

ABSTRACT

The purpose of this study is to examine the influence of the factors that influence fraud prevention in local government agencies. These factors is Non-Cash Transaction Policy, Organizational Culture, SPIP, Apparatus Morality, Apparatus Competence and Reward and Punishment System. Main data collected through an online questionnaire which was responded to by 136 employees. The collected data were analyzed using the Partial Least Square Structural Equation Model (PLS SEM). The findings reveal that Non-Cash Transaction Policies, Organizational Culture, SPIP, Apparatus Morality, Apparatus Competence and Reward and Punishment System have a significant and positive effect on Fraud Prevention in these agencies. It the results of this study imply that to reduce the risk of employee fraud, local government agencies need to make efforts to prevent fraud by implementing Non-Cash Transactions in local government finances, implementing good organizational culture, good control by tightening supervision using CCTV and periodic audits, educating apparatus to have good morality, increase the competency of the apparatus balanced with ethics and morals, and apply a strict Reward and Punishment System in the office. This research is expected to contribute to adding to the literature on study fraud by using primary data which is still very little done in Indonesia.

Keywords: (fraud prevention, government sector, organizational culture, Indonesian TNT policy)