

**THE EFFECT OF WHISTLEBLOWING SYSTEM ON FRAUD
PREVENTION WITH INTERNAL LOCUS OF CONTROL AS
A MODERATING VARIABLE AT BANK TABUNGAN
NEGARA SAMARINDA BRANCH**

MINOR THESIS

As one of the requirements to obtain the degree Bachelor of Accounting



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Raenanda Moza Faradila, was born in Bontang, East Kalimantan, on August 08, 2002. The author is daughter of Mr. Adi Dhatta Arief and Mrs. Roosmilawaty. The author is the fourth of four children. The author's first brother named Raenaldy Ferryza. The second sister named Raenata Nazla Roosheren, and the third sister named Raesita Adinda Rooshila.

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“The Effect of Whistleblowing System on Fraud Prevention with Internal Locus of Control as A Moderating Variable at Bank Tabungan Negara Samarinda Branch”.

PREFACE

Praise to Allah SWT, the Lord of the Universe, who has given all the gifts and abundance of His grace, as well as our lord the Prophet Muhammad SAW as our role model, so that by saying Alhamdulillah the author can complete the final project and study at the Faculty of Economics and Business, Mulawarman University.

This thesis with the title “**The Effect of Whistleblowing System on Fraud Prevention with Internal Locus of Control as a Moderating Variable at Bank Tabungan Negara Samarinda Branch**” was prepared as one of the requirements to obtain a Bachelor of Accounting degree at the Faculty of Economics and Business, Mulawarman University. On this Occasion the author would like to express the deepest gratitude to all those who helped, provided support, and guidance in the preparation of this thesis. The author would like to express her special thanks to:

1. Prof. Dr. Ir. H. Abdunnur, M. Si., IPU as the Rector of Mulawarman University.
2. Prof. Dr. Hj. Syarifah Hudayah, M. Si as the Dean of the Faculty of Economics and Business, Mulawarman University.
3. Mrs. Dwi Risma Deviyanti, SE., M. Si., Ak., CA., CSRS., CSRA., CMA as the Head of the Department of Accounting, Faculty of Economics and Business, Mulawarman University.

4. Dr. H. Zaki Fakhroni, CA., CTA., CMA., CFrA., CIQaR as the Head of the Accounting Study Program, Faculty of Economics and Business, Mulawarman University.
5. Dr. H. Zaki Fakhroni, CA., CTA., CMA., CFrA., CIQaR as the Advisor who has been willing to take time to guide, give direction, and advice related to the writing of the thesis so that this thesis can be completed.
6. Prof. Dr. Hj. Rusdiah Iskandar, M. Si., Ak., CA as Lecturer Advisor who has guided the author during the lecture period.
7. Dr. Muhammad Iqbal, SE., MSA., CSRA., CSP as Lecturer Advisor who has guided the author during the lecture period.
8. Lecturers of the Faculty of Economics and Business, Mulawarman University who have provided knowledge to the author during the lecture period.
9. All Departmental, Academic, and Administrative Staff of the Faculty of Economics and Business, Mulawarman University who have assisted in the smooth administrative process during the lecture period.
10. Bank BTN employees, especially BCLU and all Bank BTN employees who cannot be mentioned one by one who really helped the author, encouraged the author, prayed and gave good wishes for the author, and helped the author in collecting the data needed for writing the thesis.
11. To the author's parents who are very meritorious, namely Mr Adi Dhatta Arief and Mrs Roosmilawati who always pray for the author, encourage, and support the author both materially and non-materially.

12. The author's siblings, namely Raenaldy Ferryza, Raenata Nazla Roosheren, and Raesita Adinda Rooshila and the author's extended family who always support, encourage, and entertain the author.
13. To Ibnu Thoriq who always there and supports the author, accompanies the author, gives encouragement, prayers, advice, and very sincerely and sincerely helps everything the author needs during the writing of this thesis.
14. "BTN Say" friends, namely Rahmad Wardiansyah, Aisyha Nur Rahman, Nurintan Okta Cahyani Hanif, and Anita Maharani who always encourage and pray for the author.
15. "SAJADAH" friends namely Aisyha Nur Rahman and Mas'udah Nazwar who always support, pray, encourage, and give advice to the author.
16. "PBB #029" friends namely Ayak, Dinda, Rifka, Dava, Sultan, Arkhan, Algi, and Ajis who have given encouragement and prayers to the author.
17. The author's best friends, Ananda Najla Syakira Putri, Annisa Mutiara Kasih, and Rihasnur Nur Hidayah, who always provide support and encouragement to the author.
18. All friends of KBI Accounting 2020, HMJ Accounting 2020, and friends of the Class of 2020, Department of Accounting, Faculty of Economics and Business, Mulawarman University who have shared experiences and cooperation during the lecture period.
19. All parties who have helped the author in completing this thesis, the author is very grateful for all the help and prayers.

The author realises that in writing this thesis there are still many shortcomings. Therefore, the author apologises for the shortcomings that still exist in this thesis research. The author hopes that this thesis can be of benefit to readers and become a reference for the development of further research.

Samarinda, January 15 2024

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Raenanda Moza Faradila

ABSTRAK

Raenanda Moza Faradila, 2024. Pengaruh Whistleblowing System Terhadap Pencegahan Fraud dengan Internal Locus of Control sebagai Variabel Moderasi pada Bank Tabungan Negara Cabang Samarinda. Tujuan penelitian ini untuk mengetahui pengaruh whistleblowing system terhadap pencegahan fraud pada Bank Tabungan Negara Cabang Samarinda. Mengetahui kemampuan internal locus of control dalam memperkuat atau melemahkan pengaruh antara whistleblowing system terhadap pencegahan fraud pada Bank Tabungan Negara Cabang Samarinda. Penelitian ini menggunakan penelitian kuantitatif deskriptif dengan alat analisis SPSS Versi 25. Sampel yang digunakan sebanyak 57 pegawai Bank Tabungan Negara Cabang Samarinda serta sumber data yang digunakan berdasarkan pengisian Google Form oleh responden. Whistleblowing system berpengaruh secara positif and signifikan terhadap pencegahan fraud pada Bank Tabungan Negara Cabang Samarinda. Internal locus of control mampu memperkuat pengaruh antara whistleblowing system terhadap pencegahan fraud pada Bank Tabungan Negara Cabang Samarinda.

Kata Kunci: Whistleblowing System, Pencegahan Fraud, Internal Locus of Control

ABSTRACT

Raenanda Moza Faradila, 2024. The Effect of Whistleblowing System on Fraud Prevention with Internal locus of Control as a Moderating Variable in Bank Tabungan Negara Samarinda Branch. The aims of this research are knowing the effect of the whistleblowing system on fraud prevention in the Bank Tabungan Negara Samarinda Branch. Knowing the ability of internal locus of control in strengthening or weakening the influence between the whistleblowing system on fraud prevention in the Bank Tabungan Negara Samarinda Branch. This research uses descriptive quantitative research with SPSS Versionon 25 analysis tools. The sample used was 57 employees Bank Tabungan Negara Samarinda Branch and the data source used was based on filling out Google Forms by respondents. Whistleblowing system has a positive and significant effect on fraud prevention in Bank Tabungan Negara Samarinda Branch. Internal locus of control is able to strengthen the influence between whistleblowing system on fraud prevention in Bank Tabungan Negara Samarinda Branch.

Keywords: *Whistleblowing System, Fraud Prevention, Internal Locus of Control*

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LIST OF ABBREVIATIONS

ACFE	Association of Certified Fraud Examiners
BTN	Bank Tabungan Negara
WBS	Whistleblowing System
KNKG	Komite Nasional Kebijakan Governance
PBI	Peraturan Bank Indonesia
GONE	Greed, Opportunity, Needs, and Exposure
TPB	Theory of Planned Behavior
KCP	Kantor Cabang Pembantu
MRA	Moderated Regression Analysis

CHAPTER I

INTRODUCTION

1.1. Background

Banks are the dominant players in managing economic growth in Indonesia. Competition within the banking sector is currently intense, urging stakeholders in the banking industry to continually enhance and maintain the competitiveness by structuring their business models optimally. This industry involves complex business activities, with a primary focus on financial management that entails significant risks. Therefore, banking has become an industry heavily reliant on “trust”. Trust plays a crucial role in the banking world as building and preserving the trust of the public and the international community is a key factor that banks must consistently uphold to remain competitive in this evolving industry (Maulida and Bayunitri, 2021).

Shonhadji (2021) said that currently, banking transactions in Indonesia are now showing very rapid development in line with the need for financing in the real sector as well as the ease of banking transactions tailored to the needs of customers who want fast and practical services. This convenience is supported by the existence of information technology which is the main capital in facilitating transactions in banking to optimize the level of company satisfaction.

However, along with rapidly developing information technology, banks must continue to monitor and implementing precautionary measures carefully in managing the business to minimize fraud (Suharto, 2020). Fraud is unethical and illegal behavior carried out by individuals or groups that can harm others and

companies in both financial and non-financial terms (Anakonda and Pesudo, 2020).

Fraud is still often a classic problem that always exists in the banking sector.

Based on the ACFE report (2022) Association of Certified Fraud Examiners (ACFE) in 2022, Asia-Pacific contributed 10% of fraud cases in the world consisting of 194 cases with losses worth USD 121,000. Indonesia is the fourth in Asia-Pacific with a total of 23 cases of fraud, here is the data from ACFE report:

Table 1.1. Cheating Cases in Several Asia-Pacific States

Country	Number of Cases
Australia	38
China	33
Malaysia	25
Indonesia	23
Hong Kong	13
Singapore	13
Philippines	12
Thailand	9
Vietnam	8
New Zealand	6
Papua New Guinea	3
Taiwan	3
American Samoa	2
South Korea	2
Fiji	1
Laos	1
Micronesia	1
Solomon Islands	1
TOTAL CASES	194

Source: ACFE Report, "Occupational Fraud 2022: A Report to The Nations"

Fraud is closely related to crimes by individuals from banks because banks are places to collect large amounts of public funds. One indication of the occurrence of crime in banking is also due to the distribution of large amounts of credit which is used to balance the distribution of income that the bank wants to obtain (Shonhadji, 2021). In the process of collecting and distributing these funds, fraud often enters even the smallest gap to obtain personal gain.

According to Shonhadji (2021), fraud in the banking sector generally always involves third parties, both customers and people who work in the bank. Disclosure of this fraud is mostly revealed by the perpetrator's own colleagues. Fraud that occurs without going through the internal audit process is called whistleblowing.

Whistleblowing is the disclosure of fraud committed by individuals or groups to leak a fraud in a company/agency or individual (Alfian *et al.*, 2018). From Musmulyadi and Sari (2020) whistleblowing is something that can be disclosed by whistleblowers for illegal and immoral acts committed by internal and external parties to the company. This disclosure can be made by colleagues who are in the same work environment, relationships, and clients of the perpetrator himself (Anggi, 2020). The term for people who reveal fraud is also called a whistleblower. All companies definitely need this whistleblowing, especially in the banking sector which is directly related to financial matters.

An example of a fraud case that occurred at BTN bank From Medistiara (2020) is in the form of gratuities or bribes in 2020 received by the former BTN President Director with the initials M. M dragged the head of the BTN Samarinda branch, namely BPR and the credit facility analyst of PT Pelangi Putera Mandiri at BTN KC Samarinda, namely MR as witnesses who were suspected of knowing about the gratification case. Not only M, the Attorney General's Office also named four other suspects in the graft case, namely YA who is the President Director of PT Pelangi Putera Mandiri, M's son-in-law WKP, President Commissioner of PT Pelangi Putera Mandiri GE, and finally IH as Commissioner of PT Titanium Property.

This case began when PT Pelangi Putra Mandiri applied for credit to Bank BTN amounting to One Hundred Seventeen Billion Rupiah, then this credit experienced problems so that its status became bad credit or collectibility 5. The provision of credit facilities alleged gratification by YA amounting to Two Billion Two Hundred Fifty Seven Million Rupiah and Eight Hundred Seventy Million Rupiah given by PT Titanium Property for approval of the credit provision of One Hundred Sixty Billion Rupiah was transferred through the account of WKP or as the son-in-law of M (Medistiara, 2020).

Fraud committed can have an impact on company losses, especially banking, both losses from the accounting side in the form of non-financial losses and the dominant losses is financial. Financial losses can be in the form of decreased income, loss of assets, and company funds which are not small if it is known that the fraud committed is true. Non-financial losses can be in the form of loss of customer confidence in the bank, operational disruptions that hamper productivity and company performance, and instability between employees and management.

Fraud that occurs in banking is very complex so that in anticipating it banks need a system to prevent fraud. The system that has been used in several companies is the Whistleblowing System (WBS). Referring to Wahyuni and Nova (2019) WBS is a place to help whistleblowers to report violations that are against the law or fraud committed by colleagues within the company. The use of WBS is considered capable of encouraging employees to break the chain of fraud that occurs in the company (Musmulyadi and Sari, 2020).

Whistleblowing system is implemented at Bank Tabungan Negara began in 2010 and then developed intensively in 2011 and subsequent years. From Bank Indonesia Regulation (PBI) No. 5/8/PBI/2003 which was later amended to PBI No.11/23/PBI/2009 and Bank Indonesia Circular Letter No.13/28/DPNP regarding anti-fraud policies.

According to the Presidential Instruction of the Republic of Indonesia Number 10 of 2016 concerning Action for the Prevention and Eradication of Corruption in 2016 and 2017, the internal control and supervision system can be strengthened by optimizing the whistleblowing system to prevent and eradicate corruption cases in Ministries / Institutions and the private sector. Transparency in financial management and also openness in government administration information is outlined in INPRES (Wahyuni and Nova, 2019).

Currently, companies in Indonesia have used WBS to prevent or minimize fraud in their companies. Research from Maulida and Bayunitri (2021) which research that the WBS effect on fraud prevention by 54.3%. From Suharto (2020) WBS has a significant positive effect on fraud prevention with a regression of 0,291 and 0,002 which means that is significant. As well as several studies that have significant positive results on the effect of WBS in preventing fraud, namely (Puspitanisa and Purnamasari, 2021) (Trijayanti *et al.*, 2021) (Anandya and Werastuti, 2020). However, according to Sujana *et al.* (2020) WBS has no impact on preventing fraud in the financial management of villages.

Based on Anakonda and Pesudo (2020), fraud disclosure with WBS is of course supported by the existence of fraud disclosers or whistleblowers, which is

currently more effective because companies and organizations have provided facilities and provided support for whistleblower actions in exposing fraud. However, being a whistleblower is not an easy matter because as a whistleblower, you must face a dilemma in deciding whether to reveal fraud or keep quiet (Mahesa and Dewi, 2018).

Whistleblowers certainly have fears in making disclosures so companies must build a system to keep whistleblowers safe by following strong protection laws and policies to help companies objectively.

One of the factors that influence whistleblowing actions is the existence of ethical considerations that significantly influence a person to make decisions in whistleblowing. This decision making is a belief that is controlled by a person about what he will do and what will happen in the future. This control is called locus of control.

Locus of control is categorized into two parts, there are internal locus of control and external locus of control. Internal locus of control is self-control over the influence he will give to himself while external locus of control is self-control over external influences that are considered to affect them.

According to Anakonda and Pesudo (2020), someone who has a high internal locus of control in himself has a big influence on whistleblowing, so that research has a positive and significant relationship between internal locus of control and the intention to do whistleblowing to prevent fraud in a company.

This is also supported by research from Kusumawarandi and Sari (2021) which affirms that locus of control positively influences the intention to engage in

whistleblowing. And the most dominant locus of control in this research is internal locus of control because the individual's belief in their self-control will affect the environment and themselves.

From the background and exposure of several previous studies, there are variations exist in the outcome acquired from earlier research. So that the authors want to further examine the effect of the whistleblowing system on fraud prevention with internal locus of control as a moderating variable at Bank BTN Samarinda Branch.

1.2. Research Problem

Looking at the details listed in the research plan, this research leads to the conclusion that the problem under study, namely:

1. Does the whistleblowing system affect fraud prevention at the Bank Tabungan Negara Samarinda Branch?
2. Is internal locus of control able to strengthen or weaken the effect between the whistleblowing system on fraud prevention at the Bank Tabungan Negara Samarinda Branch?

1.3. Research Objectives

The objectives to be achieved from this research, namely:

1. To determine the effect of the whistleblowing system on fraud prevention at the Bank Tabungan Negara Samarinda Branch.
2. To determine the ability of internal locus of control in strengthening or weakening the effect between the whistleblowing system on fraud prevention at the Bank Tabungan Negara Samarinda Branch.

1.4. Benefits of Research

Hopefully, this research can provide benefits, both theoretical and practical benefits consisting of:

1. Theoretical benefits (Researchers)

- a) From this research, other researchers can make this research as reference material on related topics.
- b) Can add insight and knowledge regarding the effect of the whistleblowing system on fraud prevention.
- c) Adding insight into preventing fraud with the whistleblowing system and internal locus of control as moderating variables.

2. Practical Benefits

- a) For Bank Tabungan Negara Samarinda Branch

Through this research, it is hoped that it can provide knowledge to Bank BTN Samarinda Branch to prevent fraud and it is hoped that employees can find out the effect of the whistleblowing system as an effort to prevent fraud and what things need to be done to do whistleblowing to reduce the level of fraud that is still high.

- b) For the government

With this research, the government can make a policy or regulation regarding efforts to reduce the level of fraud that still occurs in Indonesia, especially banking. And also, this research can be used to tighten supervision through WBS which is a system to prevent fraud.

CHAPTER II

LITERATURE REVIEW

2.1. Theoretical Foundation

The theoretical foundation is the intellectual basis that supports a research, study, or understanding of a particular concept, phenomenon, or topic. The theoretical foundation plays an important role in understanding, explaining, and formulating hypotheses in a research or study (Salma, 2023). The theoretical foundations used in this study, namely:

2.1.1. Gone theory

Gone stands for Greed, Opportunity, Needs, and Exposure. This theory was introduced by Jack Bologne in 1993 indicating that certain factors lead individuals to engage in fraudulent activities are greed in a person because it might happen due to an opportunity that can be exploited by certain individuals by seeing the smallest gap in the system. Indications of fraud are also caused by the existence of daily needs that must be met and also the nature of humans who never feel enough of what they have. Fraud also occurs due to penalties given to perpetrators that are very low so that the perpetrators do not feel deterred from committing fraud continuously (exposure).

Greed is an individual trait that everyone must have. Greed also has the meaning of greed with a very large desire to enrich oneself by aligning all means to achieve this desire (Munirah and Nurkhin, 2018). According to Shonhadji (2020) greed has a relationship with the potential behavior of human greed. Currently,

2.2. Whistleblowing System (WBS)

Whistleblowing is an act of reporting the fraud of a person or several individuals in an agency/organization/company. Whistleblowing consists of 2 types, namely whistleblowing internal and external (LinovHR, 2022). Whistleblowing internal is an act of reporting fraud committed by an individual or some people by reporting the fraud to a person who has a higher position in the company. Meanwhile, whistleblowing external is an act of reporting fraud

committed by a person or several people by reporting a company that commits fraud to the public or consumers who are likely to be harmed.

Disclosures made are generally made in secret and are From self-desire as a good faith action taken by individuals for the sustainability of the company (Taufik and Nasir, 2020). Fraud disclosers are also known as whistleblowers.

Whistleblowers or commonly called whistleblowers are parties from within the company or from outside the company who have the confidence to reveal fraud that occurs around them. As a whistleblower, of course, you must have strong evidence and information to reveal the reported fraud. So that what is disclosed is not just mere talk but there is clear evidence held by the whistleblower so that it can be followed up (Peranda *et al.*, 2018).

The motivation of whistleblowers is to do something that should be disclosed to keep the company running well even though they already know about the risks they are likely to receive such as personal life, career, and social life (Peranda *et al.*, 2018).

From Shonhadji (2021), whistleblowers still dare to report acts of fraud committed even though the perpetrators are their own close friends. Becoming a whistleblower always intersects with behavioral aspects which are obstacles to becoming a whistleblower. Becoming a whistleblower is not very easy because there must be inner conflicts that include ethical and unethical actions for the disclosure of fraud committed by their own close friends. So, whistleblowers who want to reveal fraud can report to the whistleblowing system.

Based on Syafitri and Syafdinal (2023) the use of the Whistleblowing System (WBS) is believed to be able to minimize fraud because there is an agreement of an organization or company by providing policies for the protection of whistleblowers, detailed reporting mechanisms, and also improvements and evaluations made to be capable of enhancing the degree of effectiveness of the whistleblowing system so that whistleblowers do not have to worry if they want to report the fraud they know.

According to Trijayanti *et al.* (2021) WBS is used as a tool to suppress existing regulations in the company. This system is a place for employees to report fraud that has a detrimental impact on the company. From the Whistleblowing System (WBS) Guidelines issued by the KNKG. From the Komite Nasional Kebijakan Governance (2008) the benefits of the whistleblowing system itself, namely:

1. Ensuring that important information can be conveyed safely by the company to those who need it effectively;
2. Encouraging disapproval of violations by increasing the desire to report violations thanks to a reliable reporting system;
3. Developing early detection mechanisms to anticipate problems resulting from violations;
4. Provide an opportunity for internal redress before it becomes a public issue;
5. Reduce the risks faced by the company due to misconduct, including impacts on finance, legal, operations, reputation and safety;
6. Reducing the costs associated with addressing misconduct;

7. Improving the company's image for stakeholders, regulators, and the general public;
8. Provide the organization with an understanding of the critical areas and work processes that still have weaknesses in internal control, and participate in planning the necessary improvements.

The existence of WBS aims to encourage initiatives to report matters that can cause losses both in terms of financial and non-financial, make it easier for management to increase the effectiveness of reports containing violations and always protect the confidentiality of the whistleblower's identity in the archive, establish policies and infrastructure in protecting whistleblowers, improve the company's reputation, and minimize losses with early detection (KNKG, 2008).

Based on the research by Suharto (2020), there are several factors that can enhance the effectiveness of the whistleblowing system policy. These include providing protection to whistleblowers, implementing a reporting system, establishing mechanism for follow-up on fraud reports, as well as ensuring transparency and consistency.

Protection for whistleblowers should be a commitment from the bank to provide support and confidently assurance, both in terms of the whistleblower's identity and the reported fraud (Suharto, 2020).

The reporting system and the mechanism for follow-up on fraud reports are also necessary to enhance the effectiveness of reporting. This involves developing clear reporting processes, facilities, and identifying responsible parties to handle

the reports. The existence of mechanism for following up on reported fraud supports the effectiveness of the policy of whistleblowing system (Suharto, 2020).

The whistleblowing system policy also requires transparency and consistency in its implementation to ensure that whistleblowers have trust in the confidentiality and reliability of the whistleblowing system (Suharto, 2020).

2.3. Fraud

According to Anandya and Werastuti (2020), violations often occur within companies, whether committed by the companies themselves or by employees within the company. These, violation include those stipulated by laws and regulations, as well as rules established within the company. A common violation in companies from the lowest-level employees to middle management and even the highest-ranking individuals.

From ACFE in “The Fraud Tree: Occupational Fraud and Abuse Classification System ” fraud consists of three types, also known as The Fraud Tree. The fraud tree consists of corruption, asset misappropriation, and financial statement fraud.

Corruption involves an employee abusing their power in business transactions by violating obligations to the employer to gain direct benefits. Asset misappropriation refers to theft or misuse committed by employees for personal gain. Financial statement fraud is employee’s intentional altering or falsifying material information in the company’s financial reports to gain benefits or also known as window dressing (ACFE, 2016) (Riadi, 2019).

According to Steve Albrecht on the National Whistleblower Center, there is a model that can identify high fraud risk called the fraud triangle. The fraud triangle or more commonly known as the triangle of deception, consists of three concepts: Motivation, opportunity, and rationalization.

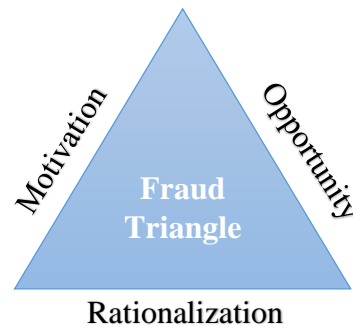


Figure 2.2. Fraud Triangle

Source: National Whistleblower Center (NWC)

The Fraud Triangle is often used as a concept by anti-fraud professionals to explain the motivation of individuals or companies to commit fraud. According to Albrecht, the fraud triangle states that someone is capable of committing fraud when there is perceived pressure (motivation), opportunity, and a way to rationalize that what is done is not fraud (rationalization).

According to Laksmi & Sujana (2019), several things are necessary to prevent fraud, including fraud awareness, the establishment of anti-fraud policies, fraud prevention procedures, and fraud control techniques.

Fraud awareness, also known as instilling awareness of fraud, is crucial for employees to cultivate within themselves the awareness not to engage in fraud because it can be detrimental, both to the employees themselves and to the company.

The establishment of anti-fraud policies is also necessary to support fraud prevention in the company. This is outlined in government regulations regarding mandatory anti-fraud policies for each company.

Prevention of fraud risks can also be minimized with the existence of prevention procedures designed and implemented by the company. These procedures should also be periodically evaluated to determine their effectiveness.

Companies also need to choose fraud control techniques that are suitable for the fraud risks likely to occur in their organization. Thus, in preventing fraud, it can be controlled according to the control techniques established by the company.

2.4. Locus of Control

Locus of control is a form of belief that an individual has control over what happens in their life and the extent of the impact on their surrounding environment. The control referred to is control over decisions in daily life, the influence of a decision, and life as a whole (Audina, 2023). Locus of control influences how we respond to events in life and our motivation to take actions.

There are two types of locus of control, there are internal locus of control and external locus of control. Internal locus of control is the control that comes from within an individual over their attitudes and decisions. This control instills confidence in someone that they can manage actions in their life and will blame themselves for any failures they experience. While, external locus of control is self-control influenced by external factors or people around them that affect fail, they may think that their luck has run out or their failure is caused by others influencing them (Audina, 2023).

According to Anakonda and Pesudo (2020), several factors influence the presence of internal locus of control within individuals, including self-ability, responsibility for actions taken, and personal efforts.

Self-ability is an activity carried out by an individual to complete tasks they have started. Individuals with an internal locus of control tend to feel that they have the ability to overcome problems and change specific situations. This ability also believes that the decisions making can influence subsequent outcomes. The control within an individual must also convince that the decisions they have must be fully accountable. Of course, if someone with an internal locus of control chooses something, they have to responsible for their own choices and accountable for the risks that occur afterward. When someone desires something, they must strive to obtain it. Thus, hard work is required to achieve that they want and make a sincere effort to achieve that success.

2.5. Previous Research

This research is based on several previous studies, namely:

Table 2.1. Previous Research

No.	Author	Research Method	Analytical Tools	Research Results
1.	Anakonda, C. R. B. L., and Pesudo, D. A. A. (2020)	Descriptive quantitative	Multiple linear regression with IBM SPSS 26	Ethical climate has non-significant positive influence on whistleblowing intention. Meanwhile, internal locus of control has a significantly positive influence on whistleblowing intention.
2.	Suharto, S. (2020)	Quantitative	Explanatory study, simple linear regression SPSS Ver 20.00	Internal control significantly influences fraud prevention.

Continued on next page

Table 2.1. Continues

No.	Author	Research Method	Analytical Tools	Research Results
3.	Sujana, I. K., <i>et al.</i> , (2020)	Quantitative	Multiple linear regression with SPSS	WBS does not affect fraud prevention, while human resource competence, morality, and internal control system have a positive influence on fraud prevention.
4.	Anandya, C. R., and Werastuti, D. N. S. (2020)	Quantitative	Multiple linear regression with SPSS 25	WBS, organizational culture, and morality have a significant positive influence on fraud prevention.
5.	Puspitanisa, W., and Purnamasari, P. (2021)	Descriptive quantitative	Multiple linear regression with SPSS 23	WBS has a significant positive influence on fraud prevention, and human resource competence significantly influence fraud prevention.
6.	Shonhadji, N. (2021)	Quantitative	Patch analysis with Warp PLS	Professional commitment, moral courage, and idealism significantly influence the intention to whistleblowing, while altruistic values do not have an influence. Locus of control is a moderating variable that strenght the relationship between professional commitment, courage, and idealism significantly influence the intention to whistleblowing.
7.	Trijayanti, I., Hendri, N., and Sari, G. P. (2021)	Quantitative	Multiple linear regression, panel regression, with SPSS	Audit committee, internal audit, and WBS have a positive influence on fraud prevention.

Continued on next page

Table 2.1. Continues

No.	Author	Research Method	Analytical Tools	Research Results
8.	Yulian Maulida, W., and Indah Bayunitri, B. (2021)	Quantitative	Explanatory method and simple linear regression with SPSS Ver 19.00	WBS has a 54,3% influence on fraud prevention.
9.	Wakhidah, A. K., and Mutmainah, K. (2021)	Quantitative	Multiple linear regression with SPSS Ver 23	Bystander effect has a negative influence on fraud prevention, while positive influence on WBS, internal locus of control, competence of officials on fraud prevention.
10.	Kusumawarandi and Sari (2021)	Quantitative	Multiple linear regression	Locus of control, professionalism, and seriousness have a positive influence on the intention to whistleblowing.

Source: Data processed, 2023

2.6. Conceptual Framework

2.7. Hypothesis Development

2.7.1. The effect of whistleblowing system on fraud prevention

H₁ : Whistleblowing system has a positive and significant effect on fraud prevention.

2.7.2. The effect of internal locus of control in moderating the whistleblowing system on fraud prevention

H₂ : Internal locus of control as a moderating variable is able to strengthen the effect of the whistleblowing system on fraud prevention

2.8. Research Model

The research model is constructed upon the methodology employed in the study. The model of research employed in this study consists of:

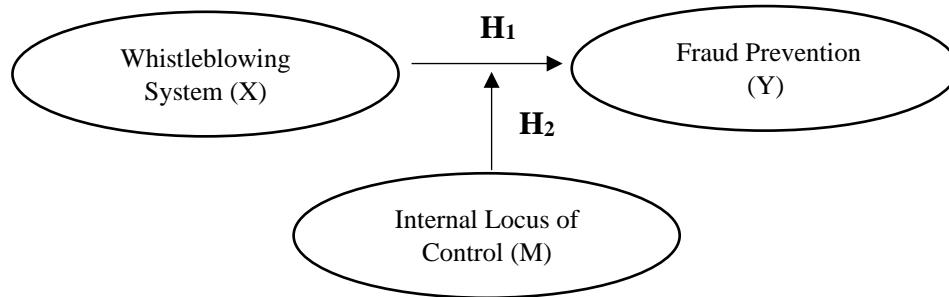


Figure 2.3. Research Model

Source: Data processed, 2023

CHAPTER III

RESEARCH METHOD

3.1. Operational Definition

Operational definition is the process of turning research variables into concepts that can be measured and observed by researchers. This operational definition can be used to explain how variables will be measured and observed in a study. The following are some of the variables used in this study, namely:

3.1.1. Independent variable

Independent variable is a factor that has the potential to influence the changes occurring in dependent variable under investigation. The symbol for independent variable is X. These variables are also referred to as independent because they are not bound any other variable and are used to measure the factors causing changes in the dependent variable.

3.1.1.1. Whistleblowing system (X)

Independent variable that used on this research is whistleblowing system (X). Whistleblowing system or WBS is a system that serves as a forum for reporting the actions of an employee who contains disclosure of information on violations in the form of laws, regulations, acts of corruption, professional codes of ethics, abuse of authority, or things that can endanger employees and agencies. WBS is an information disclosure system that serves as a forum for whistleblowers to disclose the fraud they have seen. The use of this whistleblowing system has been used in several large agencies because some agency employees who know fraud do not want to report the fraud because of the fear that exists in them.

If WBS has been implemented properly in the agency, it is hoped that this system will be able to increase awareness for employees to continue to maintain their integrity because it is in the form of disclosure through this system that can reduce fraud that occurs in the agency (Wahyuni and Nova, 2019). Disclosure can arise because of problems regarding employee loyalty and interests in whistleblower protection in an agency.

The whistleblowing system variable is measured by a questionnaire instrument from the research of Suharto (2020) which is modified and compiled from several indicators, namely:

1. Protection for whistleblower
2. Reporting systems and follow-up mechanism for fraud reports
3. Transparency and consistency

3.1.2. Dependent variable

Dependent variable is a variable affected by the existence of independent variable. This variable appeared because of the independent variable, so the significant changes in the dependent variable occur as a result of changes in the independent variable. The symbol for the dependent variable is Y.

3.1.2.1. Fraud Prevention (Y)

Dependent variable that used on this research is fraud prevention (Y). Fraud is an offence committed with the intent to deceive or manipulate the financial data of the district government and the use of facilities with consequences that cause losses to the bank, customers, and related parties in order to gain financial benefits, either directly or indirectly. There are several types that are considered as a form of

fraud, namely misappropriation of assets, fraud, district government crime, leaking information, and other similar things.

Fraud is often committed for financial purposes, but it can also have a negative impact on the reputation of the individual or company involved in the act. Fraud is also an illegal act of concealment, deception or breach of trust. Fraud is committed for personal or individual purposes in the form of money, property, or services and can occur in various business platforms and fraud also has the opportunity to be carried out everywhere (The Institute of Internal Auditors (IIA), 2019).

According to The Institute of Internal Auditors (IIA) (2019), fraud prevention can include legal action, dismissal, and asset recovery. Thus, it is important that each investigation requires appropriately qualified individuals to reduce the risk of evidence destruction, false accusations, or weakening the potential for legal action.

The importance of *fraud* prevention is useful to protect assets, maintain reputation, comply with regulations and laws, increase trust, reduce costs, increase operational efficiency, and improve the ethical culture of the agency. Thus, fraud prevention has an important role in maintaining the stability, sustainability, and reputation of individuals and agencies in an increasingly complex and risky business environment.

Fraud prevention variables are measured by questionnaire instruments from research Laksmi and Sujana (2019) which is modified and compiled From several indicators, namely:

1. Fraud awareness or instilling awareness about fraud
2. Establishing anti-fraud policies
3. Procedure
4. Control techniques

3.1.3. Moderating variable

Moderating variables are have a capability to strengthening or weakening the influence of X and Y variables. In other words, this variable connects the variables. It is also an independent variable that can affect other variables, modifying or altering the relationship these variables. The symbol for the moderating variable is M.

3.1.3.1. Internal locus of control (M)

The moderating variable between whistleblowing system and fraud prevention in this study is internal locus of control (M). Internal locus of control is a term used in psychology to describe an individual's belief or perception that they have significant control or influence over the outcomes and events in their life. An individual with an internal locus of control tends to believe that their actions, decisions, and have a direct impact on what happens in their life.

Internal locus of control can have a positive impact on an individual's motivation, psychological well-being, and the achievement of an individual's goals because they are more inclined to be motivated to pursue their objectives and overcome obstacles (Kusumawarandi and Sari, 2021).

The moderating variable internal locus of control is measured by a questionnaire instrument from the research of Anakonda and Pesudo (2020) which was modified and compiled From several indicators, namely:

1. Self-ability
2. Taking responsibility for actions taken
3. Self-effort

3.2. Population and Sample

3.2.1. Population

Population is a unit of analysis that is the subject of research as a whole. Population determination is very important for research because researchers can analyze data based on data taken from the results of respondents received. If there is no population, then the researcher will not get the data used for analysis. The population in this study were 70 people who were employees in the Bank Tabungan Negara Samarinda Branch.

Table 3.1. Number of Employees Bank Tabungan Negara Samarinda Branch

Office Name	Number of Employees
Bank Tabungan Negara Samarinda Branch	57 people
Bank Tabungan Negara KCP Bontang	5 people
Bank Tabungan Negara KCP Tenggarong	4 people
Bank Tabungan Negara KCP Berau	4 people
Total	70 people

Source: Data processed, 2023

3.2.2. Sample

A sample is a generalization of individual units that have the quantity and characteristics to be studied. Samples can be in the form of objects, events, individuals, and others in which there is research data that can be concluded (Riadi, 2020). The sampling technique used in this research is purposive sampling, which

means determining the sample with certain criteria to meet the standards in this research.

From 70 employees at Bank Tabungan Negara Samarinda Branch, there are 57 people work at the Samarinda Branch Office. Thus, the research utilized a sample size consisting of 57 people because each of these employees had met the criteria and was able to do whistleblowing and report to the WBS. Data from these respondents is needed to certify the validity of this research.

3.3. Types and Sources of Data

Data is something that is taken through various processes in accordance with the circumstances in the field without exaggerating the statement. The data that the research uses, namely quantitative data consisting of primary and secondary data. Research can be said to be valid or correct if the data sources taken are clear.

3.3.1. Primary data

The data sources that researchers use are primary data sources that come from the results of filling out questionnaires on Google Form from respondents.

3.3.2. Secondary Data

Secondary data sources come from literature studies of previous studies and articles on the effect of the whistleblowing system on fraud prevention with internal locus of control as a moderating variable in the form of journals related to this matter.

3.4. Data Collection Methods


Data collection in this study was carried out using the data results from the questionnaire. The questionnaire is a method carried out in the form of a survey in a study which is used as a tool to collect data from respondents to be processed and

concluded (Wijaya, 2021). The tool used to collect this questionnaire is Google Form.

Measurement of questionnaire data using SPSS version 25. The scale in the preparation of this research question uses the Bipolar Adjective Scale is part of the semantic scale so that response intervally scaled data can be result. Intervally scaled data or also known as interval scale is a type of measurement scale in statistics and measurement science.

This study uses a number value of 1 to 10 with a score of 1-5 being a strongly disagree answer while for a score of 6-10 it is a strongly agree answer.

Table 3.2. Example of intervally scaled

No.	Item	Answer
1.	Whistleblowing system can make employees to <i>whistleblowing</i>	<div style="text-align: center;"> 1 2 3 4 5 6 7 8 9 10  Really not Agree Agree </div>

Source: Data processed, 2023

3.5. Data Analysis Technique

The technique of data analysis is used quantitative research technique. This quantitative research uses statistical data analysis techniques that aim to measure variables in the form of numbers. The data analysis used to test the hypothesis is using simple linear regression analysis and Moderated Regression Analysis (MRA).

The data analysis technique used is quantitative research technique. This quantitative research uses statistical data analysis techniques that aim to measure variables in the form of numbers. The analysis of data employed hypothesis testing are using simple linear regression analysis and Moderated Regression Analysis (MRA).

The stages of data analysis in this research are descriptive statistics, linearity test, validity test, reliability test, simple linear regression analysis test, correlation coefficient, coefficient of determination, model feasibility test (F test) and hypothesis testing (t test).

3.5.1. Descriptive statistics

Descriptive statistics is the study of how data can be organized and presented in research. Its main purpose is to explain the observed data so that it can be easily read, understood, and used as a source of information. Descriptive statistics are used to provide a summary of a variable, such as the total number, average value, standard deviation, minimum, and maximum values (Bahri, 2018).

3.5.2. Linearity test

The linearity test is used to indicate that the independent variable has a linear relationship with the dependent variable. The linearity test uses the Anova table and is observed in the linearity section of the SPSS 25 output used in this research. The significance level of the linearity test through the test for linearity is less than 0,05 (Sig <0,05). Therefore, if the two tested variables have a linear significance value < 0,05, it can be conclude that these two variables have a linear relationship.

3.5.3. Validity test

The validity test is conducted to assess the validity of processed data. Valid data can be seen from the degree of accuracy of the data collected on the object compared to the data collected by the researcher. Data is considered valid if the questionnaire in the form of statement can produce measurable and accurate results

that are on target. Valid data is also reliable and objective, however, reliable data may not necessarily be valid (Sugiyono, 2013).

Validity testing is obtained from the correlation calculation, which is useful for measuring the validity of existing data. The significance level of the correlation coefficient is 0,05 the meaning is if the calculated correlation (r) is greater than ($>$) the table value of r than the tested item can be considered valid.

3.5.4. Reliability test

The reliability test assesses the stability and consistency of respondents in answering questions or statement related to the variables in the questionnaire (Syafitri and Syafdinal, 2023).

Data on a variable can be considered reliable if the Cronbach Alpha (σ) $>$ 0,70. This value indicates that if the same questions are asked to respondents repeatedly, they will yield consistent results (Ghozali, 2009).

The Cronbach Alpha formula is as follows:

$$r_{11} = \left(\frac{n}{n-1} \right) \left(1 - \frac{\sum \sigma_t^2}{\sigma_t^2} \right)$$

Description:

r_{11} = Reliability test

n = Number of tested question items

$\sum \sigma_t^2$ = Number of score variances for each item

σ_t^2 = Total Variance

Table 3.3. Reliability Score

Reliability Score	Description
Alpha < 0,50	Low reliability
Alpha 0,50-0,70	Moderate reliability
Alpha 0,70-0,90	High reliability
Alpha > 0,90	Perfect reliability

Source: Data processed, 2023

3.5.5. Simple regression analysis

Simple regression analysis is useful for obtaining a mathematical relationship in an equation between an independent variable and a dependent variable. This analysis is a statistical tool to understand the extent to which the independent variable influences the dependent variable.

The equation for simple linear regression can be expressed as follows:

$$Y = a + \beta_1 X_1 + e$$

Description:

Y = Dependent variable

a = Constant value (intercept parameter)

β = Coefficient of regression

X = Independent variable

e = The error (residual)

3.5.6. Correlation coefficient (r)

The coefficient of correlation is essential to assess because it provides initial information about the correlation between predictor variables and prediction variables.

The correlation coefficient equation is as follows:

$$r = \frac{n \sum_{i=1}^n X_i Y_i - \left(\sum_{i=1}^n X_i \right) \left(\sum_{i=1}^n Y_i \right)}{\sqrt{\left[n \sum_{i=1}^n X_i^2 - \left(\sum_{i=1}^n X_i \right)^2 \right] \left[n \sum_{i=1}^n Y_i^2 - \left(\sum_{i=1}^n Y_i \right)^2 \right]}}$$

Figure 3.1. Correlation Coefficient Equation

Source: Yuliara (2016)

If the r value approaches -1 or 1, it indicates there is relationship between the two variables. While, if the value of r approaches 0, there is a weak relationship between the two variables. Here are the correlation coefficient calculating criteria are:

Table 3.4. Criteria for Calculating the Correlation Coefficient

0	No correlation
>0 – 0,25	Very weak correlation
>0,25 – 0,5	Fair correlation
>0,5 – 0,75	Strong correlation
>0,75 – 0,99	Very strong correlation
1	Perfect positive correlation
-1	Perfect negative correlation

Source: (Sarwono, 2006)

3.5.7. Coefficient of Determination (R^2)

The coefficient of determination measures how well the model can explain various independent variables on the dependent variable. The coefficient of determination also represents the proportion of the influence of all independent variables on the dependent variable that can be explained. The R-Square values is used in this research because it consists of only one independent variable (Bahri, 2018).

The R^2 value range from 0 to 1. If the coefficient of determination value approaches 1, it indicates that the independent variable provides most or almost all the information needed to predict the dependent variable, and model becomes more accurate. This value is then expressed as a percentage (%) that illustrates the contribution of the independent variable to the dependent variable (Bahri, 2018).

3.5.8. Model feasibility test (F test)

The F test is found in the Anova output and is used to test the hypothesis that all independent variables used in the model affect the dependent variable and to test the feasibility of the regression model. From Bahri (2018), there are several hypothesis tests as follows:

- a. Hypothesis Zero (H_0) to test whether a parameter is equal to zero, or:
 $H_0 : \rho = 0$ indicating that the independent variable does not affect the dependent variable.
- b. Alternative Hypothesis (H_a/H_1) to test whether a parameter is not equal to zero, or:
 $H_1 : \rho \neq 0$ indicating that the independent variable is significantly affects the dependent variable.

To hypothesis is examined using F statistic, with a decision criteria set at a of a significance level of 0,05, as follows:

- a. If the significance value $\geq 0,05$, H_0 is accepted and H_1 is rejected, its means that the independent variables, as a whole, do not significantly affect the dependent variable.

- b. If the significance value $\leq 0,05$, H_0 is rejected and H_1 is accepted, its means that the independent variables, as a whole, significantly affect the dependent variable.

3.5.9. Hypothesis Testing (t-test)

The t-value is obtained from the regression coefficient output. The t-statistic test is useful for testing the hypothesis that individual independent variables have an impact on the dependent variable (Bahri, 2018). According to Bahri (2018), there are several hypothesis tests as follows:

- a. Hypothesis Zero (H_0) to test whether a parameter is equal to zero, or:
 $H_0 : \rho = 0$ indicating that the independent variable does not affect the dependent variable.
- b. Alternative Hypothesis (H_a/H_1) to test whether a parameter is not equal to zero, or:
 $H_1 : \rho \neq 0$ indicating that the independent variable is significantly affects the dependent variable.

To hypothesis is examined using F statistic, with a decision criteria set at a of a significance level of 0,05, as follows:

- a. If the significance value $\geq 0,05$, H_0 is accepted and H_1 is rejected, its means that the independent variables, as a whole, do not significantly affect the dependent variable.
- b. If the significance value $\leq 0,05$, H_0 is rejected and H_1 is accepted, its means that the independent variables, as a whole, significantly affect the dependent variable.

The hypothesis to be tested in this research are:

1. H₁: Whistleblowing system has a positive and significant effect on fraud prevention.
2. H₂: Internal locus of control as a moderating variable is able to strengthen the effect of the whistleblowing system on fraud prevention.

CHAPTER IV

RESULTS AND DISCUSSION

4.1. Overview of the Research Object

This research was conducted on employees who work in the Bank Tabungan Negara Kantor Samarinda Branch, Bank Tabungan Negara KCP Mulawarman University Samarinda, Bank Tabungan Negara KCP Sutomo Samarinda, and Bank Tabungan Negara KCP Samarinda Seberang.

Data collection in this research was in the form of distributing questionnaires through Google Form given to 57 employees of Bank Tabungan Negara Kantor Samarinda Branch. And the distribution and collection of questionnaires was carried out on 5 December 2023 - 6 December 2023.

The research sample taken by researchers to serve as respondents were employees in the Bank Tabungan Negara Kantor Samarinda Branch, Bank Tabungan Negara KCP Sutomo Samarinda, Bank Tabungan Negara KCP Mulawarman University Samarinda, and Bank Tabungan Negara KCP Samarinda Seberang. The questionnaires distributed totaled 57 and all statements were filled in so that all questionnaires that could be processed were 57. The following is a summary in tabular form regarding the research sample data:

Table 4.1. Distribution of Questionnaires per Office

No.	Bank Tabung Negara Office Name	Number of Respondents	Percentage of Respondent
1.	Kantor Cabang Samarinda	47 people	82%
2.	Kantor Cabang Pembantu Universitas Mulawarman Samarinda	3 people	5,3%
3.	Kantor Cabang Pembantu Sutomo Samarinda	4 people	7%
4.	Kantor Cabang Pembantu Samarinda Seberang	3 people	5,3%
TOTAL		57 people	100%

Source: Data processed, 2023

Table 4.2. Research Sample Data

No.	Description	Number of Questionnaire	Percentage
1.	Number of questionnaires distributed	57	100%
2.	Number of completed questionnaires	57	100%
3.	Number of questionnaires that can be processed	57	100%
4.	Number of questionnaires that cannot be processed	0	0%

Source: Data processed, 2023

The data collected was then processed and edited, coded, and tabulated to facilitate the research results. The resulting data was then analyzed using SPSS version 25.

4.2. Descriptive Statistics

In this research, there are two parts of descriptive statistics analysis, there are descriptive statistics test analysis of respondents and descriptive statistics test analysis of variables. Here are the results of descriptive statistic data processing for respondents and variables:

4.2.1. Descriptive statistics test analysis of respondents

From the research that has been conducted, respondents who are the source of research are divided and grouped from several characteristics, namely gender, age, office name, educational background, and length of work.

4.2.1.1. Gender

The following is the characteristic data from gender:

Table 4.3. Descriptive Statistics by Gender

Description	1	2	3	4	Total	Percentage
	Samarinda Branch	KCP Mulawarman University	KCP Sutomo	KCP Samarinda Seberang		
Male	18	0	1	1	20	35,1%
Female	29	3	3	2	37	64,9%
Total	47	3	4	3	57	100%

Source: Data processed, 2023

The conclusion from the acquired data results, it can be inferred that respondents with female gender dominate, totaling 37 people with 64,9% and respondents with male gender are 20 people with 35,1%.

4.2.1.2. Age

The following is characteristic data from age:

Table 4.4. Descriptive Statistics by Age

Description	1	2	3	4	Total	Percentage
	Samarinda Branch	KCP Mulawarman University	KCP Sutomo	KCP Samarinda Seberang		
20-35 years	40	3	3	3	49	86%
36-45 years	7	0	1	0	8	14%
46-60 years	0	0	0	0	0	0%
Total	47	3	4	3	57	100%

Source: Data processed, 2023

The conclusion from the acquired data results, it can be inferred that respondents who dominate are respondents aged 20-35 years, totaling 49 people with a percentage of 86%. Respondents aged 36-45 years totaled 8 people with a percentage of 14%. While there are no respondents aged 46-60 years with a percentage of 0%.

4.2.1.3. Office name

The following is characteristic data from office name:

Table 4.5. Descriptive Statistics by Office Name

Office Name	Number of Respondents	Percentage of Respondent
Bank Tabungan Negara Samarinda Branch	47 people	82,5%
Bank Tabungan Negara KCP Mulawarman University Samarinda	3 people	5,3%
Bank Tabungan Negara KCP Sutomo Samarinda	4 people	7%
Bank Tabungan KCP Samarinda Seberang	3 people	5,3%
TOTAL	57 people	100%

Source: Data processed, 2023

The conclusion from the acquired data results, it can be inferred that respondents who dominated were respondents in the Bank Tabungan Negara Samarinda Branch totaling 47 people with percentage of 82,5%. Then, respondents from Bank Tabungan Negara KCP Sutomo Samarinda totaling 4 people with percentage of 7%. Meanwhile, respondents from Bank Tabungan Negara KCP Mulawarman University and Bank Tabungan Negara KCP Samarinda Seberang have the same totaling each of the amount 3 people with each percentage are 5,3%.

4.2.1.4. Educational Background

The following is characteristic data from educational background:

Table 4.6. Descriptive Statistics by Educational Background

Description	1	2	3	4	Total	Percentage
	Samarinda Branch	KCP Mulawarman University	KCP Sutomo	KCP Samarinda Seberang		
High School Equivalent	4	1	0	0	5	8,8%
D3	5	0	1	0	6	10,5%
S1	37	2	3	3	45	78,9%
S2	1	0	0	0	1	1,8%
S3	0	0	0	0	0	0%
Total	47	3	4	3	57	100%

Source: Data processed, 2023

The conclusion from the acquired data results, it can be inferred that respondents who dominate are respondents who have an undergraduate educational background of 45 people with 78,9%. Respondents who have a D3 educational background are 6 people with 10,5%. Respondents who have a high school education background are 5 people with 8,8%. Respondents who have a master's education background are 1 person with 1,8%. Meanwhile, there are no respondents who have a doctoral educational background with a percentage of 0%.

4.2.1.5. Length of employment

The following is characteristic data from length of employment:

Table 4.7. Descriptive Statistics by Length of Employment

Description	1	2	3	4	Total	Percentage
	Samarinda Branch	KCP Mulawarman University	KCP Sutomo	KCP Samarinda Seberang		
<5 years	14	0	0	0	14	24,6%
5-10 years	18	3	3	3	27	47,4%
>10 years	15	0	1	0	16	28,1%
Total	47	3	4	3	57	100%

Source: Data processed, 2023

The conclusion from the acquired data results, it can be inferred that respondents who dominate are respondents with worked for 5-10 years, 27 people with 47,4%. For respondent's worked more than 10 years are 16 people with 28,1%. For respondent's worked <5 years are 14 people with 24,6%.

4.2.2. Descriptive statistics test analysis of variables

Analysis in this statistical test is useful for knowing the minimum amount of data, average (mean), maximum, and standard deviation to explain the variables to be studied. Some of the variables tested in this research are the Whistleblowing System as the independent variable (X), fraud prevention as the dependent variable (Y), and internal locus of control as the moderating variable (M). Below are the outcomes of descriptive statistic test conduct on the 57 samples:

Table 4.8. Descriptive Statistics Test Analysis of Variables

	Descriptive Statistics				
	N	Minimum	Maximum	Mean	Std. Deviation
Whistleblowing System	57	43	60	56,18	4,947
Fraud Prevention	57	64	80	77,23	4,392
Internal Locus of Control	57	57	80	75,11	5,942
Valid N (listwise)	57				

Source: Data processed SPSS Version 25, 2023

From the results of the data obtained, from the 57 samples used, it can be seen in table 4.8. that the minimum value of the whistleblowing system variable is 43 and the maximum value is 60 so that the average value is 56,18. Furthermore, the minimum value of the fraud prevention variable is 64 and the maximum value is 80 so that the average value is 77,23. And for the minimum value of the internal locus of control variable 57 and the maximum value is 80 so that the average value is 75,11.

4.3. Linearity test

This test is employed to ascertain if there is a linearity in the independent variable, namely whistleblowing system, the dependent variable, namely fraud prevention, and the moderating variable, namely internal locus of control. The ensuing outcomes present the findings of linearity test conducted between these variables:

Table 4.9. Linearity Test Results Whistleblowing System and Fraud Prevention

			Sum of		Mean		
			Squares	df	Square	F	Sig.
Fraud Prevention*	Between	(Combined)	649,868	12	54,156	5,539	,000
Whistleblowing System	Groups	Linearity	518,284	1	518,284	53,013	,000
		Deviation from Linearity	131,585	11	11,962	1,224	,301
	Within Groups		430,167	44	9,777		
Total			1080,035	56			

Source: Data processed SPSS Version 25, 2023

The conclusion from the acquired data results, it can be inferred that in table 4.9. linearity shows a significance of 0,000 states that this figure is $<0,05$. This proves that there is a linear relationship between the whistleblowing system variable and the fraud prevention variable tested in this research.

Table 4.10. Linearity Test Results Internal Locus of Control and Fraud Prevention

			ANOVA Table				
			Sum of Squares	df	Mean Square	F	Sig.
FraudPrevention * InternalLocusofControl	Between Groups	(Combined)	912,444	16	57,028	13,611	,000
		Linearity	474,493	1	474,493	113,250	,000
		Deviation from Linearity	437,951	15	29,197	6,969	,000
	Within Groups		167,591	40	4,190		
	Total		1080,035	56			

Source: Data processed SPSS Version 25, 2023

The conclusion from the acquired data results, it can be inferred that in table 4.10. linearity shows a significance of 0,000 states that this figure is $<0,05$. This proves that there is a linear relationship between the internal locus of control variable and the fraud prevention variable tested in this research.

4.4. Validity Test

The validity test is needed to state the validity of the questionnaire data distributed and which has been filled in by the respondents. Here are the results from the validity test conducted on the items within the questionnaire:

Table 4.11. Validity Test Results

Variables	Item Statement	R count	R Table	Significance	Description
Whistleblowing system	1	0,852	0,216	0,000	Valid
	2	0,780			
	3	0,784			
	4	0,716			
	5	0,875			
	6	0,883			
Fraud Prevention	1	0,706	0,216	0,000	Valid
	2	0,794			
	3	0,817			
	4	0,909			
	5	0,881			
	6	0,911			
	7	0,799			
	8	0,916			

Continued on next page

Table 4.11. Continues

Variables	Item Statement	R count	R Table	Significance	Description
Internal Locus of Control	1	0,817	0,216	0,000	Valid
	2	0,794			
	3	0,691			
	4	0,706			
	5	0,850			
	6	0,748			
	7	0,750			
	8	0,800			

Source: Primary data processed SPSS Version 25, 2023

From table 4.11. it can be seen that the whistleblowing system variable has a calculated r value for each statement of 0,852, 0,780, 0,7840, 0,716, 0,875, 0,883 which means greater than r table 0,216 so that the whistleblowing system variable statement data can be said to be valid. For fraud prevention variables, each statement has a calculated r value of 0,706, 0,794, 0,817, 0,909, 0,881, 0,911, 0,799, 0,916 which means greater than r table 0,216 so that the fraud prevention variable statement data can be said to be valid. As well as, the internal locus of control variable has a value of 0,817, 0,794, 0,691, 0,706, 0,850, 0,748, 0,750, 0,800 which means greater than r table 0,216 so that the internal locus of control variable statement data can be said to be valid. As well as with a significant value $0,000 < 0,05$, the data obtained can be said to be valid.

4.5. Reliability Test

The results from the reliability test conducted on the items within the questionnaire:

Table 4.12. Reliability Test Results

Variable	Cronbach Alpha	Description
Whistleblowing System	0,883	Reliable
Fraud Prevention	0,939	Reliable
Internal Locus of Control	0,897	Reliable

Source: Primary data processed SPSS Version 25, 2023

From table 4.12. the conclude are whistleblowing system variable has a value of 0,883, which means that the reliability level is high. Then for the fraud prevention variable has a value of 0,939 which means the reliability level is perfect. The internal locus of control variable has a value of 0,897 which means a high level of reliability.

4.6. Simple Linear Regression Analysis Test

This analysis is used to determine the relationship between the independent variable and the dependent variable and to determine the effect of the whistleblowing system variable (X) on the fraud prevention variable (Y) before and after being influenced by the internal locus of control variable (M). The following are the results of the simple linear regression analysis test before and after being influenced by the internal locus of control variable (M).

Table 4.13. The Magnitude of The Correlation Coefficient and The Coefficient of Determination Before Being Affected by Moderating Variable

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,693 ^a	,480	,470	3,19588

a. Predictors: (Constant), Whistleblowing System

b. Dependent Variable: Fraud Prevention

Source: Primary data processed SPSS Version 25, 2023

Table 4.14. The Magnitude of The Correlation Coefficient and The Coefficient of Determination After Being Affected by Moderating Variable

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,767 ^a	,588	,573	2,87020

a. Predictors: (Constant), Internal Locus of Control, Whistleblowing System

b. Dependent Variable: Fraud Prevention

Source: Primary data processed SPSS Version 25, 2023

From Table 4.13. the conclude are, the magnitude of the correlation or relationship value (R) before being influenced by the moderation variable is 0,693, while after being influenced by the moderation variable, the correlation value increases to 0,767. From table 4.14. it can conclude that the coefficient of determination (R Square) before being influenced by the moderating variable is 0,480 or 48%, while after being influenced by the moderating variable, the coefficient of determination increases to 0,588 or 59%, which means that the internal locus of control variable (M) is able to strengthen the influence of the whistleblowing system (X) on the fraud prevention variable (Y).

Table 4.15. Model Feasibility Test (F Test) Before Affected by Moderating Variable

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	518,284	1	518,284	50,744	,000 ^b
	Residual	561,751	55	10,214		
	Total	1080,035	56			

a. Dependent Variable: Fraud Prevention

b. Predictors: (Constant), Whistleblowing System

Source: Primary data processed SPSS Version 25, 2023

Table 4.16. Model Feasibility Test (F Test) After Affected by Moderating Variable

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	635,181	2	317,591	38,552	,000 ^b
	Residual	444,854	54	8,238		
	Total	1080,035	56			

a. Dependent Variable: Fraud Prevention

b. Predictors: (Constant), Internal Locus of Control, Whistleblowing System

Source: Primary data processed SPSS Version 25, 2023

From table 4.15. the conclude are, the calculated F value before being influenced by the internal locus of control variable is 50,744 with a significance level of 0,000 that means, the whistleblowing system affects fraud prevention. $\leq 0,05$, it can be stated that the whistleblowing system has an effect on fraud prevention. From table 4.16. the F count after being influenced by the internal locus of control variable is 38,552 with a significance level of 0,000 which means that the whistleblowing system has an effect on fraud prevention. $\leq 0,05$, it can be stated that internal locus of control as a moderating variable is able to strengthen the influence between the whistleblowing system on fraud prevention.

4.7. Hypothesis Test (t-test)

Table 4.17. Hypothesis Test Before Being Affected by Moderating Variable

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	42,679	4,868		8,767	,000
	Whistleblowing System	,615	,086	,693	7,123	,000

a. Dependent Variable: Fraud Prevention

Source: Data processed SPSS Version 25, 2023

Table 4.18. Hypothesis Test After Being Affected by Moderating Variable

Model		Coefficients ^a		Standardized Coefficients Beta	t	Sig.
		Unstandardized Coefficients B	Std. Error			
1	(Constant)	31,782	5,243		6,062	,000
	Whistleblowing System	,415	,094	,467	4,417	,000
	Internal Locus of Control	,295	,078	,399	3,767	,000

a. Dependent Variable: Fraud Prevention
Source: Data processed SPSS Version 25, 2023

From Table 4.17. the conclude are, the significance value of the whistleblowing system is 0,000 which means $\leq 0,05$. So, it can be concluded that the whistleblowing system variable (X) has a positive and significant effect on the fraud prevention variable (Y). Also, From table 4.17. The significance value of the whistleblowing system and internal locus of control is 0,000, which means $\leq 0,05$. So, it can be concluded that the internal locus of control variable (M) is able to strengthen the influence between the whistleblowing system variable (X) on the fraud prevention variable (Y).

From Table 4.17. it is knows that T_{hitung} is 7,123. So, the calculation is as follows:

$$DF = N - K - 1$$

$$= 57 - 1 - 1$$

$$= 55$$

$$T_{Table} = 2,004$$

Because $7,123 > 2,004$ it can be concluded that the whistleblowing system (X) has a positive and significant effect on fraud prevention (Y). So, it can be concluded that H_1 is accepted.

From Table 4.18. T_{hitung} whistleblowing system is 4,417 and T_{hitung} internal locus of control is 3,767. So, the calculation is as follows:

$$DF = N - K - 1$$

$$= 57 - 2 - 1$$

$$= 54$$

$$T_{Table} = 2,005$$

Because $4,417 > 2,005$ and $3,767 > 2,005$ it can be concluded that the internal locus of control (M) is able to strengthen the influence between the whistleblowing system (X) on the fraud prevention variable (Y). So, it can be concluded that H_2 is accepted.

4.8. Discussion

4.8.1. The effect of the whistleblowing system on fraud prevention

Whistleblowing system is an important mechanism to prevent and detect fraud and other violations of the law. From the results of the research that has been conducted, it is known that there is a positive and significant influence between the whistleblowing system on fraud prevention. This can be seen from the significance value of 0,000 which has a value smaller / less than 0,05 ($<0,05$) so it can be concluded that the first hypothesis (H_1) in this research is accepted. This significance means that the higher the level of whistleblowing system, the higher

the fraud prevention in the Bank Tabungan Negara Samarinda Branch, the higher fraud prevention in that environment.

This whistleblowing system can be a form of indirect supervision in the Bank Tabungan Negara Samarinda Branch, especially for employees. They become reluctant to commit fraud because this system can be used by all bank employees. Thus, supervision can occur between employees with each other. This is in line with the benefits of the whistleblowing system according to the National Committee on Governance Policy, namely encouraging disapproval of violations by increasing the desire to report violations thanks to a reliable reporting system. Thus, this system can indirectly prevent fraud in the Bank Tabungan Negara Samarinda Branch.

With the present of this system, employees of Bank Tabungan Negara Samarinda Branch have a means to report illegal actions, such as fraud to the whistleblowing system. Not only the employees, Bank Tabungan Negara Samarinda Branch also has a protection system in place to prevent losses, both material and non-material. This system strengthens internal control within company, helps identify vulnerabilities in the internal system that could be exploited by those intending to commit fraud, aids in conducting investigations to follow up on suspected fraud more effectively, and instills a sense of caution in individuals contemplating fraudulent activities.

The effectiveness of the whistleblowing system serves as a benchmark for achieving the goal of preventing fraud. If the WBS has been implemented well and responsively to reports of fraud, it becomes a foundation for preventing fraud within the company's environment.

Greed, Opportunity, Needs, and Exposure (GONE) theory is the theoretical basis for the occurrence of fraud to further improve the effectiveness of the whistleblowing system and of course increase the interest of whistleblowers to trust the whistleblowing system more because of the protection for whistleblowers, clarity in the reporting mechanism, reports that are reported will be followed up, and evaluation of fraud prevention procedures and evaluation to increase the effectiveness of the whistleblowing system in order to encourage the active attitude of whistleblowers to uphold the truth in the form of reporting fraud that they know. (Syafitri and Syafdinal, 2023).

The results of this study state that the research that has been conducted is in line with previous studies such as Wahyuni and Nova (2019), Puspitanisa and Purnamasari (2021) and Syafitri and Syafdinal (2023) who conducted research with the results of the whistleblowing system had a significant effect on fraud prevention.

4.8.2 Moderating impact of internal locus of control on the effect of whistleblowing system on fraud prevention

From the results of the research that has been done, it is known that the MRA test of the internal locus of control variable is able to strengthen the influence between the whistleblowing system on fraud prevention because it is seen from the significance value of 0,000 which has a value smaller than 0,05 ($<0,05$) so it can be concluded that the second hypothesis (H2) in this research is accepted. This significance shows the strength of the influence of internal locus of control on the

effect of the whistleblowing system on fraud prevention in the Bank Tabungan Negara Samarinda Branch.

The increase in the correlation value from 0,693 increased to 0,767 and the coefficient of determination (R²) from 48% to 59% which states that the internal locus of control variable is able to strengthen the influence of the whistleblowing system on the fraud prevention variable.

It can be stated that internal locus of control is the control that Bank Tabungan Negara Samarinda Branch employees have over all aspects of life which are the result of their own abilities and actions. Thus, they themselves are the main determinants of their future lives.

Bank Tabungan Negara Samarinda Branch who have a high internal locus of control are more likely to do whistleblowing because of their beliefs that determine their future path in life. This belief is what encourages Bank Tabungan Negara Samarinda Branch employees to see whistleblowing as an action that must be taken to restore the trust held by the public and also as a preventive effort against fraud and as a form of protection for certain parties from serious impacts that may arise due to fraud that occurs.

The internal locus of control at Bank Tabungan Negara Samarinda Branch in preventing fraud can encourage employees in the company to have a sense of responsibility for the security and integrity of the company. With this control, internal company supervision through routine audits and transaction monitoring will provide control and make employees feel that there is a system like WBS working to prevent and detect fraud in the environment.

Theory expressed by Ajzen (1991) namely TPB have a statement that intention has a great influence on the behavior a person does. The influence of intentions that show a person's behavior is actively supported to report fraud and other violations of the law to the whistleblowing system is evidence that this theory is the basis for this research (Tama *et al.*, 2019).

The results of this study state that, the research that has been done is in line with previous studies such as research from Wakhidah and Mutmainah (2021) which supports that internal locus of control can have a positive effect on fraud prevention and fraud prevention. which supports that internal locus of control is able to have a positive effect on fraud prevention and fraud prevention. Research from Kusumawarandi and Sari (2021) which states that the internal locus of control which states that internal locus of control has a positive effect on the intensity of whistleblowing.

CHAPTER V

CLOSING

5.1. Conclusion

From the conducted research, there are some following conclusions, namely:

1. There is a significant positive effect of the whistleblowing system on fraud prevention at Bank Tabungan Negara Samarinda Branch. This positive influence indicates that an increased of the whistleblowing system within the company to a higher level of fraud prevention. The significant influence means there is a substantial impact on fraud prevention through the whistleblowing system.
2. Internal locus of control can strengthening the effect of the whistleblowing system on fraud prevention at Bank Tabungan Negara Samarinda Branch. Strengthening this influence implies that the higher internal locus of control possessed by employees, the higher fraud prevention through reporting to the whistleblowing system in the company.

5.2. Research Limitations

The limitation of this research is the insufficient time for the researcher to delve deeper into the conducted research.

5.3. Recommendations

From research finding, the researcher suggests the following:

1. It is recommended to enhance the utilization of the whistleblowing system for more effective fraud prevention at Bank Tabungan Negara Cabang Samarinda. Training, understanding, and supervision regarding this system

can also be conducted to minimize fraud occurrences and reduce the level of fraud that still happening in Indonesia, especially in the banking sector.

2. The implementation of internal locus of control in company policies is also expected to be applied to indirectly control employees regarding fraud prevention through the existing whistleblowing system at Bank Tabungan Negara Samarinda Branch.
3. Future research could include additional variables to identify other factor influencing fraud prevention.

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