

The Influence of Organizational Culture, Whistleblowing System, and the Role of Internal Control on Fraud Prevention in Hospitals

Pengaruh Budaya Organisasi, Whistleblowing System dan Peran Internal Control Terhadap Pencegahan Fraud di Rumah Sakit.

Firli Adelia Hartanti¹, Selmita Paranoan², Muhammad Ansar³, Latifah Sukmawati Yuniar⁴

Universitas Tadulako^{1,2}

* ilyyy0404@gmail.com , shelo0709@yahoo.co.id

*Corresponding Author

ABSTRACT

This study aims to analyze the effect of organizational culture, whistleblowing system, and the role of internal control on fraud prevention at Undata Hospital, Palu City. Primary data collection was carried out using a quantitative approach, namely by distributing questionnaires to 40 employees in the finance staff, education, training and research staff (Diklit), equipment & general staff, and medical service staff. The sampling technique used was random sampling. Data analysis using WarpPLS 7.0. The results showed that organizational culture has no effect on fraud prevention, while the whistleblowing system and internal control have a positive and significant effect on fraud prevention.

Keywords : The Influence Of Organizational Culture, Whistleblowing System, The Role Of Internal Control, Fraud Prevention

ABSTRAK

Penelitian ini bertujuan untuk menganalisis pengaruh budaya organisasi, whistleblowing system, dan peran pengendalian internal terhadap pencegahan kecurangan di Rumah Sakit Undata Kota Palu. Pengumpulan data primer dilakukan dengan menggunakan pendekatan kuantitatif, yaitu dengan menyebarkan kuesioner kepada 40 orang pegawai di bagian staff keuangan, staff pendidikan, pelatihan dan penelitian (Diklit), staff perlengkapan & umum, dan staff pelayanan medis. Teknik pengambilan sampel yang digunakan adalah random sampling. Analisis data menggunakan WarpPLS 7.0. Hasil penelitian menunjukkan bahwa budaya organisasi tidak berpengaruh terhadap pencegahan kecurangan, sedangkan whistleblowing system dan pengendalian internal berpengaruh positif dan signifikan terhadap pencegahan kecurangan.

Kata Kunci: Pengaruh Budaya Organisasi, Whistleblowing System, Peran Pengendalian Internal, Pencegahan Fraud

1. Introduction

Financial reporting is one of the important information that organizations need to make decisions. Management relies heavily on this information to ensure decisions are based on valid data. Quality financial statements should be free of significant errors. However, financial statements are often manipulated to give a positive impression to certain stakeholders, which can reduce the veracity of the information presented (Septiani et al., 2023)

Fraud is a serious problem that can occur in various sectors, including the healthcare sector. Financial statement manipulation is a common form of fraud, where information is adjusted to give a favorable image to stakeholders. This can lead to wrong decisions by management (Meutia, 2021). Fraud in the health sector often occurs in the procurement of goods and services, especially medical devices, which results in large financial losses for the government (Indonesia Corruption Watch, 2017). One example is price inflation that significantly harms the health budget (Rizqulloh et al., 2020). Hospitals, as public health institutions, are particularly vulnerable to fraud. Weaknesses in internal control and a lack of transparency culture create an environment that supports fraud (Ramadani et al., 2023). In previous research (Meutia, 2021), said that effective or efficient internal control can prevent the possibility of fraud in the health sector. Therefore, hospitals must develop an effective internal control system, build an organizational culture that upholds integrity, and implement a whistleblowing system to prevent fraud and other irregularities. Whistleblowing systems have been implemented in several hospitals in Indonesia as an effort to strengthen good governance and prevent fraud. For example, the Soeharso Orthopedic Hospital in Surakarta has implemented this system since 2014 to prevent criminal acts of corruption (Rizqulloh et al., 2020). However, many hospitals still face challenges in their management, so fraud still occurs due to weak internal controls.

Corruption cases in the health sector such as those in Arifin Achmad Regional Hospital, Bangkinang Regional Hospital and Madani Palu Regional Hospital indicate serious problems with internal control, supervision, and integrity in hospital budget management. These cases reflect the lack of transparency and accountability in the financial management of hospitals, which should function as vital public service providers.

At RSUD Arifin Achmad, a corruption case involving three specialists resulted in a state financial loss of Rp 1.5 billion. This indicates weaknesses in internal controls and management of funds intended for health services (Rs. Arifin Achmad, 2018). Similarly, the Bangkinang Regional Public Hospital (RSUD Bangkinang) experienced corruption in the construction project of an inpatient installation room, worth IDR 46 billion, resulting in a state financial loss of more than IDR 8 billion (Syukur, 2021). These two cases highlight the weak control over the use of budgets and procurement mechanisms in hospitals, which ultimately harms the community as service recipients. This occurred in Central Sulawesi Province. The case of Madani Regional Hospital in Palu also reflects non-transparency in the procurement of medical equipment. The procurement was not based on an adequate survey, and the prices of medical devices were marked-up, resulting in a state loss of Rp 1.46 billion (Job Runtutahu, 2023). This is a concrete example of corrupt practices that harm the state budget and affect the quality of health services provided to the public.

All these cases show how important it is to implement an anti-corruption culture in hospitals, as expressed by Hidayat as the regional secretary that hospitals as institutions that are very close to the community should be an example of clean and transparent financial management. Transparency and accountability in financial management are key in preventing corruption in the health sector, so that hospitals can function optimally in serving the needs of the community.

From this phenomenon, it can be seen that effective fraud prevention is very important to maintain public trust and minimize the risk of financial and reputational losses.

Fraud prevention involves systematic efforts to reduce or eliminate the possibility of fraud (Simbolon & Kuntadi, 2022). This study aims to prove how organizational culture, whistleblowing system, and internal control affect fraud prevention in hospitals. The focus of this research on hospitals provides a new innovation compared to the research of (Kuswati, 2023; Putra, 2022; Reskia & Sofie, 2022; Sanjani & Werastuti, 2021; Wahyuni & Hayati, 2022), because the health sector has unique operational and ethical challenges. Thus, it is believed that this research can provide in-depth insight into how these three factors can effectively prevent fraud in the health sector.

This research has significant theoretical and practical benefits. Theoretically, this study can enrich the literature by sharing a deeper understanding of the relationship between organizational culture, whistleblowing system, and internal control in the context of fraud prevention. Practically, the findings of this study can serve as a guide for management in designing more efficient policies, improving the whistleblowing system, and optimizing internal controls to create a culture of transparency and integrity. The results of this study can also be used to improve training and education programs aimed at increasing awareness of the importance of good governance in an effort to reduce fraud prevention. Therefore, it is hoped that this research will not only increase knowledge in the theoretical field but also provide useful suggestions for hospital administration, ultimately increasing public trust and lowering the likelihood of fraud.

2. Literature Review

2.1. Theory Fraud Triangle

Fraud Triangle Theory is the main theoretical basis in this study. The Fraud Triangle concept was proposed by Cressey in 1950 (Firmansyah & Retna C, 2023). The fraud triangle theory is assembled to review fraud that can arise from a combination of certain factors, such as opportunity, pressure, and rationalization.

2.2. Pressure

Pressure is one of the factors that cause people to commit fraud to meet financial and lifestyle demands. People may commit various fraud crimes to fulfill their desires due to various lifestyle choices and financial constraints. (Sri et al., 2020).

2.3. Opportunity

Opportunity is a situation where a person or entity has access and capacity to commit fraud or corruption. Weak internal controls, weaknesses in financial reporting systems, and over-reliance on specific people or departments are some of the conditions that can lead to corruption and fraud. Criminals may use these opportunities to evade the law and cover up unethical or criminal activities. (Awaliah, 2023).

2.4. Rationalization

Rationalization is a process that occurs when a person or entity uses reasoning or moral justification to support dishonest or fraudulent actions. Perpetrators often find reasons to justify their behavior, such as the need to compete in a highly competitive environment, the belief that they are being treated unfairly, or the assumption that others are doing the same. (Awaliah, 2023).

The application of the fraud triangle theory in this study can clarify the factors that cause fraud to occur, making it possible to successfully identify these factors and ensure that fraud prevention efforts carried out by the institution are appropriate and successful in their implementation because the prevention strategy and the factors that trigger fraud are appropriate (Septiani et al., 2023).

2.5. The Effect of Organizational Culture on Fraud Prevention

Fraud can be prevented by strengthening organizational culture. According to (Reskia & Sofie, 2022) organizational culture is a set of long-standing values, beliefs, and conventions, which are followed by everyone in the organization, and serve as guidelines for proper behavior, problem solving techniques, and other matters. A corporate culture that promotes high standards of integrity is critical to the effectiveness of fraud prevention. Maintaining high standards of honesty is one of the keys (Jeandry & Mokoginta, 2021).

Includes rationalization, which is when perpetrators seek justification for their actions. This reflects the attitude, character, or values held by the perpetrator (Jeandry & Mokoginta, 2021). People's character can be shaped by an effective organizational culture so that they do not commit fraud and are more responsible for the company. To combat fraud, it is important for companies to build a strong culture of ethics and control (Firmansyah & Retna C, 2023). According to (Hasuti & Wiratno, 2020). a good or bad organizational culture does not ensure that fraudulent activities will be prevented. This is due to the fact that a person's motivation determines whether they have the desire to commit fraud or not. The following are the hypotheses in the study:

H¹: Organizational Culture Has a Positive and Significant Effect on Fraud Prevention

2.6. The Effect of Whistleblowing System on Fraud Prevention

In a company or government or private institution such as a hospital, it is necessary to implement actions such as fraud reporting, one of which is the implementation of a whistleblowing system. Apart from hospitals, district / city health offices, and BPJS Health, the whistleblower system is now starting to be implemented at the ministry level in the health sector. This is done in an effort to strengthen the organization's commitment to improve good governance and prevent criminal acts of corruption (Rizqulloh et al., 2020). Whistleblowing system is a reporting mechanism that makes fraudulent activities in a business or organization visible (Anlilua & Rusmita, 2023).

Whistleblowing systems help prevent fraud by reducing pressure, opportunity, and rationalization in the Fraud Triangle. The system provides a channel for individuals to report the pressures they experience, thereby reducing the impetus to commit fraud. In addition, by increasing supervision and transparency, this system limits the opportunity to cheat and eliminates the justification for such actions (Jeandry & Mokoginta, 2021). According to (Simbolon & Kuntadi, 2022) Apart from functioning as a channel for reporting fraud cases, the whistleblower system functions as a kind of surveillance. Employees can be prevented from committing fraud by the whistleblower mechanism.

H²: WhistleBlowing System Has a Positive and Significant Effect on Fraud Prevention

2.7. The Role of Internal Control on Fraud Prevention

The risk of errors and fraud in a company increases significantly if internal control is weak. On the other hand, internal control can reduce the chance of errors and fraud. Even so, errors and fraud can still occur, but they can be detected and corrected as soon as possible (Zarlis, 2019).

The three elements of pressure, opportunity and rationalization are said to influence the likelihood of fraud, according to the Fraud Triangle theory. We concentrate on the opportunity element within the framework of the internal control system. As a result, having a strong internal control system is essential. In order to provide correct information and follow established procedures, fraud and irregularities must be reduced to a minimum. This can be achieved largely through transparency and accountability. The chance of fraud will increase if the internal control system is inadequate (Anlilua & Rusmita, 2023).

H³: Internal Control Has a Positive and Significant Effect on Fraud Prevention

3. Methods

This type of research uses a quantitative approach where primary data is generated directly from the original source. The research population is all fields or divisions in the Undata Regional General Hospital, Palu City. For sampling, the random sampling method was used. Determination of the research sample is carried out randomly without regard to certain characteristics or criteria of the research population, so it is hoped that the sample obtained can represent the entire population. This study collected 40 employees who work actively in the field of financial staff, education, training and research staff (Diklit), equipment and general staff, and medical service staff.

Table.1 Operational Definition of Variables

Variable	Definition	Indicator	Likert Scale
Organizational Culture (X¹)	Organizational Culture is the way an organization creates a system that is followed by its members to create a healthy environment and can help achieve goals in the organization (Anggraeni et al., 2021)	1. Attention 2. Result orientation 3. Individual orientation 4. Team orientation 5. On time (Muis et al., 2018)	1-5
Whistleblowing System (X²)	Whistleblowing system is a system developed by an organization or company to reveal a fraud or fraud (Larasati et al., 2017)	1. Commitment to disclosing fraud 2. Whistleblower protection 3. Media for reporting fraud (Khoiriyah, 2019)	1-5
Internal Control (X³)	Internal control is a set of procedural guidelines and decision making designed to ensure that goals can be achieved. (Adiko et al., 2019)	1. Control environment 2. Risk Assessment 3. Control activities 4. Information and communication 5. Monitoring (Adiko et al., 2019 & Fanto, 2023)	1-5
Fraud prevention (Y)	Fraud prevention is an effort made to stop a fraud or fraud that occurs in an organization or company (Agus Sulistiyo, 2022)	1. Honest culture and high ethics 2. Responsibility to evaluate fraud prevention	1 - 5

3. Supervision
by the
internal
audit team
(Permana,
2019)

This study examines four main variables: Effect of Organizational Culture (X1), Whistleblowing System (X2), Role of Internal Control (X3), and Fraud Prevention (Y) in hospitals. The response scale used to score the answers on the independent and dependent variables ranged from 1 to 5. Scores were given as follows: “strongly agree” gets point 5, ‘agree’ gets point 4, ‘neutral’ gets point 3, ‘disagree’ gets point 2, and ‘strongly disagree’ gets point 1. WarpPls 7.0 was used to analyze the data after the completion of the data collection and selection procedures,

4. Results and Discussions

4.1. Convergent Validity Test

The convergent validity test is intended to prove that respondents can understand the statements in the research variables in accordance with the researcher's objectives. If the Loading Factor value is more than 0.5, convergent validity is said to have been met.

Table.2 Convergent validity test

	X1	X2	X3	Y	Type defined)	(as SE	P-value
X1.1	(0.893)	0.356	-0.243	-0.220	Reflective	0.108	<0.001
X1.2	(0.958)	0.218	0.007	-0.024	Reflective	0.105	<0.001
X1.3	(0.945)	0.259	-0.043	-0.075	Reflective	0.105	<0.001
X1.4	(0.883)	-0.497	0.252	0.039	Reflective	0.108	<0.001
X1.5	(0.955)	-0.095	0.253	-0.144	Reflective	0.105	<0.001
X1.6	(0.875)	0.407	-0.310	-0.268	Reflective	0.109	<0.001
X1.7	(0.960)	-0.037	0.159	-0.038	Reflective	0.105	<0.001
X1.8	(0.910)	-0.159	-0.099	0.336	Reflective	0.107	<0.001
X1.9	(0.906)	-0.007	-0.219	0.319	Reflective	0.107	<0.001
X1.10	(0.911)	-0.452	0.213	0.076	Reflective	0.107	<0.001
X2.1	-0.021	(0.883)	0.019	0.481	Reflective	0.108	<0.001
X2.2	-0.005	(0.922)	-0.044	-0.236	Reflective	0.106	<0.001
X2.3	-0.008	(0.810)	-0.005	-0.201	Reflective	0.112	<0.001
X2.4	0.062	(0.865)	0.060	-0.290	Reflective	0.109	<0.001
X2.5	-0.021	(0.883)	0.019	0.481	Reflective	0.108	<0.001
X2.6	-0.005	(0.922)	-0.044	-0.236	Reflective	0.106	<0.001
X3.1	-0.263	0.498	(0.701)	-0.018	Reflective	0.117	<0.001
X3.2	-0.151	0.708	(0.755)	-0.166	Reflective	0.114	<0.001
X3.3	0.020	-0.068	(0.870)	-0.616	Reflective	0.109	<0.001
X3.4	0.254	-0.090	(0.918)	-0.142	Reflective	0.107	<0.001
X3.5	-0.040	-0.044	(0.829)	0.118	Reflective	0.111	<0.001
X3.6	-0.073	-0.109	(0.851)	0.432	Reflective	0.110	<0.001
X3.7	-0.129	-0.596	(0.741)	0.165	Reflective	0.115	<0.001
X3.8	0.022	-0.278	(0.817)	0.051	Reflective	0.111	<0.001
X3.9	0.046	0.580	(0.763)	-0.085	Reflective	0.114	<0.001
X3.10	0.210	-0.437	(0.883)	0.270	Reflective	0.108	<0.001
Y.1	0.079	-0.114	0.279	(0.866)	Reflective	0.109	<0.001
Y.2	-0.069	-0.058	-0.108	(0.862)	Reflective	0.109	<0.001
Y.3	0.040	0.019	-0.263	(0.908)	Reflective	0.107	<0.001

Y.4	0.002	-0.124	-0.014	(0.789)	Reflective	0.113	<0.001
Y.5	0.022	0.171	-0.224	(0.893)	Reflective	0.108	<0.001
Y.6	-0.083	0.097	0.382	(0.790)	Reflective	0.113	<0.001

Source: WarpPLS 7.0 (2024)

The convergent validity test results of Table 2, state that all variable indicator loading factor values, with values greater than 0.5, meet the necessary requirements and are considered acceptable. The loading factor of variable X1 Organizational Culture is >0.5, as shown by the results in the table above, which range from 0.875 to 0.960. The loading factor for variable X2 Whistleblowing System is between 0.810 and 0.922, which is higher than 0.5. The loading factor for variable X3 Internal Control ranges from 0.701 to 0.918. In addition, the loading factors for variable Y Fraud Prevention range from 0.789 to 0.908. For indicators to be considered valid and useful for analysis and hypothesis generation, the indicators as a whole have met the validity criteria.

4.2. Discriminant Validity

Discriminant validity serves to ensure that respondents do not mix statements on each latent variable when answering the questionnaire so that there is no confusion with statements from other latent variables when answering the questionnaire. It can be interpreted that discriminant validity serves to guarantee that different interpretations of latent variables are made. For each latent variable, find the square root of the Average Variance Extracted (AVE) value to assess discriminant validity. If there is a greater correlation between the latent variable and other latent variables than the AVE value, discriminant validity is considered to be met. Therefore, discriminant validity is declared to have been achieved if the AVE value exceeds the correlation between latent variables.

Table.3 Discriminant Validity Test

	X1	X2	X3	Y
X1	(0.920)	0.472	0.454	0.473
X2	0.472	(0.881)	0.774	0.783
X3	0.454	0.774	(0.815)	0.808
Y	0.473	0.783	0.808	(0.853)

Source: WarpPLS 7.0 (2024)

Table 3. shows that the AVE for the Organizational Culture variable (X1) is 0.920, which is higher than the other X1 variables. Whistleblowing System (X2), has an AVE value of 0.881, which is greater than the other X2 variables. Internal Control (X3) has an AVE value of 0.815, which is higher than the value of the other X3 variables. Furthermore, the AVE score of variable Y (fraud prevention) is higher than the other Y variables, which is 0.853.

Table.4 Reliability Test

	X1	X2	X3	y
Adj. R-squared				0.818
Composite reliab.	0.982	0.954	0.952	0.941
Cronbach's alpha	0.980	0.942	0.943	0.924

Source: WarpPLS 7.0 (2024)

The results of table 4 show that in X1 (Organizational Culture), X2 (Whistleblowing system), X3 (Internal Control), and Y (Fraud Prevention), each has a reliability of 0.982, 0.954, 0.952 and 0.941. All variables have met the good criteria (0.7) based on the Composite

Reliability value. The following is the conclusion of the Cronbach's Alpha calculation which shows that in X1 (Organizational Culture) it is 0.980, X2 (Whistleblowing System) is 0.942, X3 (Internal Control) is 0.943, and Y (Fraud Prevention) is 0.924. Each variable meets good dependability requirements based on the Cronbach Alpha value.

Testing (Inner Model)

Path coefficient, R², and model fit testing are some of the factors used to evaluate the structural model (Inner Model). The following is the output of the model fit index in tabular form as follows:

Table.5 Model Fit and Quality Indices

	Indeks	p-value	Kriteria	Keterangan
APC	0,340	P=0,004	P<0,05	accepted
ARS	0,832	P<0,001	P<0,05	accepted
AVIF	2.109		AVIF<5	accepted

Source: WarpPLS 7.0 (2024)

Based on the output results above, it indicates the APC value is 0.340 and P = 0.004. The ARS value is 0.832 and P <0.001. Based on the criteria, APC and ARS have a P value of less than 0.05, both of which have met the criteria. With an index of 2.109, the AVIF value meets the requirements as it is less than 5. As a result, the internal model is acceptable.

In addition, the structural model can be evaluated by examining the coefficient of determination (also known as R-squared or R²). The degree of influence of the independent (free) variables on the dependent (bound) variable is indicated by this value. As can be seen from table 5 above, Fraud Prevention (Y) has an R-Square value of about 0.832. The result states that about 83.2% of the variance in the Fraud Prevention variable can be explained by the Organizational Culture, WhistleBlowing System, and Internal Control Role variables. Based on the data, factors that are not included in the analysis of this study have about 16.8% of the Fraud Prevention variable.

4.3. Hypothesis Testing Results

Hypothesis testing is carried out to see whether the assumptions or research hypotheses are feasible or not. Path Coefficient and p-value are used to analyze the validity of the hypothesis. This hypothesis assumes a significant impact if the significance value (p-value) is less than 0.05, otherwise, this hypothesis is considered to have no significant impact if the p value is greater than 0.005. The results of hypothesis testing of the study model, obtained from data analysis, are described below.

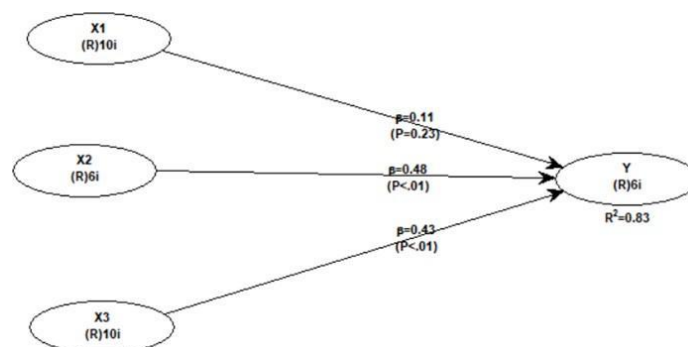


Fig. Hypothesis Testing Results

Source: WarpPLS 7.0 (Processed by researchers, 2024)

The following explanation is based on the image display of the WarpPLS program in the following table:

Table.6 Path Coefficients & P-Value

Path Coefficients

	X1	X2	X3	Y
X1				
X2				
X3				
Y	0.112	0.480	0.428	

P-Value

	X1	X2	X3	Y
X1				
X2				
X3				
Y	0.231	<0.001	0.001	

Source: WarpPLS 7.0 (2024)

The P value for Organizational Culture Variable X1 is 0.231 indicating that the Pvalue is greater (>0.05). The X1 Organizational Culture variable does not have a significant effect on Fraud Prevention (Y), the Whistleblowing System variable has a P value of <0.001 which indicates that X2 has a smaller Pvalue (<0.05). Thus, the Whistleblowing System X2 variable has a positive and significant effect on Fraud Prevention (Y). In addition, the Pvalue of the X3 Internal Control Role variable is 0.001, therefore X3 has a smaller Pvalue (<0.05). Then the Internal Control Role Variable X3 has a positive and significant effect on Fraud Prevention Y.

4.4. The Effect of Organizational Culture on Fraud Prevention in Hospitals

The H1 test results show that the Path Coefficients value is 0.112 and the Pvalue is 0.231, which shows more than 0.05. These results prove that the first hypothesis which says that organizational culture (BO) has a positive and significant effect on fraud prevention is rejected. This proves that fraud prevention is not strongly influenced by organizational culture. Thus, fraud in hospitals cannot always be prevented or reduced by a low organizational culture.

This study produces similar results proposed by Hasuti & Wiratno (2020), Raharja & Sulistyowati (2023), Takalamingan et al., (2022), Wardah et al., (2022) that Organizational Culture has no effect on Fraud prevention. This ensures that whether the culture in an organization is good or bad, it does not indicate fraud behavior in the organization. This is because a person's urge to commit fraud comes from within himself, not from organizational culture. However, this is not in line with the results of research conducted by Firmansyah & Retna C (2023), Prastika & Widodo (2020), Reskia & Sofie (2022), Sanjani & Werastuti (2021), Septiani et al (2023) which state that organizational culture has a positive and significant effect. Based on this, the implementation of an effective organizational culture will reduce and even eliminate fraud.

Based on the results of existing tests and research, the conclusion drawn is that organizational culture does not have a significant influence on fraud prevention in hospitals. This emphasizes that internal individual factors, such as intention and personal motivation, are more dominant in influencing fraud than the organizational culture itself. Although some

studies suggest that implementing a good organizational culture can reduce fraud, the results of this study actually strengthen the argument that fraud prevention requires a more comprehensive approach, including strengthening individual integrity and stricter supervision.

4.5. Effect of Whistleblowing System on Fraud Prevention

The H2 test results explain that the Path coefficient value is 0.480 and the Pvalue is <0.001 , which indicates that the P value is <0.05 . These results prove that the second hypothesis, which says that the whistleblowing system has a positive and significant effect on Fraud Prevention, is accepted. Thus, to reduce the danger of fraud, prevention efforts will be strengthened by implementing a whistleblowing system mechanism, so that fraud or fraud can be minimized.

This study produces similar results conducted by Anggraeni et al. (2021), Febriana Sulistya Pratiwi (2022), Sanjani & Werastuti (2021), Tama et al. (2022), Taufik & Nasir (2020), which suggest that the WhistleBlowing system has a Significant Positive effect on Fraud Prevention. This finding indicates a direct correlation between fraud prevention and the Whistleblowing system. This means that the more successfully the violation reporting system is implemented, the more successful fraud prevention will be. However, it is inversely proportional to the findings (Anlilua & Rusmita, 2023; Jeandry & Mokoginta, 2021). Employees did not successfully implement this system because they did not have the self-awareness to report fraud or were afraid to do so due to the great risk. Those who are aware of fraud choose not to deal with the legal system.

4.6. The Role of Internal Control on Fraud Prevention

The results of testing H3 explain that the Path Coefficient value is 0.428. And the Pvalue is 0.001, which indicates that the p value is <0.05 . These results prove that the third hypothesis, which says that the role of internal control has a positive and significant effect on fraud prevention, is accepted. Thus, the more effectively an organization or company uses its internal control system to improve fraud prevention efforts, the more likely fraud will not occur there.

This study produces similar results conducted by Anlilua & Rusmita (2023), Farochi & Nugroho (2022), Melinda et al. (2023), Putra, Wardah et al. (2022), that the role of internal control has a Significant Positive effect on Fraud Prevention. This shows that the ability of a company or institution to prevent fraud depends largely on how well internal controls are implemented. However, this result is different from the research findings of Meutia (2021), Situmeang et al., (2023), and Pratopo & Wuryani (2023) which reveal that internal control has no effect on fraud prevention which indicates that with an adequate and strong internal control system, the opportunity for fraud that harms the organization cannot be reduced or eliminated.

5. Conclusion

Based on the results of this study, it can be concluded that the organization has a very small impact on the occurrence of fraud in hospitals. This finding indicates that a good culture does not necessarily prevent fraud because a person's motivation to commit fraud is more influenced by internal factors than organizational factors. In addition, internal control and the whistleblower system have a positive and significant impact on fraud. A well-designed whistleblowing system can help employees understand potential fraud, which will reduce the likelihood of fraud. Similarly, strong controls play an important role in strengthening accountability, maintaining transparency in hospitals, and reducing the likelihood of fraud.

The implications of this study include the importance of strengthening internal controls and whistleblowing systems as an effort to prevent fraud in the health sector, especially in hospitals. These results provide guidance for hospital management to focus on developing

stricter reporting and control mechanisms. This study is limited to one hospital, so the results may not represent conditions in other hospitals. It is expected for future research to expand the scope of the study by involving more hospitals from various regions in order to obtain more representative data. In addition, future research can consider other variables such as leadership and external supervision that may affect fraud prevention in the health sector.

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