

The objective of this study is to provide an explanation and description on fraud prevention as a dependent variable by using the independent variables of compensation, internal control, and organizational culture, which have causality effect on the dependent variable. The outcome of this prediction is gained through multiple regressions using SPSS software. Further, it can be used to predict the influence of management policy, increase compensation, internal control, and organizational culture to suppress the fraud potential.

This study is an explorative quantitative study, that is a study intended to describe the investigated variables and the correlation of those variables quantitatively. It is called quantitative because it is based on positivism philosophy, based on the scientific method: concrete, empiric, objective, measurable, rational and systematic to test the hypothesis of this study. The data in this study is primary data collected through questionnaires and secondary data collected through literature that is relevant in this study. The dependent variable in this study is fraud (Y).

3.2 Research variables and indicators

The variables in this study consist of the dependent variable, fraud tendency (Y), and the independent variables which are: compensation (X₁), internal control (X₂), and organizational culture (X₃). The regression formula in this study is $Y = a + bX_1 + cX_2 + dX_3$ where indicators from each variable are written in Table 1 below.

Table 1. Research Variables and Indicators

No	Variables and Indicators
I.	COMPENSATION
1.	Fair and appropriate reward to be given to the employees for their services toward the achievement of the organization objectives.
2.	Company's recognition of the employees' achievement in the implementation of their jobs.
3.	It functions as a strategy in human resource management which has a significant impact on the human resources functions such as promotion and task accomplishment.
4.	It is needed for the employees to maintain the appropriate living standard, hence, they can focus on target achievement.
5.	It is an important thing for every employee that works in an organization in order to be able to fulfill their needs.
II.	INTERNAL CONTROL
6.	Identify who the person in charge of each activity is.
7.	Authorize transaction which provides confidence on the achievement of activity objectives as part of internal control.
8.	Review of policy and procedure used in every activity to attain the activity objective.
9.	Control the accounting system that records all information on the operational activity of the company.
10.	Monitor, evaluate, and follow up the action plan as part of problem-solving efforts on issues found as the result of internal control.
III.	ORGANIZATIONAL CULTURE
11.	Put all the ability in preparing reports on target recommendation, policy, procedure, and ability to innovate, risk-taking ability, and appropriate implementation of tasks.
12.	Organize activities in teams rather than individually.
13.	Analyze and focus on detail in task implementation;
14.	Initiative and aggression towards competition among employees to execute tasks at hand and not only doing business as usual; and focus on the result or outcome rather than on the means and process of achieving the outcomes;
15.	Make a decision by considering the impact of the outcome on the employees and conduct activities to grow and not to maintain the status quo.
16.	
17.	
18.	

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- 19. **FRAUD**
 - 20. Report fraud by providing false and misleading information.
 Unavailability of transaction evidence, hiding or not stating facts.
 Misappropriation of budget.
 Misappropriation of assets.
 Corruption.
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Source: Literature Review (2017).

3.3 Population and sample

The population in this study are all employees in the largest financing company for various automotive brands in Indonesia. The population which is taken into consideration for this study are those who work in the branch offices in the area of Jakarta, Tangerang, and Serang which accounted for 2,123 employees. The samples are taken using the multistage sampling method namely:

- a) Selection of area based on the location by selecting one office in Jakarta, Tangerang and Serang area by considering offices who have a large number of employees (larger than offices in the other areas) and offices with significant business potential.
- b) The number of samples is determined by using the Slovin formula:

$$n = \frac{N}{1 + Ne^2}$$

Note:
 n = sample size
 N = Population Size
 e = error percentage or deviation
 = 2.123 / (1 + 2.123 X 0.0025)
 = 336,58 rounded up to 337 samples.

The samples are proportionally determined:

Table 2. Number of Sample per Branch

Office Area	Branch	Employees Population	Proportional (%)	Total Sample/Branch Result Roundup
Jates Areas	Balaraja	138	7%	21.9 22
	Cikupa	174	8%	27.6 28
	Ciledug	189	9%	30.0 30
	Ciputat	209	10%	33.2 33

Daan mogot	153	7%	24.3	24
Kemayoran	235	11%	37.3	37
Labuan	56	3%	8.9	9
Mauk	246	12%	39.0	39
Rangkasbitung	57	3%	9.0	9
Rawamangun	220	10%	34.9	35
Serang	171	8%	27.1	27
Tangerang	275	13%	43.7	44
Total	2,123	100%	37.0	337

Source: Automotive Financing Institution in Indonesia (2017).

The samples are taken using proportional random sampling. Each employee has a chance to be taken as a sample. Through this approach, the random sampling is expected to ensure the research is able to be objective and can circumvent the researchers' subjectivity. The questionnaire is distributed through incidental sampling technique, which is a sampling procedure that selects samples from people or units that are most accessible.

3.4 Data collection method

Every scientific research should be supported by relevant, accurate, and reliable data sources; hence, a good data collection method is necessary. In this study, the data collection methods used are literature review, questionnaire, and deep individual interview (IDI). The Literature review used as a theoretical foundation in this study is taken from relevant literature, newspapers, internet, and journals. Meanwhile, the questionnaire included written statements to gain relevant information to measure attitudes, opinions, and perceptions of a social phenomenon by using a five-point Likert scale (1 to 5).

3.5 Descriptive analysis

Descriptive analysis is a statistical method to analyze the collected data in order to make a general conclusion, with specific methods related to the data collection method, hence, it produces useful information. This analysis is an explorative analysis by describing the situation or phenomenon that is currently happening in the largest Automotive Financing Institution in Indonesia.

3.6 Statistical analysis

This study consists of three independent variables (compensation, internal control, organizational culture). It uses multiple linear regressions, an analysis tool to predict the degree of influence between two or more variables towards the dependent variable to prove the existence or inexistence of causality function among two independent variables or more towards the dependent variable. Validity and reliability tests are administered to the instrument before it is used. The Cronbach Alpha is used with a total of 30 respondents; the instrument is pronounced as valid if it has > 0.3 validity value and is reliable when the reliability value is > 0.6 .

3.7 Classical assumption test and multiple linear regression

Classical assumption tests consist of normality tests, multi-collinearity tests, auto collinearity tests, and heteroscedasticity tests. Meanwhile, the regression result test to obtain goodness of fit model is obtained through the determinant test (R^2), simultaneous test by calculating the F value, and individual test. The R^2 value is administered to find out the extent of all independent variables' ability to describe the dependent variable. The F test is administered to reveal the significance of all independent variables, whether they have a simultaneous and significant influence on the dependent variable. In addition, the individual test is administered to find out the individual influence of each independent variable toward the dependent variable.

4. Results and discussion

4.1 Validity test

Based on the validity test of the independent variables, in the indicator of Compensation (X_1), there was an instrument, number 2, which had a value below 0.3, therefore, it was pronounced as invalid, and the validity analysis was implemented only on four instruments. The validity test on the independent variable, Internal control (X_2), Organizational Culture (X_3), and dependent variable Fraud Tendency (Y) show that each variable, that consists of five instruments, has a validity value above 0.3, hence, they are all valid instruments.

4.2 Reliability test

The result of reliability test shows that all variables are reliable with the validity value above 0.6 as presented in Table 3 below.

Table 3. Reliability Result for All Variables

Variable	Reliability Count	Standard Reliability	Note
Compensation X_1	.770	0,6	Valid

Internal control X ₂	.691	0,6	Valid
Organizational Culture X ₃	.813	0,6	Valid
Fraud Y	.776	0,6	Valid

Source: Primary Data Processing (2017).

4.3 Classical assumption test

Normality test

The normality test for all variables reveals a Z score of more than -2.5 and less than 2.5, hence, the data for all variables is normally distributed.

Multi-collinearity test

The multi-collinearity test concludes that there is no multi-collinearity, as the tolerance value of all independent variables are ranging from 0.0 – 1 and the VIF value of all independent variables is less than 10.00. See Table 4 below:

Table 4. Multi-collinearity Test Result

Variable	VIF
Compensation	1.111
Internal control	1.123
Organizational culture	1.025

Source: Primary Data Processing (2017).

4.4 Analysis result for multiple linear regression

Table 5. Summary of Regression Result for Research Variables

Model		Unstandardized Coefficients		Standardized Coefficients		t	Sig.
		B	Std. Error	Beta			
1	(Constant)	2.845	.227			12.537	.000
	Compensation	-.172	.038	-.254		-4.543	.000
	Internal Control	.037	.043	.048		.857	.392
	Organization Culture	-.019	.040	-.026		-.478	.633

Source: Primary Data Processing (2017).

The regression formula is:

$$Y = 2.845 - 0.172 X_1 + 0.037 X_2 - 0.019 X_3$$

4.5 Partial test result

From all the independent variables, Compensation, Internal Control, and Organizational Culture, only the Compensation variable has the Sig value below 0.05, which is 0.000. This means that only Compensation has a significant

influence toward Fraud. Meanwhile, Internal Control has the sig value of 0.392, and Organizational Culture has the Sig value of 0.633, which indicates that these two independent variables have no significant influence on Fraud.

4.6 Simultaneous test result (F-test)

Table 6. Simultaneous Test (F Test)

ANOVA ^a						
Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	2.783	3	.928	7.204	.000 ^b
	Residual	42.878	333	.129		
	Total	45.661	336			

a. Dependent Variable: Fraud

b. Predictors: (Constant), Compensation, Internal Control, and Organization.

Source: Primary Data Processing (2017).

The simultaneous test result reveals $F = 7.204$ with the Sig value of 0.000; this indicates that the independent variables, Compensation X_1 , Internal Control X_2 , and Organizational Culture X_3 simultaneously influence the dependent variable, Fraud Y as seen in the following Table 7.

4.7 Determinant rest result (Adjusted R^2)

Table 7. Adjusted R^2

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.247 ^a	.061	.052	.35883

a. Dependent Variable: Fraud

b. Predictors: (Constant), Compensation, Organizational, Culture, Competence, and Internal Control

Source: Primary Data Processing (2017).

The value of $R^2 = 0.061$, this points out that independent variables, Compensation (X_1), Internal Control (X_2), and Organizational Culture (X_3) are able to describe the dependent variable, Fraud (Y) only by 6.1%, whereas the rest, 93.1%, is described by other variables outside this study.

5. Discussion

5.1 Previous research

Soehari *et al.* (2017), in their paper “Corruption Prevention and Deterrence Through Strategic Human Resources Management”, discussed the following things:

- a) From the regression analysis, the regression coefficient of X_1 , was 0.608 and the t count = 3.136, with the sig 0.05 as the standard significant value. Therefore, the influence of organizational culture towards the corruption deterrence action was significant. The F count value was of 6.332 and the Sig = $0.02 < 0.05$ which showed that organizational culture was a factor that cannot be ignored in this regression model. The positive value of regression coefficient for the organizational culture variable was the largest, and therefore it indicates that the sensitivity of organizational culture towards the corruption deterrent action was the highest. Therefore, the organizational culture was the most strategic factor in corruption deterrence.
- b) From the regression analysis, the regression coefficient of X_4 was 0.176 and the t-count was 0.826, with Sig = $0.419 > 0.05$. Thus, the influence of internal controls towards corruption deterrence action was insignificant. The F count value was of 6.332, the Sig. F Change value = 0.02 and was smaller than 0.05, which indicates that internal control was a factor that should not be overlooked in this regression model. Internal controls are an important matter for an organization; regardless, in this study, it was proven to be insignificant. Therefore, an early detection system within internal controls needs to be developed.

Tjiptogoro (2017a), in the study “Analysis of Strategic Factors of Human Resources Management for Corruption Prevention” revealed the following:

- a) Organizational culture was an independent variable with the highest regression coefficient of 0.806, Sig = $0.003 < 0.05$ which meant that it was significant. Within the regression formula, the factor coefficient could also be interpreted as the sensitivity of the independent variable; thus, this 0.806 value could also be interpreted as the sensitivity of organizational culture towards corruption deterrence action. Each one-unit increase in organizational culture would increase the ability to deter corruption by 0.806 per unit. Development of organizational culture should become the priority in deterring corruption by developing the culture of (1) implementing the tasks appropriately; (2) analyzing and paying attention to detail for the tasks implemented; (3) producing goods and services in accountable ways; (4) making decisions by considering the impact on the employees; (5) organizing activities in teams rather than individually.
- b) Internal control was an independent variable with a regression coefficient of 0.484 and a sig value = $0.237 > 0.05$, thus insignificant. Considering that RSq = 0.636 and F count = 9.165 with the Sig = 0.000, this shows that internal control together with organizational culture and leadership influenced corruption deterrence and prevention. However, the influence was insignificant.

5.2 Current research

Fraud is an action similar to corruption, where both actions illegally enrich oneself or others. Similar independent variables in this study are organizational culture and internal control, whereas, the new variable that is not found in the previous research is compensation. This study is implemented in a non-bank financing institution, whose orientation is for profit and the result is as follows:

- a) The constant value of the present research regression model is 2.845 with the Sig value = $0.000 < 0.05$, thus the constant has a positive influence toward the fraud tendency.
- b) Compensation is an independent variable with a regression coefficient of -0.172 with the Sig = $0.00 < 0.05$, therefore, compensation has a negative and significant influence toward the fraud tendency. The F count is 7.204 with the Sig = $0.000 < 0.05$. This indicates that if compensation is increased, then the fraud tendency will significantly decrease and simultaneously with internal control and organizational culture, it will influence the fraud tendency.
- c) Internal control is an independent variable with a coefficient regression of 0.037 with the Sig = $0.392 > 0.05$, hence, internal control positively but insignificantly influences the fraud tendency. The F count is 7.204 with the Sig = $0.000 < 0.05$. Simultaneously with compensation and organizational culture, it influences the fraud tendency.
- d) Organizational culture is an independent variable with a regression coefficient of -0.019 with the Sig = $0.633 > 0.05$, therefore, organizational culture negatively but insignificantly influences the fraud tendency. The F count 7.204 with the Sig = $0.000 < 0.05$. Together with compensation and internal control, organizational culture influences fraud tendency.
- e) The Regression formula of $Y = 2.845 - 0.172 X_1 + 0.037 X_2 - 0.019 X_3$. If compensation, internal control, and organizational culture are ignored (the value is 0), then the fraud tendency is within the medium level (2.845). If compensation, internal control, and organizational culture are among the moderate conditions (score 3), then fraud tendency will decrease to 2.383, meaning that the fraud potential decreases by 16.24%. If compensation, internal control, and organizational culture are improved and become better (score 4), then the level of fraud tendency decreases to 2.229, meaning the fraud potential lessens by 6.46 %. If compensation is improved to a very good level (score 5), whereas internal control and organizational culture are within a good level (score 4), then the level of fraud tendency will decrease to 2.039, meaning that fraud tendency will decrease by 14.44%.

5.3 Comparison of the previous and current studies

There are several differences between this present study and the previous studies.

- a) In the previous study, internal control was an independent variable which had insignificant influence over corruption prevention. Similarly, this present study also reveals that internal control has insignificant influence towards the fraud tendency.

- b) In the previous study, the organizational culture was an independent variable that had significant influence on corruption prevention, whereas, in this present study, it has insignificant influence over fraud tendency. There is a significant difference in organizational culture influence because, in the previous study, the object was government organization (a non-profit organization), whereas in this study, the research object is a profit-oriented organization.
- c) In the previous study, compensation was not used as an independent variable against the dependent variable, corruption prevention, and deterrence. In this present study, compensation is used as an independent variable which has a significant influence on fraud tendency.

6. Conclusions and recommendations

6.1 Conclusions

- a) If compensation, internal control, and organizational culture are ignored (score 0), then fraud tendency is moderate.
- b) Compensation has more significance and larger influence on fraud tendency compared to internal control or organizational culture.
- c) Internal control and organizational culture have insignificant influence towards fraud tendency.
- d) Simultaneously, compensation, internal control, and organizational culture are strategic factors that have a significant influence on fraud tendency. However, the role of compensation is more dominant compared to the other two variables, hence, it must be made as the priority in curbing the tendency of fraud.

6.2 Recommendations

- a) To curb the fraud potential, internal controls and organizational culture have to be kept in a healthy state, whereas, compensation needs to be improved. Thus, the fraud potential can be optimally curbed.
- b) Things that must be considered in compensation are:
 - i) Fair and appropriate reward is given to the employees for the service that they provide in reaching the objective of the organization
 - ii) Compensation serves as a strategy in human resource management that has a significant impact on the functions of human resources.
 - iii) Employees can maintain the appropriate living standard; hence, they can focus on achieving the target.
 - iv) Each employee works to be able to fulfill their needs.
- c) Internal controls should be more active in early detection of fraud and be able to identify the new fraud potentials in strategic activities.
- d) Organizational culture should be more focused on work ethics and obedience toward organizational rules.

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