

The effect of compensation suitability, internal control, accounting information systems, and management morality on fraud prevention (study on Fox Hotel Pekanbaru City)

Nella Permata

nellapermata@gmail.com

Accounting Study Program, Faculty of Economics and Business, Muhammadiyah University of Riau, Pekanbaru City, Republic of Indonesia

Wira Ramashar

wiraramashar@umri.ac.id

Accounting Study Program, Faculty of Economics and Business, Muhammadiyah University of Riau, Pekanbaru City, Republic of Indonesia

Abstract

This research is a quantitative study with the research objective to examine the effect of internal control, accounting information systems, management morality and compensation conformity on fraud prevention. The population in this study were front office and back-office employees at Fox Hotel Pekanbaru City. This study uses primary data collected using a questionnaire. In this study the sample amounted to 30 respondents selected using purposive sampling. Data analysis in this study used multiple linear regression analysis. The results of this study indicate that internal control, accounting information systems, management morality and compensation conformity have a significant effect on fraud prevention.

Keywords: *accounting information system; compensation suitability; fraud prevention; internal control, management morality*

Abstrak

Penelitian ini merupakan penelitian kuantitatif dengan tujuan penelitian untuk menguji pengaruh pengendalian internal, sistem informasi akuntansi, moralitas manajemen dan kesesuaian kompensasi terhadap pencegahan kecurangan. Populasi dalam penelitian ini adalah karyawan front office dan back office di Fox Hotel Kota Pekanbaru. Penelitian ini menggunakan data primer yang dikumpulkan menggunakan kuesioner. Dalam penelitian ini sampel berjumlah 30 responden yang dipilih menggunakan purposive sampling. Analisis data dalam penelitian ini menggunakan analisis regresi linear berganda. Hasil penelitian ini menunjukkan bahwa pengendalian internal, sistem informasi akuntansi, moralitas manajemen dan kesesuaian kompensasi berpengaruh signifikan terhadap pencegahan kecurangan.

Kata kunci: *kesesuaian kompensasi; moralitas manajemen; pencegahan kecurangan; pengendalian internal; sistem informasi akuntansi*

INTRODUCTION

Fraud in the company is a deliberate act of fraud on the basis of dishonesty committed by someone, both employees and leaders, which results in harming the company *financially* and *non-financially*, because fraud can ultimately lead to bankruptcy. In one of the frauds that often occurs in companies, namely inventory fraud. Inventory is one of the assets that is large enough and is an important factor that determines the smooth operation of the company. (Ferdiani, 2024).

The phenomenon of fraud related to inventory often occurs at Fox Hotel Pekanbaru City, where there is often a loss of stock of goods in the inventory section. This happens because of the lack of SOPs or existing rules related to taking goods, thus providing opportunities for unscrupulous employees to commit fraudulent acts. Based on this phenomenon, Fox Hotel Pekanbaru City has made efforts to prevent fraud, so that the loss of goods does not occur again. Where Fox Hotel Pekanbaru City currently uses a system related to the procurement of inventory goods, namely the visual hotel program (VPH) system. In addition, Fox Hotel Pekanbaru City has also carried out control and supervision to avoid fraud that occurs by tightening the application of applicable standards or SOPs, namely by requiring a letter related to taking goods in stock so that there is no gap for unscrupulous employees to commit fraud. Then efforts to prevent fraud are also strengthened by the existence of an audit team at Fox Hotel Pekanbaru City so that all forms of fraud that occur can be prevented or minimized because if this happens it can disrupt the operations of Fox Hotel Pekanbaru City.

Therefore, one of the efforts that can be made to overcome and prevent fraud is by controlling. Internal control has the benefit of helping companies prevent and detect fraud. Companies that have good internal control can prevent fraud greater than companies that have poor internal control (Damayanti). In accordance with the research results Ferdiani (2024), Damayanti et al. (2024), Hartono et al. (2022) that internal control has an effect on fraud prevention. However, in contrast to the research results Adiko et al. (2019) that internal control has no effect on fraud prevention.

In addition to good internal control, companies also need information systems that are accurate, relevant, timely and *up to date* in an effort to prevent fraud. Accounting information systems are used to identify, measure and record all business processes in a system model which will produce information that can be utilized and used by many parties. (Puspita et al., 2021). In accordance with the research results Ferdiani (2024), Damayanti et al. (2024), Silva and Aufa (2023) that accounting information systems have an effect on fraud prevention. However, in contrast to the research results Ridwan et al. (2023) that there is no effect of accounting information systems on fraud avoidance.

The next factor in minimizing the level of fraud is one of them by promoting and instilling a management morality *mindset*. This is because the factors that can encourage someone to commit fraudulent tendencies are due to the low level of morality they have. Morality can occur if each management takes good actions, because the management is aware of their responsibilities and not because they want to seek profit (Udayani and Sari, 2017). In accordance with the research results Ningsih et al. (2024), Ferdiani (2024), Puspita et al. (2021) that management morality affects fraud prevention. However, it is different from the research results Nikmatia et al. (2021) that management morality has no effect on fraud prevention.

Then the suitability of compensation is also one of the factors that influence fraud prevention. With appropriate compensation, fraud can be minimized. Individuals are expected to get satisfaction from the compensation and not commit fraud to maximize personal gain. (Samanto et al., 2022). In accordance with the results of research Aprillia and Sulfitri (2023), Samanto et al. (2022), Triwahyuni and Prasetyo (2021) that compensation suitability affects fraud prevention. However, in contrast to the research results Herawati and Purnamasari (2022)

that compensation suitability has no effect on fraud prevention.

This research is a development of research Ferdiani (2024) entitled "The Effect of Internal Control, Accounting Information Systems, and Management Morality on Fraud Prevention". The difference in this study is by adding the compensation suitability variable taken from research by Samanto et al. Samanto et al. (2022) as a form of development from previous research. The reason the variable is added is because compensation in accordance with employee performance can prevent attempts to commit fraud. The purpose of this study was to determine the effect of internal control, accounting information systems, management morality and compensation suitability on fraud prevention at Fox Hotel Pekanbaru City.

LITERATURE REVIEW

Attribution theory

Attribution theory explains a person's behavior. Attribution theory studies the process of how a person interprets an event, reason, or cause of his behavior. Attribution theory is a combination of internal forces, which are factors that come from within a person, such as effort ability factors and external forces, which are factors that come from outside, such as difficulties at work or luck. According to Heider (1958) there are three stages underlying the process of an attribution, namely: 1) A person must see or observe a behavior; 2) A person must believe that the behavior was intentionally done; and 3) A person must determine whether they believe that other people are forced to do the behavior or not.

The relationship between attribution theory in this study is that it explains that internal control, accounting information systems and compensation suitability are external factors and management morality is an internal factor that can minimize fraud.

The effect of internal control on fraud prevention

Internal control is a process influenced by the board of directors, management and other personnel, in an entity, designed to provide responsible assurance regarding the achievement of objectives in relation to operations, reports and achievement of objectives. Based on attribution theory, in this study internal control is an external factor that influences employees in behavior, where fraud prevention can be done if internal control is more effectively implemented in the company. Internal control is a policy, procedure, and method designed to provide assurance over the achievement of the reliability of financial statements, safeguarding assets and other regulations. (Risdayana, 2022). Research results Ferdiani (2024), Damayanti et al. (2024), Hartono et al. (2022) stated that internal control has an effect on fraud prevention. Thus, the hypothesis in this study is:

H₁: Internal control affects fraud prevention.

The effect of accounting information systems on fraud prevention

Accounting Information System is an integrated activity in the form of business transaction data which is then processed and presented so that it becomes a report that has meaning for those who need it. Based on attribution theory, in this study the accounting information system is an external factor that influences employees in behavior, where if the accounting information system in a company is poor and fraud prevention activities are not maximized, it can cause fraud to increase. With an adequate information system and supported by good information technology, it can minimize fraud. (Loliyani and Anwar, 2020) Research results Ferdiani (2024), Damayanti et al. (2024), Silva and Aufa (2023) stated that accounting information systems have an effect on fraud prevention. Then the hypothesis in this study is:

H₂: Accounting information systems affect fraud prevention.

The effect of management morality on fraud prevention

Management morality is the action of management to do the right thing and it is not related to value gains. Based on attribution theory, in this study, management morality is an internal factor that influences employees in behavior, where if management morality can be applied properly, then management morality can be applied properly.

will minimize the possibility of fraud and there will be no sense of justification for committing fraud. Research results Ningsih et al. (2024), Ferdiani (2024), Puspita et al. (2021) stated that management morality affects fraud prevention. Then the hypothesis in this study is:

H₃: Management morality affects fraud prevention.

The effect of compensation suitability on fraud prevention

Compensation suitability is something that employees receive in lieu of contributing their services to the company. Based on attribution theory, in this study, compensation suitability is an external factor that influences employees in behavior, where through the provision of appropriate compensation, employees will feel that the organization is concerned about their welfare, so it is expected to minimize the occurrence of fraudulent acts such as fraud or theft of assets committed by employees. (Triwahyuni and Prasetyo, 2021).. Research results Ferdiani (2024), Damayanti et al. (2024), Hartono et al. (2022) stated that internal control has an effect on fraud prevention. Thus, the hypothesis in this study is:

H₄: Compensation suitability affects fraud prevention.

RESEARCH METHOD

This research is quantitative research. The data used in this study are primary data sourced from respondents' answers to the questionnaires distributed. The data collection method in this study used a questionnaire, where respondents only chose the answers available with measurements using a *Likert* scale of 1-5. The population in this study were all Fox Hotel employees totalling 77 employees. The sample in this study used *purposive sampling*, where the samples in this study amounted to 30 from the *front office* and *back office* which were directly related to inventory at Fox Hotel Pekanbaru City.

Indicators of fraud prevention variables (Y) in this study are taken from research Ferdiani (2024) namely the implementation of corporate culture, *fraud awareness* training according to corporate responsibility, the application of a code of ethics and sanctions for violations of the code of ethics, and providing a deterrent effect on *fraud*. Indicators of internal control variables (X₁) are taken from research Ferdiani (2024) namely the control environment, risk assessment, information and communication, and control activities. Indicators of accounting information system variables (X₂) are taken from research Ferdiani (2024) namely communication networks, system existence, and service accuracy. Indicators of management morality (X₃) are taken from the research of Ferdiani (2024) namely dilemma cases to measure the level of management morality. Indicators of compensation suitability variables (X₄) are taken from research by Sudariani and Yudiantara (2021) namely direct compensation and indirect compensation.

In this study, researchers used multiple linear regression analysis techniques using the SPSS 25 computer program. Multiple linear regression analysis detects the effect of two or more independent variables (independent variables) on the dependent variable (dependent variable). The statistical multiple regression equation formula is as follows:

$$Y_i = a + b_1X_{1i} + b_2X_{2i} + b_3X_{3i} + e_i$$

Description:

- Y = Dependent variable
a = Constant
b1 - b2 = Regression coefficient
X₁ - X₄ = Independent variable
e = Error

RESULTS AND DISCUSSION

Respondent characteristics

This study uses several characteristics to get a clearer picture of the respondents, such as gender, age, education and length of work.

Table 1. Respondent characteristics

No.	Characteristics	Category	Frequency	Percentage (%)
1.	Gender	Male	20	66,7%
		Female	10	33,3%
2.	Age	18-25 Years	5	16,7%
		26-30 Years	10	33,3%
		31-40 Years	11	36,7%
		41-49 Years	4	13,3%
		> 50 Years	0	0%
3.	Education	SMA/K	16	53,4%
		D3	4	13,3%
		S1	10	33,3%
		S2	0	0%
4.	Length of service	S3	0	0%
		< 1 Year	10	33,3%
		1-2 Years	4	13,3%
		3-5 Years	3	10%
		> 5 Years	13	43,4%

Source: Data processed, 2024

Of the 30 respondents in this study, 20 (66.7%) respondents were male and 10 (33.3%) were female. Then 11 people (36.7%) of respondents in this study were aged 31-40 years and there were no respondents aged > 50 years. Furthermore, 16 people (53.4%) of the respondents' last education was SMA / K and there were no respondents who had S2 and S3. Then 13 people (43.3%) of respondents have worked for > 5 years and the lowest 3 people (10%) have worked for 3-5 years.

Descriptive statistical analysis

The results of descriptive statistical tests in this study include the minimum value, maximum value, average value, and standard deviation.

Table 2. Descriptive statistical analysis

	N	Minimum	Maximum	Mean	Std. deviation
Internal control (X ₁)	30	26	40	31,07	3,741
Accounting information System (X ₂)	30	32	50	39,80	4,552
Management morality (X ₃)	30	16	30	22,03	3,378
Compensation suitability (X ₄)	30	26	45	34,67	4,278
Fraud prevention (Y)	30	42	67	55,07	4,402

Source: Data processed, 2024

From the results of the descriptive statistical analysis above, it can be concluded that the independent and dependent variables in this study have good data distribution because the average value is greater than the standard deviation value.

Data quality test

1. Validity test

The validity test is carried out by comparing the calculated r value with the r table for degree of freedom (df) = n - 2 with alpha 0.05, in this case n is the number of samples. In this study df = 30 - 2 = 28, so we get r table for df (28) = 0.361.

Table 3. Internal control validity test results (X₁)

Variables	Statement item	R count	R table	Description
Internal control (X ₁)	X _{1.1}	.759**	0,361	Valid
	X _{1.2}	.518**	0,361	Valid
	X _{1.3}	.759**	0,361	Valid
	X _{1.4}	.674**	0,361	Valid
	X _{1.5}	.683**	0,361	Valid
	X _{1.6}	.565**	0,361	Valid
	X _{1.7}	.798**	0,361	Valid
	X _{1.8}	.689**	0,361	Valid

Source: Data processed, 2024

From the validity test results above, it can be seen that each statement indicator on the internal control variable (X₁) is valid, because it has a calculated r value greater than r table (0.361) so it is feasible to use as research data.

Table 4. Accounting information system validity test results (X₂)

Variables	Statement item	R count	R table	Description
Accounting information system (X ₂)	X _{2.1}	.631**	0,361	Valid
	X _{2.2}	.781**	0,361	Valid
	X _{2.3}	.710**	0,361	Valid
	X _{2.4}	.762**	0,361	Valid
	X _{2.5}	.749**	0,361	Valid
	X _{2.6}	.703**	0,361	Valid
	X _{2.7}	.719**	0,361	Valid
	X _{2.8}	.629**	0,361	Valid

	X _{2.9}	.500**	0,361	Valid
	X _{2.10}	.562**	0,361	Valid

Source: Data processed, 2024

From the results of the validity test above, it can be seen that each statement indicator on the accounting information system variable (X₂) is valid, because it has a calculated r value greater than r table (0.361) so it is feasible to use as research data.

Table 5. Management morality validity test results (X₃)

Variables	Statement item	R count	R table	Description
Management morality (X ₃)	X _{3.1}	.835**	0,361	Valid
	X _{3.2}	.803**	0,361	Valid
	X _{3.3}	.858**	0,361	Valid
	X _{3.4}	.617**	0,361	Valid
	X _{3.5}	.583**	0,361	Valid
	X _{3.6}	.629**	0,361	Valid

Source: Data processed, 2024

From the validity test results above, it can be seen that each statement indicator on the management morality variable (X₃) is valid, because it has a calculated r value greater than r table (0.361) so it is feasible to use as research data.

Table 6. Compensation suitability validity test results (X₄)

Variables	Statement item	R count	R table	Description
Compensation suitability (X ₄)	X _{4.1}	.707**	0,361	Valid
	X _{4.2}	.676**	0,361	Valid
	X _{4.3}	.499**	0,361	Valid
	X _{4.4}	.756**	0,361	Valid
	X _{4.5}	.704**	0,361	Valid
	X _{4.6}	.596**	0,361	Valid
	X _{4.7}	.839**	0,361	Valid
	X _{4.8}	.699**	0,361	Valid
	X _{4.9}	.688**	0,361	Valid

Source: Data processed, 2024

From the validity test results above, it can be seen that each statement indicator on the compensation suitability variable (X₄) is valid, because it has a calculated r value greater than r table (0.361) so it is feasible to use as research data.

Table 7. Validity test results of fraud prevention (Y)

Variables	Statement item	R count	R table	Description
Fraud prevention (Y)	Y ₁	.736**	0,361	Valid
	Y ₂	.588**	0,361	Valid
	Y ₃	.699**	0,361	Valid
	Y ₄	.509**	0,361	Valid
	Y ₅	.621**	0,361	Valid
	Y ₆	.655**	0,361	Valid
	Y ₇	.633**	0,361	Valid
	Y ₈	.536**	0,361	Valid

Y ₉	.600**	0,361	Valid
Y ₁₀	.402*	0,361	Valid
Y ₁₁	.427*	0,361	Valid
Y ₁₂	.500**	0,361	Valid
Y ₁₃	.576**	0,361	Valid
Y ₁₄	.736**	0,361	Valid

Source: Data processed, 2024

From the results of the validity test above, it can be seen that each statement indicator on the fraud prevention variable (Y) is valid, because it has a calculated r value greater than r table (0.361) so it is feasible to use as research data.

2. Reliability test

The reliability test is used to ascertain whether the research questionnaire used is reliable or not with a Chronbach's alpha value > 0.60.

Table 8. Reliability test results

Variables	Cronbach's alpha	Description
Internal control (X ₁)	0,824	Reliable
Accounting information system (X ₂)	0,861	Reliable
Management morality (X ₃)	0,807	Reliable
Compensation suitability (X ₄)	0,856	Reliable
Fraud prevention (Y)	0,836	Reliable

Source: Data processed, 2024

From the results of the reliability test above, it can be seen that the instrument from the questionnaire used to explain the variables of internal control (X₁), accounting information systems (X₂), management morality (X₃), compensation suitability (X₄) and fraud prevention (Y) has a Cronbach's alpha value > 0.60 so that it is declared reliable.

Classical assumption test

According to Ghozali (2018) the classic assumption test is used to test whether the data that has been collected by researchers is of good quality. If the data has met all the classic assumption criteria, then the data is included in the good data category. The classic assumption test in this study consists of normality test, multicollinearity test and heteroscedasticity test.

Table 9. Normality test results

One-sample Kolmogorov-Smirnov test		
N		30
Normal parameters ^{a,b}	Mean	0,0000000
	Std. deviation	2,67663414
Most extreme differences	Absolute	0,115
	Positive	0,090
	Negative	-0,115
Test statistic		0,115
Asymp. sig. (2-tailed)		.200 ^{c,d}

- a. Test distribution is normal.
- b. Calculated from data.
- c. Lilliefors significance correction.

d. This is a lower bound of the true significance.

Source: Data processed, 2024

From the normality test results above, it can be seen that the data in this study are normally distributed because they have an Asymp. sig (2-tailed) $0.200 > 0.05$.

Table 10: Multicollinearity test results

Model	Collinearity statistics		Description
	Tolerance	VIF	
1 (Constant)			
Internal control (X ₁)	0,958	1,043	No multicollinearity
Accounting information system (X ₂)	0,847	1,180	
Management morality (X ₃)	0,806	1,241	
Compensation suitability (X ₄)	0,911	1,097	

a. Dependent variable: Fraud prevention (Y)

Source: Data processed, 2024

From the multicollinearity test results above, it can be seen that all independent variables in this study have a tolerance value > 0.10 and a VIF value < 10 . This indicates that there are no multicollinearity symptoms.

Table 11. Heteroscedasticity test results

Model	Sig.	Description
1 (Constant)		
Internal control (X ₁)	0,323	No heteroscedasticity
Accounting information system (X ₂)	0,392	
Management morality (X ₃)	0,141	
Compensation suitability (X ₄)	0,126	

a. Dependent variable: Abs_Res

Source: Data processed, 2024

From the multicollinearity test results above, it can be seen that between the independent variables and the *absolute residuals* have a *sig* value > 0.05 , it can be concluded that there is no heteroscedasticity problem.

Multiple linear regression analysis

$$Y = 2.059 + 0.357X_1 + 0.346X_2 + 0.662X_3 + 0.391X_4$$

Constant = 2.059. If the independent variable is assumed to be zero, the fraud prevention variable is 2.059.

Coefficient X₁ = 0.357. If internal control increases by one unit, it will increase fraud prevention by 0.357, assuming other variables are constant.

X₂ coefficient = 0.346. If the accounting information system increases by one unit, it will increase fraud prevention by 0.346 assuming other variables are constant.

Coefficient X₃ = 0.662. If management morality increases by one unit, it will increase fraud prevention by 0.662, assuming other variables are constant.

Coefficient X₄ = 0.391. If the compensation suitability increases by one unit, it will increase fraud prevention by 0.391 assuming other variables are constant.

T test

The t test is used to test the significant level of influence between the independent variable and the dependent variable. This test criterion is determined based on probability, if the probability of $H_a < 0.05$ then it is declared significant. (Ghozali, 2018). The t table value = 2.059, the t test results in this study are as follows.

Table 12. T-test results

Model	t	Sig.	Description
1 (Constant)			
Internal control (X ₁)	2,440	0,022	Supported
Accounting information system (X ₂)	2,711	0,012	Supported
Management morality (X ₃)	3,749	0,001	Supported
Compensation suitability (X ₄)	2,985	0,006	Supported

a. Dependent variable: Fraud prevention (Y)

Source: Data processed, 2024

1. Hypothesis 1

The t test results show the t value of $2.440 > t$ table 2.059 with a *sig* value. $0.022 < 0.05$. It can be concluded that internal control has an effect on fraud prevention, so H_1 in this study is supported.

2. Hypothesis 2

The t test results show the t value of $2.711 > t$ table 2.059 with a *sig* value. $0.012 < 0.05$. It can be concluded that the accounting information system has an effect on fraud prevention, so H_2 in this study is supported.

3. Hypothesis 3

The t test results show the t value of $3.749 > t$ table 2.059 with a *sig* value. $0.001 < 0.05$. It can be concluded that management morality affects fraud prevention, so H_3 in this study is supported.

4. Hypothesis 4

The t test results show the t value of $2.985 > t$ table 2.059 with a *sig* value. $0.006 < 0.05$. It can be concluded that compensation suitability has an effect on fraud prevention, so H_4 in this study is supported.

Determination coefficient test

Table 13. Test Results of the coefficient of determination

Model	R	R square	Adjusted R square	Std. error of the estimate
1	.794a	0,630	0,571	2,883

a. Predictors: (Constant), compensation suitability (X₄), accounting information systems (X₂), internal control (X₁), management morality (X₃)

Source: Data processed, 2024

From the results of the coefficient of determination test above, it can be seen that the *adjusted r square* value of 0.571 is obtained, which means that the fraud prevention variable can be explained by the internal control variable, accounting information system, management morality and compensation suitability by 57.1%, while the remaining 42.9% is explained by other variables outside the model studied.

The effect of internal control on fraud prevention

Based on the findings of the first hypothesis test (H_1), the internal control variable has a significant effect on fraud prevention at Fox Hotel Pekanbaru City. When viewed from the results of 30 questionnaires after being distributed at Fox Hotel Pekanbaru City where the tendency of respondents to agree on the control environment indicator. In this case, company management has managed, maintained, and periodically documented the entire internal control system as well as important transactions and events, so that fraud can be prevented or minimized. The stronger the internal control in the company, it can prevent or reduce fraud, and vice versa, if internal control is weak, the tendency for fraud or fraud to occur will increase.

The results of this study support attribution theory, where fraud prevention can be done if internal control is more effectively applied to the company. Internal control is a policy, procedure, and method designed to provide assurance over the achievement of the reliability of financial statements, safeguarding assets and other regulations. (Risdayana, 2022). The research results are in line with research Ferdiani (2024), Damayanti et al. (2024), Hartono et al. (2022) which states that internal control has an effect on fraud prevention.

The effect of accounting information systems on fraud prevention

Based on the findings of the second hypothesis test (H_2), the accounting information system variable has a significant effect on fraud prevention at Fox Hotel Pekanbaru City. When viewed from the results of 30 questionnaires after being distributed at Fox Hotel Pekanbaru City where the tendency of respondents to agree on the communication network indicator. In this case, the information system in the company can present reports according to company needs so as to reduce fraud. The accounting information system is useful as control and supervision in minimizing fraud in the company, so that the better the quality of the accounting information system, the higher the prevention of fraud.

The results of this study support attribution theory, where if the accounting information system in a company is poor and fraud prevention activities are not maximized, it can cause fraud to increase. With an adequate information system and supported by good information technology, it can minimize fraud. (Loliyani and Anwar, 2020) The results of this study are in line with research Ferdiani (2024), Damayanti et al. (2024), Silva and Aufa (2023) which states that accounting information systems have an effect on fraud prevention.

The effect of management morality on fraud prevention

Based on the findings of the third hypothesis test (H_3), the management morality variable has a significant effect on fraud prevention at Fox Hotel Pekanbaru City. When viewed from the results of 30 questionnaires after being distributed at Fox Hotel Pekanbaru City where the tendency of respondents to agree. In this case, the moral attitude possessed by management is related to whether a decision is good or bad, the existence of good management morality will make employees take actions that do not harm the company because these actions are considered incorrect, so that high management morality can prevent fraud.

The results of this study support attribution theory, where if management morality can be implemented properly, it will minimize the possibility of fraud and there will be no sense of justification for committing fraud. This condition shows that morality in management has a big role in the company to prevent fraud. The research results are in line with research Ningsih et al. (2024), Ferdiani (2024), Puspita et al. (2021) which states that management morality affects fraud prevention.

The effect of compensation suitability on fraud prevention

Based on the findings of the third hypothesis test (H_4), the compensation suitability variable has a significant effect on fraud prevention at Fox Hotel Pekanbaru City. When viewed from

the results of 30 questionnaires after being distributed at Fox Hotel Pekanbaru City where the tendency of respondents to agree on direct compensation indicators. In this case, if the compensation or salary received by employees can meet their needs, the tendency of employees to commit fraud will be low so that fraud can be minimized.

The results of this study support attribution theory, where through proper compensation, employees will feel that the organization pays attention to their welfare, so it is expected to minimize the occurrence of fraudulent acts such as fraud or theft of assets committed by employees. (Triwahyuni and Prasetyo, 2021). The results of this study are in line with research Ferdiani (2024), Damayanti et al. (2024), Hartono et al. (2022) which states that internal control has an effect on fraud prevention.

CONCLUSION

The results of this study can be concluded that internal control, accounting information systems, management morality and compensation suitability have a significant effect on fraud prevention at Fox Hotel Pekanbaru City. From this study there are still 42.9% more that can affect fraud prevention, so the advice that can be given to future researchers is to add other variables that can be factors in preventing fraud such as regulatory enforcement, *whistleblowing system*, HR competence. In this research, researchers had limited time in collecting data during internship activities which could result in a lack of information obtained. Hopefully this research can become material for further research on the same topic and can explain in more detail the results of the research.

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