



Literature Review : Influence Audit Forensics, Proactive Fraud Audit, Good Corporate Governance, Financial Reporting Compliance, Organizational Culture, Resource Competence Man and Whistleblowing Against Fraud Prevention

Rani Fitria¹, Putri Melani², Wiwik Apriani³, Handriyani Dwilita⁴

¹⁻⁴ Universitas Pembangunan Panca Budi, Indonesia

Alamat: 4, Jl. Gatot Subroto No.km, Simpang Tj., Kec. Medan Sunggal,
Kota Medan, Sumatera Utara 20122 550,0 m
Korespondensi penulis: fitriarani092@gmail.com

Abstract. *This study aims to analyze the role of forensic audit, proactive fraud audit, good corporate governance (GCG), financial reporting compliance, organizational culture, human resource (HR) competency, and whistleblowing system in preventing fraud. The method used is a literature review with data sources from academic literature, scientific journals, and reliable reports. The results of the analysis show that forensic audit is effective in identifying and resolving fraud cases through in-depth investigations of the organization's financial system. Proactive fraud audit supports early detection by analyzing potential risks before violations occur. Good GCG implementation increases transparency and accountability, while compliance with financial reporting helps maintain data integrity and prevents manipulation. An organizational culture that prioritizes ethics and integrity, as well as adequate HR competency, creates a strong foundation to minimize the risk of fraud. In addition, a safe and confidential whistleblowing system allows for fearless reporting of violations, thereby strengthening early detection. The combination of these factors forms a comprehensive and effective approach to preventing fraud, providing significant benefits to organizations in building stakeholder trust and maintaining the sustainability of their operations .*

Keywords: *Fraud Prevention, Forensic Audit, Whistleblowing, Organizational Culture*

1. BACKGROUND .

Fraud or what is known as cheating is a serious problem that can harm organizations, governments and society. Fraud is the main object fought in forensic audits. Fraud is carried out through various modes that continue to develop along with the progress of the times. In general, fraud is an unlawful act committed by an individual or group of people, both from within and outside the organization. The main goal is to gain personal or group benefits that ultimately harm other parties directly.

According to the Association of Certified Fraud Examiners (ACFE) 2022 report, losses due to fraud worldwide reach 5% of an organization's total annual revenue. With state losses reaching trillions of rupiah each year, allegations of fraud in Indonesia are becoming increasingly concerning, especially in the public sector. This shows the need for more efficient fraud detection and prevention methods. In the first semester of 2022, Indonesia Corruption

Watch (ICW) found at least 252 corruption cases, 612 suspects, and potential state losses exceeding IDR 33.6 trillion.

According to Hariawan et al. (2020) , Fraud Prevention is an activity or effort to stop or limit someone from being involved in fraud that can be detrimental. Fraud prevention can be interpreted as an action taken by an organization to avoid fraud that risks damaging the organization's reputation, financial losses and reducing stakeholder trust. Several methods which are recognized as playing a role in preventing and exposing fraud include forensic audits, proactive fraud audits, the application of good corporate governance principles, known as Good Corporate Governance (GCG), compliance with financial reporting, strengthening organizational culture, improving human resource (HR) competency, and the use of a whistleblowing system.

Forensic audit is an investigative technique that involves examining financial information, records, and other evidence to detect and investigate fraud. According to research published in the International Journal by Njanike, Dube, and Mashanyanye (2009) in Durnila & Santoso (2018) , forensic audit is effective in identifying and stopping fraud by creating an independent institution. Forensic audit aims to investigate fraud that has occurred. Forensic audit also helps companies find gaps in their internal control systems so that corrective actions can be taken to stop future fraud.

Definition of Proactive fraud audit is "audit that is proactive in identifying fraud risks in planning, preparing audit programs, and implementing field audits" Diaz (2013:188) in Melinda et al. (2023) . While proactive fraud audit focuses on prevention efforts by detecting potential fraud early on. Organizations can strengthen their control systems and close gaps that allow fraud to occur in this way. Proactive fraud audit also helps companies in continuing to uphold operational accountability and transparency.

In a study published in the International Journal, Ms Deepanshi Gupta & Prof Monica Rastogi define successful corporate governance as the set of rules, regulations, and policies that govern how a company is operated (Gupta & Rastogi, 2024) . The relationships between shareholders, management, board of directors, staff, clients, and the general public are all included in it. Good Corporate Governance (GCG) is defined as a framework that ensures the management of an organization in a responsible, accountable, and transparent manner, while financial reporting compliance ensures the integrity of reported data. By ensuring that financial statements are prepared in accordance with appropriate accounting standards and presented accurately, it can reduce the possibility of data manipulation. Transparent financial reporting

also protects against errors related to the organization's financial management and increases stakeholder trust. Atar Satria and Hizazi said that the more obedient the organization is in making transparent and accountable village financial reports, the less fraud can be prevented (Atar Satria, Hizazi, 2021) .

Effective HR skills and a positive company culture are key pillars in fighting fraud. The foundation for building a fraud-free work environment is a strong corporate culture. A culture that prioritizes the values of integrity, transparency, and high ethics encourages every individual in the organization to behave honestly and responsibly. Organizational culture can be felt through the behavior of members in the organization Melinda et al. (2023) . Meanwhile, human resource (HR) competence also plays an important role, because employees who have good skills and understanding of fraud risks are able to recognize and prevent potential fraud early. Halim stated that because the existence of human resources in an organization cannot be replaced by other elements, human resources play an important role in determining the quality and performance of the organization Halim (2010) In Anita Ardiyanti (2018) . Regular training on internal controls, work ethics, and awareness of fraud risks is essential to ensure employees are able to detect and prevent potential fraud in the workplace.

The whistleblowing system also provides space for employees or other parties to report indications of fraud without fear. Nurul et al. said that Whistleblowing is an action taken by past or present members of an organization that informs parties inside or outside the business about illegal, immoral, or fraudulent activities that are carried out under their supervision and may have negative impacts (Chairi et al., 2022) . The safety of the whistleblower and management's dedication to the integrity of the information received are key factors in a successful *Whistleblowing system* . *A Whistleblowing system* can be a useful strategy in preventing such scenarios if supported and a transparent atmosphere is created.

Recent events have highlighted the importance of whistleblowing systems and forensic audits. For example, a forensic audit conducted by the Supreme Audit Agency (BPK) successfully identified weaknesses in the internal control system that allowed corruption to flourish in the misappropriation of COVID-19 social assistance funds in Indonesia. However, although Law Number 31 of 2014 concerning Protection of Witnesses and Victims has supported the development of a whistleblowing system, the high number of reported fraud cases in Indonesia shows that whistleblower protection is still relatively low.

In addition, Innovation in forensic auditing is also driven by technical advances such as big data analysis and artificial intelligence (AI). These technologies allow manual identification of suspicious transactions, especially in the financial sector which is often the

target of large-scale fraud such as manipulating financial records or customer funds. These cases show that preventive measures such as forensic auditing and effective whistleblowing are essential to prevent significant losses to organizations and the general public.

These efforts still often face various obstacles. Forensic audits tend to be reactive because they are carried out after fraud has occurred. Proactive fraud audits have not been widely implemented due to limited resources and understanding in the organization. GCG principles, although implemented, are often only formalities without real practices that support fraud prevention. In addition, low compliance with financial reporting provides opportunities for data manipulation. An organizational culture that tends to be permissive of unethical behavior and minimal protection for whistleblowers are also major challenges.

Given the urgency mentioned above, this study is important because it can provide deeper insight into how various factors such as forensic audit, proactive fraud audit, Good Corporate Governance, financial reporting compliance, organizational culture, HR competency, and whistleblowing, contribute to fraud prevention efforts. This article also aims to understand how the synergy between these factors can create a more comprehensive and effective approach to preventing fraud in organizations. This study is expected to be able to provide real contributions to the development of better fraud prevention strategies. Through analysis of various literatures, this study can provide practical recommendations for organizations to strengthen their management systems and create a work environment with integrity. That way, the risk of fraud can be minimized, and the organization can run better and gain full trust from stakeholders .

2. LITERATURE REVIEW

Fraud Prevention

Research on fraud Still needs to be done if we want to ensure that it does not happen again. In general, the main drivers of fraud are greed , opportunity, need, and exposure. There are three main causes of fraud Kuntadi (2015:27:1) in Agustina and Cris (2022) , 1) the possibility or circumstances that provide opportunities for management or employees to commit fraud. 2) Pressure or rewards, this shows the pressure given by management or other employees to complete a task. There is too much tension to justify dishonest actions.

According to Diaz (2013) in Durnila & Santoso (2018) , one strategy to address the root causes of fraud is fraud prevention. Reducing the likelihood of fraud at all levels of the organization, identifying and eliminating violations of the law, regarding the various types of

fraud that pose serious risks, and prosecuting and punishing those who do are some of the reasons for preventing fraud.

Forensic Audit

Forensic audit is one of the main methods used to detect and investigate fraud within an organization. Forensic audit is different from a regular audit because its main focus is to find evidence of fraud that may occur in financial transactions or other operations. Financial information, business transactions, and other documents are verified carefully and accurately with the help of forensic audit. In addition, forensic audit offers a thorough examination of possible weaknesses in the business's internal control framework. By identifying gaps and weaknesses in controls, businesses can take necessary corrective actions to improve the security and accuracy of information Widyanti (2023) in Setiawan et al. (2024) . The ACFE Report (2022) also added that organizations that implement forensic audits routinely tend to be more effective in identifying fraud, because these audits combine deeper investigative methods, and the use of cutting-edge technologies such as artificial intelligence (AI) and big data analysis. These results show the importance of forensic audits in addressing weaknesses in internal control systems, which are often the main entry point for fraud. Forensic audits focus more on the process of gathering evidence and determining whether audit findings or evidence are suitable for the trial process. Forensic audits can also be interpreted as an extension of the use of regular audit processes to gather evidence in court proceedings. This audit consists of steps or processes carried out to collect evidence. The methods used by the audit to find and collect evidence to support its findings include how long the fraud was committed, the method used to commit the fraud, the amount involved, the location, and the identity of the perpetrator Purjono, (2012) in Ni Putu Sri Astuti (2015) .

According to Shodiq et al. (2013) in Kristanti & Kuntadi (2022) , forensic audit indicators include:

1. Forensic audit in preventing fraud definition and implementation.
2. Forensic audit materiality levels
3. Forensic auditor duties
4. Responsibilities of forensic auditors
5. Specification of skills required by a Forensic Auditor
6. Independence and Objectivity
7. Evidence from forensic audit

Proactive Fraud Audit

Proactive fraud audits are designed to find system weaknesses before fraud occurs. To detect potential fraud risks, this stage requires a thorough assessment of the organization's policies, procedures, and controls. In a complex work environment, proactive fraud audits provide a very important early detection method. According to Jeandry & Mokoginta (2021) The focus of proactive fraud audits is on auditors who actively carry out a proactive audit process in collecting data and evaluating the data.

According to Devi et al.'s research, an audit is considered proactive if, before conducting an investigative audit, the auditor proactively collects and examines data to identify potential fraud and criminal activity (Melinda et al., 2023) . Although effective, proactive fraud audits require a lot of time, money, and human resource input to implement. Some organizations struggle to conduct these audits on a regular basis due to financial constraints or lack of qualified professionals.

Good Corporate Governance

Good Corporate Governance is a framework that focuses on transparency, accountability, and ethical decision-making in an organization. GCG is intended to ensure that the company behaves with integrity and accountability to all parties involved. Research by Gupta & Rastogi (2024) shows that GCG plays an important role in combating fraud, especially through the formation of an impartial board of directors, efficient internal controls, and honest financial reporting.

Financial Reporting Compliance

A key component in combating fraud is accurate and transparent financial reporting. Organizations can provide reliable data, reduce the risk of data manipulation, and increase stakeholder trust by complying with financial reporting standards. Public oversight initiatives to stop fraud can also be strengthened by transparency in the presentation of financial reports. Adequate financial reporting compliance is expected to prevent fraud. (Eka Ardiana & Sugianto, 2020) .

Organizational culture

According to Sutrisno, the values, beliefs, assumptions, or old habits of an organization that are adopted and upheld by its members as norms of behavior and problem solving are referred to as organizational culture Sutrisno (2013) in (Priyanto & Aryati, 2019) . In other words, the organizational culture of a company can be used to develop its human resources by

influencing the attitudes and behavior of its employees, so that they can motivate them to do their jobs effectively and efficiently. The organizational culture of a company needs to be developed and considered properly because it affects the future of the company.

Human Resources Competence

Made Hangga said that, Human resource competence is a quality that can be applied consistently by someone to achieve the desired level of performance. Human resources with the necessary skills and training are essential in stopping and identifying fraud (Hariawan et al., 2020) . Workers who are aware of the threat of fraud and know how to recognize it may be an organization's first line of defense. To ensure that staff members are equipped to handle challenging circumstances, regular training on ethical standards and fraud awareness is also important.

Whistleblowing

Whistleblowing is an internal reporting system that allows those working in a company, such as employees or others, to safely and confidentially report unethical or fraudulent activities. To prevent whistleblowers from being reluctant to reveal bribery, this system includes 5W+1H, reporting follow-up, imbalance, and security/protection for whistleblowers, in addition to sanctions or consequences for violators (Yasa & Aqamal Haq, 2023) .

For businesses that are at high risk of fraudulent activity, *whistleblowing* is an important tool to prevent fraud. The usefulness of this system can be enhanced by providing adequate legal protection, anonymity, and integration with other processes such as forensic audits, although issues such as fear of retaliation and an unsupportive organizational culture still exist. Investing in the development of a safe, reliable, and management-supported *whistleblowing system* is critical to the success of the company. Business leaders have the opportunity to resolve the problem internally first. Before the issue spreads and has the potential to harm the company's reputation (Wardani and Suhelni in Maisaroh & Nurhidayati, 2021) .

Previous Research

Previous research related to Forensic Audit research (X1), Whistleblowing (X2) which influences Fraud Prevention (Y), namely as follows:

Table 1: Relevant Previous Research

No	Author (Year)	Previous Research Results	Similarities with this article	Differences with this article
1	Nurul Chairi, Mirna Indriani, Darwanis (2022)	Fraud prevention is positively influenced by the violation reporting system and morale, while the competence of the apparatus has a negative influence.	Both discuss the influence of whistleblowing on fraud prevention.	This article adds variables of morality and competence of the apparatus.
2	(Ahmad Fiar & Jaeni, 2022)	Fraud prevention is heavily influenced by professionalism and spiritual intelligence, but not by forensic audits, investigative audits, or auditor competence.	Focuses on fraud prevention and includes forensic audits.	Highlighting spiritual intelligence and professionalism, de-emphasizing whistleblowing.
3	(Nurul Fahmu Sultan, 2022)	Fraud prevention is positively influenced by accountability, internal controls, and reporting procedures; an ethical environment enhances these relationships.	Emphasizing the importance of whistleblowing in preventing fraud.	Adding the role of accountability, internal control, and ethical climate as moderators.
4	(2024)	Forensic audits and whistleblowers play an important role in creating a fraud-free business environment through transparency and accuracy.	Both discussed forensic audits and whistleblowing as important mechanisms to prevent fraud.	This research focuses on the role of forensic auditing and whistleblowing in creating more ethical and fraud-free businesses.
5	Yasa and Aqamal Haq (2023)	Investigations, fraud detection, and forensic audits are all significantly impacted by the whistleblowing system.	Both show that whistleblowing improves fraud prevention through forensic audits.	This study adds investigative audit variables as a mediator in detecting fraud.
6	Bagus Fahreza, Sadtyo Nugroho and Judge Purwantini (2022)	Internal controls, financial reporting compliance, and violation reporting systems all help prevent fraud in the management of village funds.	Whistleblowing remains one of the main variables that has a positive impact on fraud prevention.	This study focuses on village fund management and adds internal control variables and financial reporting compliance.

7	Roza Mulyadi & Muhammad Nawawi (2020) [7]	At BPKP Banten Province, forensic audits, investigative audits, and professionalism all have a major impact on fraud prevention.	Focus on the role of forensic auditing in fraud prevention, using the <i>Fraud Triangle theory</i> .	Does not address whistleblowing directly.
8	Avissa Zahra & Harti Budi Yanti (2023) [8]	Fraud prevention is positively influenced by proactive fraud auditing, auditor competence, information asymmetry, and the effectiveness of the fraud disclosure system.	Both discussed the importance of whistleblowing as a fraud prevention tool.	Adding information asymmetry and proactive audit factors as additional variables.
9	Hanifatun Nisa & Cris Kuntadi (2024) [9]	Fraud prevention is heavily influenced by forensic, internal, and external audits.	Both call forensic audits a primary tool in detecting and preventing fraud.	Does not discuss whistleblowing, focuses on the role of internal and external audit.
10	Puspitanisa and Purnamasari (2021)	Whistleblowing significantly improves fraud prevention. Efficient methods reduce the likelihood of fraud by increasing employee confidence to report violations.	Both discussed the importance of whistleblowing in fraud prevention and emphasized that an effective system encourages transparency and reduces the risk of fraud.	This study also includes other variables, namely human resource competency, which shows a significant influence on fraud prevention. The focus is on the public sector at the Bandung Regency Social Service.
11	(Gupta & Rastogi, n.d., 2019)	Corporate governance plays a key role in fraud prevention by promoting transparency, accountability, and an ethical organizational culture.	Focuses on the role of Good Corporate Governance (GCG) and transparency in fraud prevention.	Does not specifically discuss forensic audit, proactive fraud audit, or whistleblowing.
12	(Nugraha et al., 2020)	Internal control has a significant influence (50.2%) on fraud prevention at Bank BRI Cimahi.	Highlights the importance of internal control in preventing fraud, aligning with one component of the literature review title.	Limited to the context of local banking and does not include elements such as whistleblowing or organizational culture.
13	(Taufik, 2019)	Effective implementation of internal control systems improves good	Discusses the relationship between internal control, good	Focuses on the public sector (local government) and does not include

		governance and prevents fraud in the public sector.	governance, and fraud prevention.	factors such as HR competency or proactive fraud audits.
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3. RESEARCH METHODS

The research methods used are the literature review method (Library Research) and a qualitative approach. The purpose of this study is to find, examine, and collect research results on how forensic audits and disclosure of violations affect fraud eradication efforts. By using secondary data from scientific journals and theses. The search method is sourced from several databases, including Scopus, PubMed, Emerald, and Google Scholar,

Literature reviews are often used in qualitative research. Qualitative research is defined as research that uses various natural methods and unique natural contexts to describe phenomena about what research subjects experience, such as behavior, perception, motivation, actions, and others, historically with the use of words and language. (Moleong, 2016 in Simbolon and Kuntadi, 2022) .

4. RESULTS AND DISCUSSION

1. The Impact of Forensic Audit on Fraud Prevention

A study on the impact of forensic audits on fraud prevention (Mulyadi & Nawawi, 2020) shows that forensic audits are useful for fraud prevention. The more effective forensic audits are implemented, the more effective fraud can be prevented. The purpose of forensic audits is to determine. Stop various forms of fraud. Forensic audit techniques are basically successful in identifying fraud. Many methods are intended to uncover fraud in more detail and even at a higher level (Hanifatun Nisa & Cris Kuntadi, 2024) .

Due to its more focused approach to identifying fraud, forensic auditing is considered the most accurate, effective and successful method to mitigate and prevent the problem. Forensic audits enable more precise detection of potential situations by combining in-depth knowledge and data information. This is supported by (Durnila & Santoso, 2018) which shows that forensic audits have a significant and positive impact on fraud prevention. Based on research (Panjaitan, 2018) , forensic audit includes steps taken to collect evidence . The method used by the audit to find and collect evidence to support its findings, such as the length of time the fraud has been committed, How the fraud was committed, how much it cost, where it was committed, and who did it (Purjono, 2012 in Panjaitan, 2018) . In my opinion, forensic audit is one of the most important tools to stop fraud. However, organizations need to spend more

money on auditor training and the use of cutting-edge technologies such as artificial intelligence (AI) and big data analytics if they want to improve their effectiveness. In addition to speeding up the investigation process, this will help identify signs of fraud earlier and prevent greater losses.

2. The Influence of Proactive Fraud Audit on Fraud Prevention

Proactive fraud audits have a positive effect on preventing fraud, according to research on the subjects of auditor competence, information asymmetry, and the effectiveness of whistleblowing systems. (Zahra & Harti Budi Yanti, 2023) . Likewise, the research conducted (Jeandry & Mokoginta, 2021) who found that Proactive Fraud Audit fraud audits have a good impact on Fraud Prevention. The higher the Proactive Fraud audit, the lower the opportunity to commit fraud because there are routine preventive audits before fraud or fraud occurs, thereby increasing fraud prevention.

Proactive fraud audit is a step designed to detect potential fraud risks before they occur. To identify areas vulnerable to fraud, this audit focuses on assessing the system as a whole. According to research, conducting regular proactive fraud audits can reduce the likelihood of fraud occurring in a company. (Jeandry & Mokoginta, 2021) . In my opinion, companies should make significant financial and human resource investments to implement Proactive Fraud Audit. There are many advantages to using this method to identify potential fraud issues before they occur. However, because the results are not immediately visible, I have observed that many companies are still hesitant to invest in these audits. I think more companies will see the value of proactive fraud audits as awareness of the benefits increases.

3. The Influence of Good Corporate Governance on Fraud Prevention

According to research (Maisaroh & Nurhidayati, 2021) fraud prevention values good corporate governance. This is in accordance with research (Jannah, 2016) , the study observed that fraud prevention is aided by good corporate governance. Organizations can prevent fraud by implementing solid corporate governance concepts. Ensuring accountability, transparency, fairness, and ethics in decision-making at all levels of the organization is the primary goal of corporate governance. According to the study, regular audits, efficient internal controls, and an independent Board of Directors all help in reducing the chances of fraud (Gupta & Rastogi, 2024) . I believe that Good Corporate Governance should not only be a formal concept, but should be implemented in real terms in every business process. With a strong commitment from top management, GCG principles can create a transparent and accountable work environment. In my view, training for all levels of employees on the importance of GCG is an important first step to creating a better organizational culture.

4. The Impact of Financial Reporting Compliance on Fraud Prevention

The main consideration in ensuring the accuracy and transparency of financial data is compliance with financial reporting standards. The risk of fraud can be reduced if financial reports are prepared according to the rules because there is little chance of data manipulation . Honest and consistent financial reporting can reduce the potential for data manipulation, preventing fraud, according to research (Kivaayatul Akhyaar et al., 2022) . Financial reporting compliance has a positive effect on reducing fraud, according to research (Bagus Fahreza et al., 2022) . According to research findings (Atar Satria, Hizazi, 2021) financial reporting compliance plays a beneficial role in preventing fraud. The level of fraud prevention increases with financial reporting compliance. In my view, it is important for organizations, especially in the public sector, to strengthen external supervision and build systems that facilitate transparency in financial reporting. By having a system that encourages accountability, the risk of data manipulation can be minimized. In addition, education to related parties about the importance of honest and accurate reporting needs to be carried out continuously.

5. The Influence of Organizational Culture on Fraud Prevention

Norms, values, assumptions, beliefs and customs that are established in an organization and accepted by all its members as guidelines or references in carrying out its activities, both for the benefit of its employees and for the benefit of others, are referred to as organizational culture. (Jeandry & Mokoginta, 2021) . A strong corporate culture significantly helps eliminate fraud. Although fraud is less common, ethics, honesty, and transparency are still upheld.

According to research findings (Anandya & Werastuti, 2020) corporate culture has an impact on fraud prevention. In fact, a culture that tolerates unethical behavior creates conditions for fraud to occur. Therefore, companies must invest in creating a positive work culture through leadership development, training, and open communication . According to research (Melinda et al., 2023) Fraud prevention is influenced by corporate culture. If everyone has a positive outlook and a positive culture, fraud can be effectively avoided.

In contrast to research conducted by (Priyanto & Aryati, 2019) thus resulting in the conclusion that organizational culture has little effect in preventing fraud . Many cases of financial reporting fraud are caused by the lack of effective supervision of the audit committee and the board of directors over financial reporting. This means that this fraud cannot be

prevented simply because of employee understanding of good organizational culture in the company. However, in my opinion, building a positive corporate culture requires a methodical and ongoing process. Providing examples of moral behavior and fostering employee trust are important tasks for organizational leaders. Regular training programs that instill the principle of integrity and reward systems for behavior consistent with organizational culture can reduce the likelihood of fraud.

6. The Influence of Human Resource Competence on Fraud Prevention

The most important aspect in an effort to avoid fraud is having qualified and experienced human resources . Workers who are aware of the possibility of fraud and can detect it early can help the company avoid potential losses. According to research (Puspitanisa & Purnamasari, 2021) fraud prevention benefits from human resource competence. The ability to avoid fraud increases with the ability of human resources .

Employees' capacity to identify and manage potential fraud can be enhanced with regular training on ethical standards, compliance, and fraud awareness . According to research by (Anita Ardiyanti, 2018) which states that the more competent the human resources, the greater the possibility of employees to avoid fraudulent actions. This is because the human resources have the knowledge and understanding needed to prevent fraud.

In contrast to research conducted by (Hariawan et al., 2020) which shows that fraud prevention is negatively affected by human resource competency. This is caused by the low level of education that is not in accordance with the position held, as well as the lack of experience, training, and accounting knowledge . In my view, developing HR competency is an investment that is not can be ignored by the organization. Ongoing training, especially related to fraud risk awareness and internal control, can help employees become more responsive to potential threats. With competent and integrity-based human resources, organizations can build a strong first line of defense against fraud.

7. The Influence of the Whistleblowing System on Fraud Prevention

Research conducted by (Anandya & Werastuti, 2020) which provides results that *the Whistleblowing System* has a positive and significant effect on fraud prevention. The better the use of *the Whistleblowing System* in the company, the more effective it is in preventing fraud.

The whistleblowing system is an action carried out by secretly communicating immoral and illegal actions that are against the law and can harm the organization and its stakeholders to the leadership of other institutions or organizations that have the authority to take action against the violations committed. This is in line with research conducted by (Atar Satria, Hizazi, Ratih, 2021) . These results are also supported by research conducted by (Zahra & Harti

Budi Yanti, 2023) which states that Facilitators use whistleblower mechanisms to provide openness to the public regarding abuse of state authority or past or present mistakes that may be in the public interest. Facilitators have special access to confidential materials from both public and private institutions and organizations.

I believe that the success of a whistleblowing system depends not only on the technological infrastructure used, but also on employee trust in the organization. Therefore, I believe that organizations need to build a strong legal framework to protect whistleblowers, as well as ensure anonymity and security of information. This way, employees will feel more comfortable reporting indications of fraud without fear of negative consequences.

5. CONCLUSION

The conclusion of this literature article is based on relevant theories and discussions, namely Fraud prevention requires a comprehensive approach and involves various important aspects in the organization. Forensic audits are very helpful in identifying and resolving fraud cases through in-depth investigations, while proactive fraud audits aim to detect risks early so that potential fraud can be prevented before it occurs. Good corporate governance helps create stronger transparency and accountability, while financial reporting compliance ensures that reported data remains honest and reliable. A healthy organizational culture, with high ethical values and integrity, is also an important foundation in shaping responsible employee behavior. In addition, human resource competencies that are continuously improved through routine training make a major contribution to supporting fraud prevention. Equally important, a safe and reliable whistleblowing system provides space for employees to report potential fraud without fear, thus supporting early detection. By integrating all these elements, organizations can build a stronger strategy to prevent fraud, increase stakeholder trust, and ensure sustainable operations.

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