Eduvest – Journal of Universal Studies
Volume 5 Number 6, June, 2025
p- ISSN 2775-3735- e-ISSN 2775-3727

THE EFFECT OF INTERNAL CONTROL AND BUDGET MANAGEMENT COMPLIANCE ON FRAUD DETECTION (EMPIRICAL STUDY AT THE WEST JAVA HIGH PROSECUTOR'S OFFICE IN 2024)

Salshafira Mutiara Ramadhany[1], Afly Yessie[2]
Universitas Mercu Buana, Jakarta, Indonesia
Email: salshafiramuti@gmail.com[1], afly.yessie@mercubuana.ac.id[2]

ABSTRACT

This research aims to examine the effects of internal control and budget management compliance on the detection of fraud. The study focuses on the West Java High Prosecutor's Office and employs a quantitative approach, using a questionnaire distributed to auditors and treasurers working at the office. The population of the study consisted of 35 auditors and 55 treasurers, with a total of 90 questionnaires distributed and all returned. Data analysis was conducted using multiple linear regression and moderated regression analysis, along with the absolute difference test, utilizing SPSS software. The findings indicate that both internal control and budget management compliance significantly influence the detection of fraud. Specifically, the research shows that stronger internal control systems and greater budget management compliance enhance the ability to detect fraudulent activities. These results highlight the importance of robust internal controls and compliance mechanisms in reducing fraud risks. The study recommends further investigation into the effectiveness of specific internal control mechanisms and their roles in preventing fraudulent behavior, as well as exploring the impact of enhanced budget management practices on fraud detection in other governmental institutions.

KEYWORDS *Internal Control, Budget Management Compliance, Detection Fraud*

INTRODUCTION

In recent decades, efforts to detect fraud have become a primary focus in financial management, especially in the public sector, where state budget misuse often becomes a target for stakeholders with authority over *budget management*. Timely fraud detection is not only crucial for maintaining financial stability but also serves as a mitigation measure against potential reputational damage and the erosion of public trust in both government and private institutions.

According to Arens et al. (2012), fraud detection is part of the audit process designed to identify irregularities or suspicious patterns that may indicate fraud. Meanwhile, Arifin (2020) defines fraud detection as the act of identifying that fraud has occurred, determining the perpetrators, the victims, and the causes. Fraud detection involves identifying signs or symptoms of fraudulent activities. A study by Kurrohman (2018) explored factors influencing fraud detection and explained that internal controls and regulatory enforcement positively impact fraud detection.

Indonesia, as the largest economy in Southeast Asia and the 16th largest globally, demonstrated a GDP exceeding *USD* 1 trillion in 2018, reflecting its growing economic prominence in the global market (Belinda & Machmuddah, 2024; Jones & Caruana, 2016).

However, the real challenge for Indonesia lies in the increasing number of corruption cases. Transparency International's 2023 survey highlighted Indonesia as the 115th most corrupt country globally and the fourth most corrupt in Asia, with a *Corruption Perceptions Index (CPI)* score of 34, significantly lower than the global average of 43. Additionally, a study conducted in early 2024 by *Indonesian Corruption Watch (ICW)* reported findings in its 2023 corruption trend monitoring report (Watch, Indonesia Corruption, 2023).

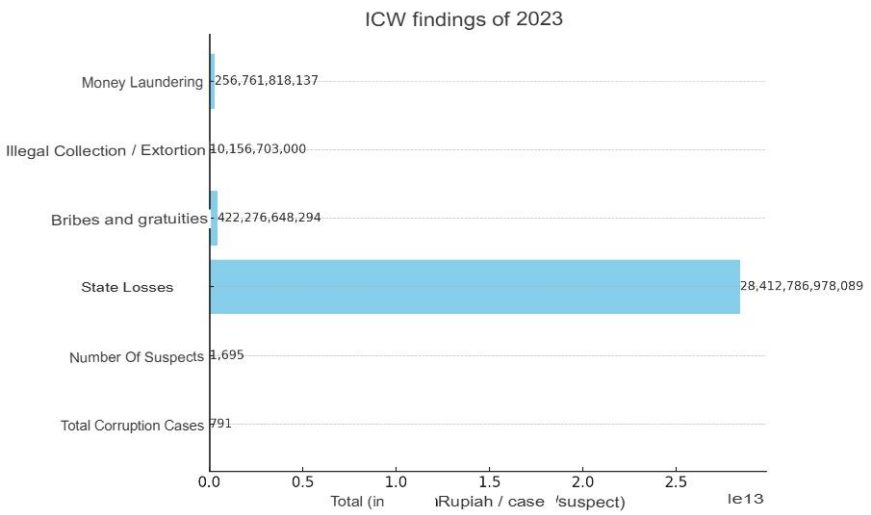

Figure 1. ICW Findings in 2023

The *ICW* study revealed that 791 corruption cases occurred in 2023, with 1,695 individuals designated as suspects by law enforcement (Nurmalasari, 2020; Salsabila & Budiono, 2024). The potential state losses reached *IDR* 28,412,906,990,089 (*IDR* 28.4 trillion), with potential bribes and gratuities amounting to *IDR* 422,276,648,294 (*IDR* 422 billion), potential extortion reaching *IDR* 10,156,703,000 (*IDR* 10 billion), and potential assets laundered totaling *IDR* 256,761,818,137 (*IDR* 256 billion).

The prevalence of corruption in Indonesia reflects instances of abuse of authority, embezzlement, and financial manipulation. This underscores the importance of a dynamic and specific understanding of corruption perceptions and mitigation efforts for economic stability and growth (Guritno et al., 2021).

One high-profile corruption case currently under public scrutiny involves the misuse of budget funds, gratuities, and extortion by a former Minister of Agriculture within the Ministry of Agriculture (Sudarmanto, 2022). The funds were allegedly used for personal and family interests, resulting in an estimated state loss of *IDR* 44.5 billion. The primary issue cited in this case is the abuse of power and a lack of internal oversight.

The external impact of this corruption case includes a decline in public trust in the Ministry of Agriculture's performance and reputational damage to the institution. Internally, it has led to strengthened efforts to prevent unlawful actions within the ministry (Detik.com). Therefore, researchers conclude that internal controls and compliance with state *budget management* regulations play a crucial role in detecting potential corruption (*fraud*).

Strong internal controls and adherence to regulations are the two main pillars in detecting and preventing *fraud* that could significantly harm the state. Internal controls are one of the primary mechanisms used to prevent and detect *fraud* in financial management. According to *COSO* (*Committee of Sponsoring Organizations of the Treadway Commission*), internal control is a process designed to provide reasonable assurance regarding the achievement of three primary objectives: reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations (COSO, 2013). Effective internal controls can help detect and correct deviations and reduce the risk of *fraud* in state financial management. Various studies have shown a significant relationship between internal controls, compliance in *budget management*, and *fraud* detection.

According to research conducted by Farochi and Nugroho (2022), internal control has a positive impact on *fraud* detection in the public sector. The study explains that the effectiveness of internal control systems helps reduce opportunities, pressure, and rationalization for fraudulent actions. Additionally, internal audits play a critical role in *fraud* prevention by providing independent assessments of financial statements and helping to minimize management issues.

This aligns with Sanjaya's (2022) findings, which show that internal control significantly and positively affects *fraud* detection. Effective internal control reflects an organization's high *fraud* prevention capability, enabling it to achieve its objectives. Conversely, weak internal control indicates poor *fraud* prevention, making it difficult for organizations to meet their goals (Tarjo, 2024; Wahyuningsih, 2020).

Beyond internal control, compliance with *budget management* also plays a vital role in detecting and preventing *fraud*. Compliance involves implementing strict procedures and regulations at every stage of *budget management*, from planning and execution to reporting. Adhering to *budget management* rules and regulations ensures that government resources are used efficiently and transparently, thereby minimizing the potential for *fraud* (Office, Government Accountability, 2014). Research indicates that strong internal controls and adherence to *budget management* regulations enhance the effectiveness of *fraud* detection and prevention.

Tjandrakirana et al. (2023) revealed that compliance with *budget management* improves system effectiveness in detecting potential *fraud*. *Fraud* is a serious issue faced by organizations in both public and private sectors. Furthermore, Hariono (2024) found that sound village fund *budget management* significantly affects the risk of financial *fraud* and impacts regional financial performance, ultimately influencing the achievement of regional visions and missions.

Research by Rakhmawati et al. (2021) highlights that financial management, including planning and budgeting, positively influences the potential for financial *fraud*. The study also notes that good compliance in village fund *budget management* is characterized by transparency, accountability, and participatory practices in *budget management*.

The prevalence of financial *fraud* involving state budgets in Indonesia has become a major concern, particularly for government institutions. The Attorney General's Office of Indonesia, as a government agency and part of the law enforcement system, has a significant

responsibility in maintaining integrity and aiding law enforcement efforts against corruption in the country.

Given its strategic role in upholding legal and financial integrity, this research focuses on the Attorney General's Office, specifically the West Java High Prosecutor's Office, as the subject of analysis. The study examines the impact of compliance with *budget management*, particularly the extent to which financial managers perform their duties and functions in accordance with laws and regulations, and the influence of internal control implementation on *fraud* detection. This empirical study involves internal auditors, as part of the *Government Internal Supervisory Apparatus (APIP)*, and treasurers responsible for financial management at the West Java High Prosecutor's Office.

The role of internal auditors in *fraud* detection aligns with Safitri's (2024) findings, which indicate that competent internal auditors significantly influence *fraud* detection. Thus, the better the resources of internal auditors, the greater their role in controlling and detecting *fraud* to prevent losses for an institution or organization (Fitri et al., 2024).

Previous studies supporting this research, particularly on *fraud* detection perceptions and influencing factors, have been conducted extensively. However, variations exist among these studies in terms of variables used and results obtained. For instance, Ahmad et al. (2019) found that strong internal control enhances *fraud* detection and prevention in the public sector. Similarly, Hartono et al. (2019) highlighted that effective internal control, including regular risk evaluation, consistent activity monitoring, and transparent reporting, significantly boosts *fraud* detection capabilities (Ghaisani & Supatmi, 2023).

Beyond internal control, regulatory compliance also plays a critical role in *fraud* prevention. Smith et al. (2020) reported that financial institutions adhering to regulations experience lower *fraud* rates. They emphasized that stringent regulations and consistent oversight effectively deter *fraud*. Nugraha et al. (2020) further noted that adherence to *budget management* significantly aids in detecting *fraud* in government projects. Institutions disciplined in *budget management* and financial reporting are better equipped to identify irregularities and fraudulent activities.

Technology has also been integrated into *fraud* detection. Wilson et al. (2018) demonstrated that machine learning techniques enhance *fraud* detection effectiveness in the public sector, with algorithms capable of analyzing vast datasets and identifying *fraud* patterns undetectable by traditional methods. Park et al. (2020) explored how artificial intelligence (*AI*) creates new opportunities in *fraud* detection while presenting challenges, requiring adequate technological infrastructure and trained human resources for optimal operation.

The difference between this study and previous research lies in its specific focus on the influence of internal control and *budget management* compliance on *fraud* detection through an empirical study involving internal auditors and the West Java High Prosecutor's Office as a legal enforcement agency. In contrast, earlier studies only examined the general relationship between internal control and *fraud* detection, as well as *budget management* and *fraud* prevention in provincial or regional areas in Indonesia. This study is expected to contribute new insights to the literature on *fraud* detection in the public sector, particularly in legal institutions.

This study aims to address two main questions: does internal control influence *fraud* detection at the West Java High Prosecutor's Office, and does *budget management* compliance affect *fraud* detection? It seeks to obtain empirical evidence on these aspects to understand the relationship between internal control, *budget* compliance, and *fraud* detection.

The findings are expected to provide theoretical contributions in the form of empirical evidence that can serve as a reference for future research. Practically, this study aims to raise awareness about the importance of factors in preventing and detecting *fraud*, particularly in the public sector. Additionally, the results are anticipated to assist internal auditors and treasurers at the West Java High Prosecutor's Office in improving their performance in detecting and preventing *fraud* within their work environment.

RESEARCH METHOD

This study adopts a causal research design to test hypotheses regarding the impact of internal control and *budget management* compliance on *fraud* detection. The research is quantitative in nature, utilizing structured data collection methods to systematically analyze relationships between variables and derive meaningful conclusions (Sugiyono, 2016). The primary data for this study were collected through questionnaires distributed to auditors and treasurers at the West Java High Prosecutor's Office. These respondents were asked to respond to statements related to the study's focus on internal control, *budget management* compliance, and *fraud* detection. The data collection procedure was carried out by administering the questionnaires directly to the target population to gather their responses.

The population for this study consists of 35 auditors and 55 treasurers working at the West Java High Prosecutor's Office, with a total of 90 individuals in the work unit. A *purposive sampling* technique was employed, in which all members of the population were selected as the sample, and a total of 90 questionnaires were distributed and successfully returned. This method ensured that all relevant individuals who contribute directly to the internal control and *budget management* processes were included. The research instrument, the questionnaire, was designed to assess variables including internal control systems, *budget management* compliance, and their relationship with *fraud* detection.

To ensure the validity and reliability of the instrument, the questionnaire was tested using *content validity*, where expert reviewers assessed the relevance and clarity of the items, and reliability testing through *Cronbach's Alpha* to measure the consistency of the responses. Data analysis was performed using *SPSS* software, utilizing multiple linear regression analysis to examine the relationship between the independent variables (internal control and *budget management* compliance) and the dependent variable (*fraud* detection). *Moderated regression analysis* was also used to test the interaction effects of different variables. The results of this analysis provided insights into how internal control and *budget management* compliance influence *fraud* detection.

RESULT AND DISCUSSION

Description of the Research Object

1. Description of Questionnaire Return Rate

This research utilizes primary data, with the object of study being auditors and treasurers working within the jurisdiction of the West Java High Prosecutor's Office, as stated in the official response letter from the West Java High Prosecutor's Office, Number: B-7838/M.2.2/Cp.2/10/2024 dated October 26, 2024, regarding the research permit request. The research was conducted from October 26 to November 8, 2024. The study uses two independent variables: Internal Control (X1) and Budget Management Compliance (X2), and one dependent variable (Y), Fraud Detection.

The respondents consist of 35 internal auditors and 55 treasurers from the jurisdiction of the West Java High Prosecutor's Office.

Table 1: List of Questionnaire Distribution Results

No.	Name	Questionnaires Sent	Questionnaires Received
1.	Kejaksaan Tinggi Jawa Barat	20	20
2.	Kejaksaan Negeri Kota Bandung	5	5
3.	Kejaksaan Negeri Kabupaten Bandung	2	2
4.	Kejaksaan Negeri Cimahi	4	4
5.	Kejaksaan Negeri Sumedang	4	4
6.	Kejaksaan Negeri Subang	2	2
7.	Kejaksaan Negeri Majalengka	2	2
8.	Kejaksaan Negeri Indramayu	3	3
9.	Kejaksaan Negeri Kuningan	2	2
10.	Kejaksaan Negeri Kota Cirebon	4	4
11.	Kejaksaan Negeri Kabupaten Cirebon	3	3
12.	Kejaksaan Negeri Cianjur	2	2
13.	Kejaksaan Negeri Garut	4	4
14.	Kejaksaan Negeri Kota Tasikmalaya	2	2
15.	Kejaksaan Negeri Kab. Tasikmalaya	2	2
16.	Kejaksaan Negeri Kota Sukabumi	2	2
17.	Kejaksaan Negeri Kab. Sukabumi	2	2
18.	Kejaksaan Negeri Kota Bogor	2	2
19.	Kejaksaan Negeri Kab. Bogor	3	3
20.	Kejaksaan Negeri Kota Bekasi	4	4
21.	Kejaksaan Negeri Kabupaten Bekasi	3	3

No.	Name	Questionnaires Sent	Questionnaires Received
22.	Kejaksaan Negeri Ciamis	3	3
23.	Kejaksaan Negeri Depok	4	4
24.	Kejaksaan Negeri Purwakarta	2	2
25.	Kejaksaan Negeri Karawang	2	2
26.	Kejaksaan Negeri Kota Banjar	2	2
TOTAL		**90**	**90**

Source: Processed by the researcher, 2024.

Out of 90 questionnaires distributed across 25 offices in the West Java High Prosecutor's jurisdiction, all were returned, resulting in a 100% response rate, as detailed below:

Table 2: Questionnaire Return Summary

Information	Respondent	Percentage
Number of Questionnaires Distributed	90	100%
Number of Questionnaires Returned	90	100%
Number of Questionnaires Not Returned	-	-

Source: Processed by the researcher, 2024.

2. Description of Respondent Profiles

The respondents are auditors and treasurers from the West Java High Prosecutor's Office jurisdiction. The respondent profile includes gender, age, position, and education level.

1) Respondents by Gender

Respondents are categorized into male and female, as shown below:

Table 3: Respondents by Gender

Gender	Frequency	Percentage
Male	37	41,57%
Female	53	58,43%
Total	90	100%

Source: Processed by the researcher, 2024.

The data shows that 58.43% of respondents are female, indicating that women dominate the roles of auditors and treasurers in this jurisdiction.

2) Respondents by Age

Respondents are grouped into three age categories: under 25 years, 26–36 years, and over 36 years.

Table 4: Respondents by Age

Age	Frequency	Percentage
< 25 Years	22	24,44%
26 - 36 Years	46	51,11%
> 36 Years	22	24,44%
Total	90	100%

Source: Processed by the researcher, 2024.

The majority of respondents (51.11%) are aged 26–36 years, making this the dominant age group among auditors and treasurers in the jurisdiction.

3) Respondents by Position

Positions include junior auditors, entry-level expert auditors, skilled auditors, and treasurers.

Table 5: Respondents by Position

Position	Frequency	Percentage
Junior Auditor	1	1,11%
First Expert Auditor	29	32,23%
Skilled Auditor	5	5,55%
Revenue Treasurer	27	30%
Expenditure Treasurer	28	31,11%
Total	90	100%

Source: Processed by the researcher, 2024.

The data reveals that entry-level expert auditors and expenditure treasurers constitute the largest groups among respondents.

4) Respondents by Education Level

Respondents' education levels are categorized into high school, diploma (D3), bachelor's degree (S1), and master's degree (S2).

Table 6: Respondents by Education Level

Position	Frequency	Percentage
Senior High School	10	11,1%
D3	21	23,3%
S1	55	61,1%
S2	4	4,5%
Total	90	100%

Source: Processed by the researcher, 2024.

The majority of respondents hold a bachelor's degree (61.1%), making it the most common educational background among auditors and treasurers in the jurisdiction.

5) Description of Respondents Based on Length of Employment

Respondents are categorized based on their years of service into four groups: less than 5 years, 5–10 years, 10–15 years, and more than 20 years. The following table presents the distribution of respondents by length of employment:

Table 7: Respondents Based on Length of Employment

Position	Frequency	Percentage
< 5 years	60	66,7%
5 – 10 years	7	7,8%
10 -20 years	20	22,2%
> 20 years old	3	3,3%
Total	90	100%

Source: Processed by the researcher, 2024.

From the table, it can be seen that the majority of auditors and treasurers (66.7%) have worked for less than 5 years. This suggests that, on average, auditors and treasurers in the West Java High Prosecutor's Office jurisdiction have relatively less work experience, with many having worked for fewer than 5 years.

3. Description of Variables / Descriptive Statistics

1) The descriptive statistics test presented in this study aims to determine the minimum, maximum, mean, and standard deviation values for all research variables. The descriptive analysis was conducted using IBM SPSS 26 software. The results of the descriptive analysis are as follows:

Table 8: Descriptive Statistics Test

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Pengendalian Internal	90	27.00	55.00	46.8556	5.43720
Kepatuhan Pengelolaan Anggaran	90	18.00	50.00	42.3333	5.53030
Pendeteksian Fraud	90	24.00	55.00	47.1000	5.78850
Valid N (listwise)	90				

Source : Processed by the researcher, 2024.

a. Descriptive Statistics Test Results for Internal Control (X1)

The descriptive statistics test results show that there are 90 respondents, consisting of auditors and treasurers working within the jurisdiction of the West Java High Prosecutor's Office. The mean value for internal control is 46.8556, indicating that internal control can detect fraud at 46.85% in the West Java High Prosecutor's jurisdiction. The lowest value for internal control is 27.00, while the highest value is 55.00. The standard deviation value of 5.43720 is smaller than the mean of 46.8556, which suggests that the responses from the respondents vary significantly, and the data on internal control can be used as a representative sample of the overall data.

b. Descriptive Statistics Test Results for Budget Management Compliance (X2)

The descriptive statistics test results show that there are 90 respondents, consisting of auditors and treasurers working within the jurisdiction of the West Java High Prosecutor's Office. The mean value for budget management compliance is 42.3333, indicating that budget management compliance can detect fraud at 42.33% in the jurisdiction. The lowest value for budget management compliance is 18.00, and the highest value is 50.00. The standard deviation value of 5.53030 is smaller than the mean of 42.3333, indicating significant variation in the respondents' answers, and the data on budget management compliance can be used as a representative sample of the overall data.

c. Descriptive Statistics Test Results for Fraud Detection (Y)

The descriptive statistics test results show that there are 90 respondents, consisting of auditors and treasurers working within the jurisdiction of the West Java High Prosecutor's Office. The mean value for fraud detection is 47.1000, indicating that fraud detection in the jurisdiction of the West Java High Prosecutor's Office is 47.1%. The lowest value for fraud detection is 24.00, while the highest value is 55.00. The standard deviation value of 5.78850 is smaller than the mean of 47.1000, suggesting significant variation in the responses from the respondents, and the fraud detection data can be used as a representative sample of the overall data.

Data Quality Test

a. Validity Test

The validity test is used to measure whether a questionnaire is valid or not. A questionnaire is considered valid if the statements in the questionnaire can reveal what the

questionnaire intends to measure. The validity test is measured by comparing the Pearson correlation value with the r-table value. If the calculated r is greater than the r-table value, the item is declared valid, and if the calculated r is smaller than the r-table value, the item is declared invalid. The r-table value is obtained from the degree of freedom (df = n - 2), where n is the number of respondents with α = 0.05. In this study, the r-table value obtained is 0.2072, which is derived from (df = 90 - 2 = 88) with a significance level of 0.05.

The results of the validity test in this study show that each statement item has a calculated r > r-table (0.2072) and is positive. Therefore, these statement items are considered valid. Thus, all statement items meet the requirements and can be used for further research, effectively representing the variables being studied.

b. Reliability Test

The reliability test is used to measure a questionnaire as an indicator of a variable or construct. A questionnaire is considered reliable if the responses of a person to the statements are consistent or stable over time. In this study, the reliability test uses Cronbach's Alpha with the help of SPSS version 26. Cronbach's Alpha is a benchmark used to describe the correlation or relationship between the created scale and all the existing variable scales. The following are the conditions for Cronbach's Alpha:

1) If Cronbach's Alpha (α) > 0.60, it is concluded that the research instrument is reliable.
2) If Cronbach's Alpha (α) < 0.60, it is concluded that the research instrument is not reliable.

Table 9: Reliability Statistics (X1)
Reability Statistics

Cronbach's Alpha	N of Items
.888	11

Source: Processed using SPSS 26 (2024).

Table 9 shows that the Cronbach's Alpha (α) for the Internal Control variable (X1) is 0.888, which is greater than 0.60. Therefore, it can be concluded that the internal control variable in this study is reliable.

Table 10: Reliability Statistics (X2)
Reability Statistics

Cronbach's Alpha	N of Items
.902	10

Source: Processed using SPSS 26 (2024).

Table 10 shows that the Cronbach's Alpha (α) for the Budget Management Compliance variable (X2) is 0.902, which is greater than 0.60. Therefore, it can be concluded that the budget management compliance variable in this study is reliable.

Table 11: Reliability Statistics (Y)
Reability Statistics

Cronbach's Alpha	N of Items
.906	11

Source: Processed using SPSS 26 (2024).

Table 11 shows that the Cronbach's Alpha (α) for the Fraud Detection variable (Y) is 0.906, which is greater than 0.60. Therefore, it can be concluded that the fraud detection variable in this study is reliable.

Classical Assumption Test

a. Normality Test

The normality test aims to examine whether the data in the regression model is normally distributed or not. In this study, the normality test uses the Kolmogorov-Smirnov method for statistical analysis. Kolmogorov-Smirnov is a statistical test used to determine whether the data follows a normal distribution. This test is performed by comparing the Asymp. Sig (2-tailed) value with a significance level of α = 0.05. The decision rule is based on the probability value, as follows:

1) If the Asymp. Sig (2-tailed) value > 0.05, the normality assumption is met.
2) If the Asymp. Sig (2-tailed) value < 0.05, the normality assumption is not met.

Table 12: Normality Test Results
One-Sample Kolmogorov-Smirnov

		Unstandarized Residual
N		**90**
Normal Parameters	Mean	.0000000
	Std. Deviation	2.81750025
Most Extreme Difference	Absolute	.088
	Positive	.073
	Negative	-.088
Test Statistic		.088
Asymp. Sig (2-tailed)		.086

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.

Source: Data processed using SPSS 26 (2024).

Based on the Kolmogorov-Smirnov normality test results in Table 4.12 above, the probability value p or Asymp. Sig (2-tailed) is 0.086. Since the probability value p is greater than the significance level of 0.05, this indicates that the normality assumption is met. In addition to using statistical analysis, the normality test can also be examined using graphical analysis, such as a histogram and normal P-Plot.

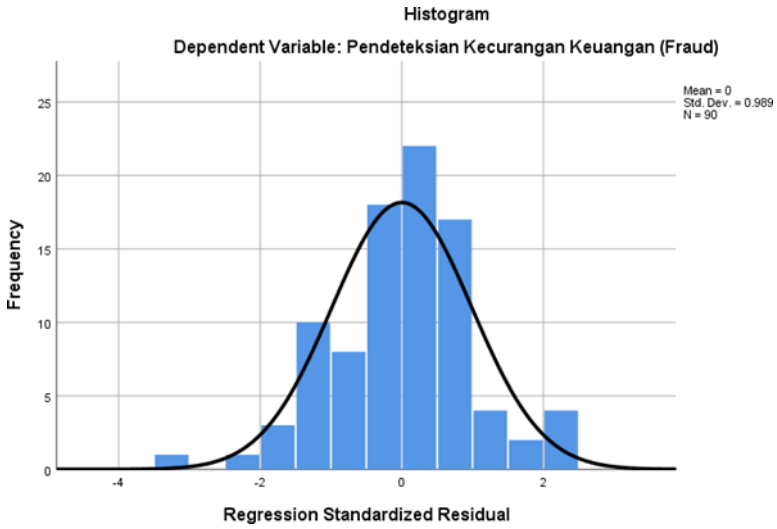

Figure 2: Normality Test Graph (Histogram)
Source: Data processed using SPSS 26 (2024)

In Figure 2, the histogram of the normality test shows that the data spreads across the entire normal region. The normal region is the area under the curve that has an inverted bell shape. Based on the figure above, the histogram shows a normal distribution pattern, which means that the regression model meets the normality assumption.

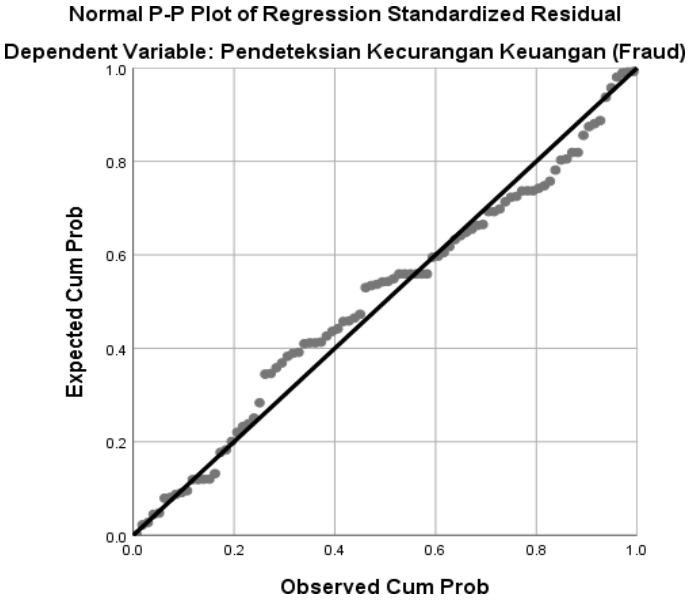

Figure 3: Normality Test Graph (P-Plot)
Source: Data processed using SPSS 26 (2024).

Based on Figure 3 above, the spread of the data points around the diagonal line follows the direction of the diagonal line. The normality test of the data is also conducted by examining the distribution of data points on the diagonal axis of the graph. The decision rule is that if the data points spread around the diagonal line and follow its direction, the regression model meets the normality assumption. Therefore, it can be concluded that the regression model has met the normality assumption.

b. Multicollinearity Test

The multicollinearity test aims to determine whether there is a correlation among the independent variables in the regression model. The criteria for testing are as follows:

1) VIF value < 10
2) Tolerance value > 0.10

With these criteria, the independent variables are free from multicollinearity symptoms.

Table 13: Multicollinearity Test Results

Coefficients[a]

Model		Collinearity Statistics Tollerance	VIF
1	(Constant)		
	Pengendalian Internal	.170	5.888
	Kepatuhan Pengelolaan Anggaran	.170	5.888

Source: Data processed using SPSS 26 (2024).

Table 13 shows that the multicollinearity test for the internal control variable (X1) has a tolerance value of 0.170 > 0.10 with a VIF of 5.888 < 10. Similarly, for the budget management compliance variable (X2), the tolerance value is 0.170 > 0.10 with a VIF of 5.888 < 10. Therefore, it can be concluded that the regression model in this study does not indicate multicollinearity symptoms.

c. Heteroscedasticity Test

The heteroscedasticity test aims to examine whether there is unequal variance in residuals between one observation and another in the regression model. In this study, the Glejser test is used. The Glejser test is conducted by regressing the absolute residual value (AbsRes) against the independent variables, with the following decision rule for the heteroscedasticity test:

1) If the Sig. value > 0.05, there is no heteroscedasticity symptom.
2) If the Sig. value < 0.05, there is a heteroscedasticity symptom.

Table 14: Heteroscedasticity Test Results

Coefficients[a]

Model	t	Sig.
(Constant)	3.755	.000
Pengendalian Internal	-1.657	.101
Kepatuhan Pengelolaan Anggaran	.705	.483

Source: Data processed using SPSS 26 (2024).

In Table 14, the probability (Sig) value for the internal control variable is 0.101, and for the budget management compliance variable, it is 0.483. Since the probability (Sig) value for all variables is greater than the significance level of 0.05, it can be concluded that the homoscedasticity assumption is met, meaning there are no heteroscedasticity symptoms.

d. Autocorrelation Test

The autocorrelation test aims to determine whether there is an error term correlation between one observation and the next in the regression model. The Durbin-Watson test is used for this test. If the value of du < dw < 4-du, there is no autocorrelation symptom. Using a sample size of 90 and two independent variables, the value of du is 1.679, and 4-du is 2.321.

Table 15: Autocorrelation Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin - Watson
1	.874[a]	.763	.758	2.84970	1.774

Source: Data processed using SPSS 26 (2024).

Based on Table 15, the Durbin-Watson value is 1.774, which is between 1.679 and 2.321. Therefore, it can be stated that the condition du < dw < 4-du is met, meaning there is no autocorrelation symptom in the data.

e. Hypothesis Testing

1) Coefficient of Determination (R^2) Test

The coefficient of determination (R^2) essentially measures how well the model explains the variation in the dependent variable. The value of the coefficient of determination (R^2) ranges from 0 to 1, as seen in the Adjusted R Square value. The closer the R^2 value is to 1, the stronger the relationship between the independent and dependent variables. The result for the coefficient of determination R^2 test is as follows:

Table 16. Coefficient of Determination (R^2) Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square
1	.874[a]	.763	.758

a. Predictors: (Constant), Budget Management Compliance, Internal Control
b. Dependent Variable: Fraud Detection

Source: Data processed with SPSS 26 (2024)

In Table 16, the Adjusted R Square value is 0.758 or 75.8%. This indicates that internal control, budget management compliance, and fraud detection explain 75.8% of the variation. The remaining 24.2% (100% - 75.8%) is explained or influenced by other factors not studied in this research.

The relatively high R^2 value shows that this regression model is effective in explaining the relationship between internal control, budget compliance, and fraud detection.

2) **Simultaneous Significance Test (F-Test)**

The simultaneous significance test (F-statistic) is used to determine whether all independent variables together have an impact on the dependent variable. If the significance value is 0.05, the independent variables have a significant effect on the dependent variable. If

the calculated F value is greater than the F table value, the regression model is considered a good fit.

$$F\ hitung = \frac{R^2/k}{(1-R^2)/(n-k-1)}$$

Table 17. Simultaneous Significance Test (F-Test) Results

ANOVA[a]

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2275.591	2	1137.795	140.149	.000[b]
	Residual	706.509	87	8.121		
	Total	2982.100	89			

a. Dependent Variable: Fraud Detection

b. Predictors: (Constant), Budget Management Compliance, Internal Control

Source: Data processed with SPSS 26 (2024)

Based on Table 4.17, the calculated F value is 140.149, which is greater than the F table value (3.101), indicating that the independent variables significantly affect the dependent variable.

Given: n = 90, k = 3, DF Pembilang (N1) = K-1 = 2, DF Penyebut (N2) = n – k = 87

The significance value is 0.000, which is smaller than 0.05 (0.000 < 0.05), so we can conclude that all independent variables together have a significant effect on the dependent variable, meaning the model is a good fit. In the context of this research, this shows that budget management and internal control are effectively implemented at the West Java High Prosecutor's Office, functioning not only as a monitoring mechanism but also as a preventive measure against budget misuse.

3) Individual Parameter Significance Test (T-Statistic Test)

The t-statistic test shows the extent to which an individual explanatory/independent variable influences the dependent variable. If the significance value is below 0.05, the independent variable has a significant effect on the dependent variable. The t-statistic value is used to test whether an independent variable significantly affects the dependent variable with the following formula:

$$t\ hitung = \frac{bi}{Sbi}$$

Table 18. Individual Parameter Significance Test (T-Statistic Test) Results

Model	Unstandardized B	Coefficients Std. Error	Standardized Coefficients Beta	T	Sig.
(Constant)	4.870	2.624		1.856	.067
Pengendalian Internal	.504	.135	.473	3.737	.000
Kepatuhan Pengelolaan Anggaran	.440	.133	.420	3.320	.001

a. Dependent Variable: Fraud Detection

Source: Data processed with SPSS 26 (2024)

In this research, the data sample consists of 90 (n=90) with 3 (k=3) dependent and independent variables. Thus, the degrees of freedom (df) = n - k = 90 - 3 = 87 with a significance level of 0.05. Referring to the t-table, the critical value is 1.987. The explanation regarding the effects between variables is as follows:

a. H1 = Internal Control Affects Fraud Detection

Based on Table 4.24, the significance value for internal control is 0.000 < 0.05, with a t value of 3.737, which is greater than the t-table value of 1.987 (3.737 > 1.987). This shows that internal control has a significant effect on fraud detection, so H1 is accepted. In the context of this research, it can be explained that the more effective the internal control implementation, the easier it is to detect fraud in budget management.

b. H2 = Budget Management Compliance Affects Fraud Detection

Based on Table 4.24, the significance value for budget management compliance is 0.001 < 0.05, with a t value of 3.320, which is greater than the t-table value of 1.987 (3.320 > 1.987). This shows that budget management compliance has a significant effect on fraud detection, so H2 is accepted. In the context of this research, it can be explained that the higher the level of compliance in budget management, which demonstrates transparency and accountability, the easier it will be for auditors and treasurers to implement early detection of fraud in budget management.

4) Multiple Linear Regression Analysis Test

This study conducted multiple linear regression analysis to determine whether there is an effect between the independent variables on the dependent variable. Based on the classical assumption tests, the regression model is valid and can be used in data management. Below are the results of the multiple regression analysis:

Table 19. Multiple Linear Regression Analysis Test Results

Coeficients[a]

Model	Unstandardized B	Coefficients Std. Error	Standardized Coefficients Beta	T	Sig.
(Constant)	4.870	2.624		1.856	.067
Pengendalian Internal	.504	.135	.473	3.737	.000

Model	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	T	Sig.
Kepatuhan Pengelolaan Anggaran	.440	.133	.420	3.320	.001

a. Dependent Variable: Fraud Detection

Source: Data processed with SPSS 26 (2024)

Based on Table 19, the regression equation is as follows:

$$Y = 4{,}870 + 0{,}504X_1 + 0{,}440X_2 + e$$

Where:

Y = Fraud Detection

X_1 = Internal Control

X_2 = Budget Management Compliance

The equation can be explained as follows:

1) The constant value is positive at 4.870, meaning if each independent variable has a value of 0 or no change, the fraud detection value will be 4.870.
2) The regression coefficient for internal control (X_1) is 0.504 and positive, meaning that if the internal control variable increases by 1%, while other independent variables remain constant, the internal control variable will increase the fraud detection variable by 0.504.
3) The regression coefficient for budget management compliance (X_2) is 0.440 and positive, meaning that if the budget management compliance variable increases by 1%, while other independent variables remain constant, the budget management compliance variable will increase the fraud detection variable by 0.440.

Discussion

Internal Control Positively Influences Fraud Detection

Based on data analysis, it can be concluded that internal control positively influences *fraud* detection, supporting the first hypothesis (*H1*). The *index method* demonstrates that the statement "Job duties and functions are performed in accordance with respective roles" received high percentages, indicating that respondents perform their tasks within the scope of their designated roles without additional workload. This adherence maximizes performance in their current roles.

This finding aligns with Cressey's *Fraud Triangle* theory, particularly the "opportunity" component, which highlights that strong internal control reduces opportunities for *fraud*. Effective internal control ensures consistent monitoring and supervision, minimizing the chances of *fraud*, especially in public sectors such as the West Java High Prosecutor's Office. Strong internal controls are vital for an institution's success in *fraud* prevention, as they enable early detection through robust monitoring systems. The study underscores that the more effective the internal control implementation, the easier it is for auditors and treasurers to detect financial *fraud* in *budget management*. This finding aligns with Farochi et al. (2022), who concluded that strong internal controls significantly reduce the likelihood of *fraud* in the public sector through measures such as task segregation, transaction authorization, and continuous monitoring.

Budget Management Compliance Positively Influences Fraud Detection

Data analysis also concludes that budget management compliance positively influences fraud detection, supporting the second hypothesis (H2). The index method highlights the statement "Improving the competence of auditors and financial managers to enhance the quality of financial supervision and management," indicating that respondents possess adequate competencies for optimal performance. Competence is achieved through participation in training and education provided by relevant institutions.

The study demonstrates that budget management compliance significantly affects fraud detection. Adherence to regulations ensures clear fund allocation and transparency, simplifying the early detection of irregularities by auditors and treasurers. This finding is consistent with Tjandrakirana et al. (2023), who emphasized that budget regulation compliance is crucial in mitigating fraud risks through transparency and accountability. In the West Java High Prosecutor's Office, compliance with budget management rules prevents fraudulent activities, as every transaction undergoes proper regulatory processes. Thus, budget management compliance plays a vital role in enhancing fraud detection effectiveness and maintaining the integrity of public financial management.

CONCLUSION

Based on the research and hypothesis testing conducted using *SPSS 26*, the study concludes: (1) Internal control positively influences *fraud* detection. Effective internal controls consistently improve the organization’s ability to detect financial irregularities, closing gaps that could be exploited for fraudulent activities. (2) *Budget management* compliance positively influences *fraud* detection. Higher compliance with *budget* regulations enhances the understanding and capabilities of auditors and treasurers in identifying financial *fraud*, with strict *budget management* procedures aiding early *fraud* detection through effective reporting and monitoring.

REFERENCES

Arens, A. A., Elder, R. J., & Beasley, M. S. (2012). *Auditing and Assurance Services: An Integrated Approach*. Prentice Hall.

Belinda, N., & Machmuddah, Z. (2024). Kecurangan Laporan Keuangan Dilihat Dari Aspek Kondisi Keuangan Dan Pengawasan Dewan Komisaris Independen. *Jurnal Akuntansi Dan Keuangan*, *13*(1), 1. https://doi.org/10.36080/jak.v13i1.2700

Farochi, M. F. F., & Nugroho, A. H. D. (2022). Pengaruh Pengendalian Internal Dan Good Corporate Governance Terhadap Pencegahan Fraud. *Jurnal Penelitian Dan Pengembangan Sains Dan Humaniora*, *6*(1), 86–92.

Fitri, S. A., Lubis, R., Citra, S., Rahmadani, S., Julita, W., & Silvin, Y. (2024). Pentingnya Penerapan Akuntansi Pesantren Study Pada Pondok Pesantren Madrasah Tarbiyah Islamiyah Tanjung Barulak. *JURNAL EKOMAKS Jurnal Ilmu Ekonomi Manajemen Dan Akuntansi*, *13*(1), 339–344.

Ghaisani, A. A., & Supatmi, S. (2023). Pendeteksian Kecurangan Pelaporan Keuangan Menggunakan Fraud Pentagon. *Owner*, *7*(1), 599–611. https://doi.org/10.33395/owner.v7i1.1233

Hariono, S. R. (2024). *Penerapan Akuntansi Sektor Publik, Pengawasan Internal Dan Pengawasan Pengelolaan Keuangan Terhadap Pencegahan Fraud Anggaran Di Pemerintah Kota Malang*.

Jones, R., & Caruana, J. (2016). Governmental Accounting in Malta towards IPSAS within the Context of the European Union. *International Review of Administrative Sciences*, *82*(4), 745–762.

Kurrohman, T., & Widyayanti, P. (2018). Analisis Faktor-Faktor Yang Mempengaruhi Kecenderungan Kecurangan (Fraud) Di Perguruan Tinggi Keagamaan Islam Negeri. *Journal of Applied Managerial Accounting*, *2*(2), 245–254. https://doi.org/10.30871/jama.v2i2.945

Nurmalasari, I. (2020). *Pengaruh Pengendalian Internal, Moralitas Individu, Personal Culture Dan Ketaatan Aturan Akuntansi Terhadap Kecurangan Akuntansi (Studi Empiris Pada OPD Kabupaten Magelang)*.

Office, Government Accountability. (2014). *Standards for Internal Control in the Federal Government*. Government Printing Office.

Rakhmawati, I., Hendri, R. S., & Kartikasari, N. (2021). Kebijakan Transparansi Dan Akuntabilitas: Mampukah Mencegah Penyelewengan Dana Desa? *Jurnal Riset Akuntansi Aksioma*, *20*(1), 1–12.

Safitri, S., Firdausi, Q., Fitriana, F., & Santoso, R. A. (2024). Analisis Peran Audit Internal Terhadap Pencegahan Fraud Berdasarkan Literature Review Terindeks Sinta. *Jurnal Revenue: Jurnal Ilmiah Akuntansi*, *5*(1), 145–157.

Salsabila, N., & Budiono, S. H. A. (2024). *Badan Pemeriksa Keuangan (BPK) Dan Keuangan Negara: Pengawasan Keuangan Negara Dalam Perspektif Hukum*.

Sanjaya, K. S., & Faisal. (2022). Pengaruh Audit Internal Dan Pengendalian Internal Terhadap Pencegahan Kecurangan Dengan Independensi Sebagai Pemoderasi. *Jurnal Ilmiah*, *20*(1), 105–123.

Sudarmanto, E. (2022). *Pencegahan Kecurangan (Fraud) Dengan Manajemen Resiko Perspektif Al-Quran*.

Sugiyono. (2016). *Metode Penelitian Kunatitatif Kualitatif Dan R&D*. Alfabeta.

Tarjo, S. E. (2024). *Fraud Risk Management: Sebuah Referensi Riset Dan Praktik*. Penerbit Adab.

Wahyuningsih, D. (2020). Pengaruh Struktur Good Corporate Governance Terhadap Kinerja Perusahaan Dan Manajemen Laba. *Jurnal Akuntansi Trisakti*, *7*(2), 287.

Watch, Indonesia Corruption. (2023). Laporan Hasil Pemantauan Tren Penindakan Kasus Korupsi Tahun 2022 ‘Korupsi Lintas Trias Politika.’ In *Indonesia Corruption Watch* (hal. 1–55).