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THE INFLUENCE OF WHISTLEBLOWING AND INTERNAL CONTROL SYSTEMS ON FRAUD PREVENTION IN VILLAGE FUND MANAGEMENT IN KAWANGKOAN BARAT DISTRICT MINAHASA REGENCY

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ABSTRACT

Village fund management is a critical aspect of rural governance that is susceptible to fraudulent activities. To mitigate this risk, robuts whistleblowing mechanisms and effective internal control systems are essential. This quantitative study examines the empirical relationship between whistleblowing systems and internal control systems on fraud prevention in village fund management within West Kawangkoan District, Minahasa Regency. Primary data was collected through questionnaires distributed to 40 respondents, including village heads, secretaries, treasurers and village councils from 10 villages. Employing purposive sampling, the findings indicate that both whistleblowing and internal control systems exert a significant influence on preventing, fraud in village fund management.

Keywords : Whistleblowing, Internal Control, Fraud Prevention
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1. INTRODUCTION

The enactment of Law Number 6 of 2014 on Villages has empowered village governments to manage their own affairs and undertake development activities that can improve the welfare of their communities. Moreover, village finances and natural resources. This law has also transformed the approach to village development, shifting it from a focus on villages as objects of development to subjects of development.

A village is a level of government that can interact directly with the community. Villages play a crucial role in regional development because they have the authority and responbility to manage their own interests. Villages have a strategic role and interest, directly interacting with the community as a unit of government organization. (Sonia, 2022:17)

Village funds, as defined in the Minister of Finance Regulation No. 190/PMK.07/2021 on village Fund Management, are funds sourced from the State Budget (APBN) allocated to villages through the Regional Budget (APBD) of regencies/cities to finance government administration, development, community development, and community empowerment. (Updesa.com)

In essence, village funds contribute to improving the welfare of village communities. However, there are still individuals who misuse these funds for personal gain. Numerous areas of potential misuse of village funds, ranging from planning, engineered distribution, fabricated reports, to fictitious use, are still prevalent in the implementation of village funds. The large amount of funds managed, if not accompanied by good managerial capabilities and strict supervision, can easily lead to serious misuse. In this context, misuse can be interpreted

as fraud. Fraud that often occurs in relation to village funds is a type of corruption.

The existence of a whistleblowing system serves not only as a reporting channel for fraud but also as a form of oversight. Employees are deterred from committing fraud because the system can be used by all employees, creating a peer to peer surveillance environment where employees are afraid of being reported by their colleagues for commiting fraud. Consequently, employees are more likely to enthusiastically report any wrong doing to the relevant authorities, as the reporting system includes protection for whistleblowers.

Another factor in preventing fraud is the need for internal controls. This is also supported by the fact that opportunities for fraud often arise due to weak internal controls within an organization, lack of supervision, and abuse of authority (Arthana, 2019). Yusuf's research (2021) states that one of the objectives of internal control systems is to prevent the misappropriation of company assets. Therefore, by implementing a good internal control system, efforts to prevent fraud in village funds can be maximized. However, Kivaayatul Akhyaar's research (2022) suggests that internal control system do not have an impact on fraud prevention, implying that the quality of internal control systems does not affect the prevention of fraud in village fund management.

Based on previous research, there has been inconsistency in the findings. Therefore, further research is needed. While there have been many studies on whistleblowing and internal control sytems in relations to fraud prevention, to the author's knowledge, there are few studies that have used whistleblowing as a variable and have respondents from village governments as financial managers, as this topic is relatively new.

Considering these factors, the author aims to prove the influence of these two factors on fraud prevention in financial management in Kawangkoan Barat District, Minahasa Regency. This will demonstrate that research conducted in village government will yield similar results to research conducted in other government entities. The reason for choosing Kawangkoan Barat Distrct, Minahasa Regency, as the research location is due to indications of fraud, such as the poor management of public complaint channels by all villages and the unclear scope of evaluation for supervision conducted by the sub-distirct head. Additionally, there have been no previous studies conducted in Kawangkoan Barat District, Minahasa Regency.

Therefore, the author is interested in conducting a research titled "The Influence of Whistleblowing and Internal Control Systems on Fraud Prevention in Village Fund Management in Kawangkoan Barat District, Minahasa Regency".

2. LITERATURE REVIEWS

2.1. Fraud Triangle Theory

This theory was proposed by Donald R. Cressey as cited in Tuanakotta (2012:207), which outlines three causes or triggers of fraud, namely pressure, opportunity and rationalization. The implications of the fraud triangle theory in this research can explain the factors that trigger fraud. Thus, by successfully identifying these factors, the fraud prevention measures implemented by the institution become effective and targeted, as the prevention measures align with the triggers of fraud, Nurul, mirna darwanis (2022)

2.2. Theory of Planned Behavior

According to Ajzen (1991), the theory of planned behavior is based on the assumption that humans are rational beings who will consider the implications of their actions before deciding to engage in a particular behavior. The theory of planned behavior motivates individuals to engage in whistleblowing in an effort to prevent fraud and is transmitted to their colleagues. The individuals's intention to avoid fraud is strong enough, so they decide not to commit fraud. Utami (2019).

2.3. Agency Theory

Misuse of village funds will result in inaccurate village financial reporting as a form of village government accountability. Agency theory by Jensen & Meckling (1976) functions in such a way that the financial statements prepared are expected to minimize conflicts among stakeholders, as individuals will often act in their own self-interest.

2.4 Fraud

According to Tuanakotta (2010) as cited in Nurul and Mirna (2022), fraud is an unlawful act that involves intent, deceit, concealment, and breach of trust, where the ac is intended to gain an advantage, whether it be money, property, services, or efforts in winning a process withing an organization.

2.5 Fraud Prevention

Fraud prevention is an effort to suppress the factors that contribute to fraud, namely reducing the opportunity for fraudulent acts, lessening the pressure on employees to meet their needs, and eliminating the rationalization for committing frraudulent acts.

3. RESEARCH METHOD

3.1. Data

This study uses an associative quantitative approach. According to Sugiyono (2019:65) associative research is a formulation of research problems that aims to determine the effect of the relationship between two or more variables. Quantitative methods will obtain the significance of group differences or the significance of the relationship between the variables studied.

3.2. Sample

The population in this study is all village fund managers located in the Kawangkoan Barat sub-district, with a total of 10 villages. The sampling technique used in this research is non-probabiility sampling, which is a sampling technique that does not give equal opportunities to every element or member of the population to be selected as a sample (Sugiyono, 2019)

3.3 Method of Analysis

In this study, the data collection method involves distributing questionnaires containing a list of questions that will be posed by the researcher to respondents related to the variables of whistleblowing (X1) and Internal control system (X2) towards fraud prevention (Y). The distribution of questionnaires aims to obtain directly relevant data that can help answer the research questions. The measurement of variables in this questionnaire uses a likert scale.

This research will use an analytical tool in the form of a Statistical Product and Service Solution (SPSS) version 27 application. This research uses multiple linear regression analysis technique because the independent variables in this study are two. this technique is used to determine the relationship and how much infuence the independent variable has on the dependent variable.

4. RESULTS AND DISCUSSIONS

4.1. Results

Descriptive statistical analysis. Acoording to Sugiyono (2020:206), descriptive statistics is a statistics used to analyze data by describing or portraying the collected data as it is without intending to make a conclusion that applies to the general or generalization.

Table. 1 Descriptive statistial analysis Whistleblowing

Indikator	N	Minimum	Maximum	Mean	Std.Deviation	Kriteria
X1.1	40	3	4	3,48	0,554	Sangat setuju
X1.2	40	3	4	3,58	0,549	Sangat setuju
X1.3	40	2	4	2,1	0,9	Tidak setuju
X1.4	40	2	4	2,42	0,844	Tidak setuju
X1.5	40	3	4	3,38	0,705	Sangat setuju
Total Mean				**2,992**		**Setuju**

Sumber: data diolah SPSS version 27 (2024)

Based on table 1 shows that the mean of the whistleblowing variable is 2,992, which falls into the good category. It can be concluded that the whistleblowing in the villages of Kawangkoan Barat sub-district, Minahasa district, operates quite well

Table. 2 Descriptive statistial analysis Internal control system

Indikator	N	Minimum	Maximum	Mean	Std.Deviation	Kriteria
X2.1	40	3	4	3,63	0,49	Sangat setuju
X2.2	40	3	4	3,73	0,452	Sangat setuju
X2.3	40	3	4	3,45	0,504	Sangat setuju
X2.4	40	3	4	3,53	0,506	Sangat setuju
X2.5	40	3	4	3,55	0,504	Sangat setuju
Total Mean				**3,578**		**Sangat setuju**

Sumber: data diolah SPSS version 27 (2024)

According to table 2 shows that the mean of the internal control system variable is 3,578, which falls into the strongly agree category. It can be concluded that the internal control system in the villages of Kawangkoan Barat sub-district, Minahasa district, operates very well.

Table. 3 Descriptive statistial analysis Fraud Prevention

Indikator	N	Minimum	Maximum	Mean	Std.Deviation	Kriteria
Y.1	40	3	4	3,73	0,452	Sangat setuju
Y.2	40	3	4	3,78	0,423	Sangat setuju
Y.3	40	3	4	3,75	0,439	Sangat setuju
Y.4	40	3	4	3,70	0,464	Sangat setuju
Y.5	40	3	4	3,58	0,501	Sangat setuju
Y.6	40	3	4	3,78	0,423	Sangat setuju
Y.7	40	3	4	3,72	0,506	Sangat setuju
Total Mean				**3,720**		**Sangat setuju**

Sumber: data diolah SPSS version 27 (2024)

Based on table 3, the overall mean (average) of the fraud prevention variable is 3,720, which falls into the strongly agree category. It can be concluded that fraud prevention in the villages of Kawangkoan Barat sub-district, Minahasa district, operates very well

Data Validity. Acoording to Sugiyono (2020:175), data validity is confirmed when there is a congruence between the collected data and the actual datta occurring in the research subject.

Table. 4 Data Validity Whistleblowing

Correlations

		X1.1	X1.2	X1.3	X1.4	X1.5	TOTAL
X1.1	Pearson Correlation	1	,596**	0,005	0,27	0,254	,563**
	Sig. (2-tailed)		0	0,975	0,092	0,113	0
	N	40	40	40	40	40	40
X1.2	Pearson Correlation	,596**	1	-0,016	0,289	,356*	,592**
	Sig. (2-tailed)	0		0,924	0,071	0,024	0
	N	40	40	40	40	40	40
X1.3	Pearson Correlation	0,005	-0,016	1	,314*	0,263	,585**
	Sig. (2-tailed)	0,975	0,924		0,049	0,101	0
	N	40	40	40	40	40	40
X1.4	Pearson Correlation	0,27	0,289	,314*	1	,415**	,752**
	Sig. (2-tailed)	0,092	0,071	0,049		0,008	0
	N	40	40	40	40	40	40
X1.5	Pearson Correlation	0,254	,356*	0,263	,415**	1	,709**
	Sig. (2-tailed)	0,113	0,024	0,101	0,008		0
	N	40	40	40	40	40	40
TOTAL_X1	Pearson Correlation	,563**	,592**	,585**	,752**	,709**	1
	Sig. (2-tailed)	0	0	0	0	0	
	N	40	40	40	40	40	40

Sumber: data diolah SPSS version 27 (2024

Based on table 4, the pearson correlations output, the total score for the items in the whistleblowing variable is greater than the table r- value of 0,312 with N =40 and a significance level of 5% (0,05). Thus, the validity test results for all items in the whistleblowing variable can be considered valid.

Table. 5 Data Validity Internal Control system

Correlations							
		X2.1	X2.2	X2.3	X2.4	X2.5	TOTAL_X2
X2.1	Pearson Correlation	1	,564**	0,285	,401*	,545**	,705**
	Sig. (2-tailed)		0	0,074	0,01	0	0
	N	40	40	40	40	40	40
X2.2	Pearson Correlation	,564**	1	,445**	,535**	,681**	,809**
	Sig. (2-tailed)	0		0,004	0	0	0
	N	40	40	40	40	40	40
X2.3	Pearson Correlation	0,285	,445**	1	,659**	,515**	,742**
	Sig. (2-tailed)	0,074	0,004		0	0,001	0
	N	40	40	40	40	40	40
X2.4	Pearson Correlation	,401*	,535**	,659**	1	,649**	,828**
	Sig. (2-tailed)	0,01	0	0		0	0
	N	40	40	40	40	40	40
X2.5	Pearson Correlation	,545**	,681**	,515**	,649**	1	,860**
	Sig. (2-tailed)	0	0	0,001	0		0
	N	40	40	40	40	40	40
TOTAL_X2	Pearson Correlation	,705**	,809**	,742**	,828**	,860**	1
	Sig. (2-tailed)	0	0	0	0	0	
	N	40	40	40	40	40	40

Sumber: data diolah SPSS version 27 (2024

Based on table 5, the pearson correlations output, the total score for the items in the internal control system variable is greater than the table r- value of 0,312 with N =40 and a significance level of 5% (0,05). Thus, the validity test results for all items in the internal control system variable can be considered valid.

Table. 6 Data Validity fraud prevention

Correlations								
		Y.1	Y.2	Y.3	Y.4	Y.5	Y.6	Y.7	TOTAL_Y
Y.1	Pearson Correlation	1	,473**	,550**	,452**	,490**	,473**	,446**	,738**
	Sig. (2-tailed)		0,002	0	0,003	0,001	0,002	0,004	0
	N	40	40	40	40	40	40	40	40
Y.2	Pearson Correlation	,473**	1	,657**	,431**	,506**	,427**	,542**	,763**
	Sig. (2-tailed)	0,002		0	0,005	0,001	0,006	0	0
	N	40	40	40	40	40	40	40	40
Y.3	Pearson Correlation	,550**	,657**	1	,378*	,555**	0,242	,607**	,761**
	Sig. (2-tailed)	0	0		0,016	0	0,133	0	0
	N	40	40	40	40	40	40	40	40
Y.4	Pearson Correlation	,452**	,431**	,378*	1	,761**	,431**	,513**	,766**
	Sig. (2-tailed)	0,003	0,005	0,016		0	0,005	0,001	0
	N	40	40	40	40	40	40	40	40
Y.5	Pearson Correlation	,490**	,506**	,555**	,761**	1	,385*	,438**	,798**
	Sig. (2-tailed)	0,001	0,001	0	0		0,014	0,005	0
	N	40	40	40	40	40	40	40	40
Y.6	Pearson Correlation	,473**	,427**	0,242	,431**	,385*	1	,423**	,637**
	Sig. (2-tailed)	0,002	0,006	0,133	0,005	0,014		0,007	0
	N	40	40	40	40	40	40	40	40
Y.7	Pearson Correlation	,446**	,542**	,607**	,513**	,438**	,423**	1	,766**
	Sig. (2-tailed)	0,004	0	0	0,001	0,005	0,007		0
	N	40	40	40	40	40	40	40	40
TOTAL_Y	Pearson Correlation	,738**	,763**	,761**	,766**	,798**	,637**	,766**	1
	Sig. (2-tailed)	0	0	0	0	0	0	0	
	N	40	40	40	40	40	40	40	40

Sumber: data diolah SPSS version 27 (2024

Based on table 6, the pearson correlations output, the total score for the items in the fraud prevention variable is greater than the table r- value of 0,312 with N =40 and a significance level of 5% (0,05). Thus, the validity test results for all items in the fraud prevention variable can be considered valid.

Reliability test. Reliability test is considered reliablie if the Cronbach's Alpha value is greater than 0,60 (Ghozali, 2020). The reliability test was conducted on 40 respondents, namely village heads, village secretaries, village treasurers, and village deliverative body (BPD) chairmen

Table. 7 Reliability test

Variabel	*Cronbach's Alpha*	Keterangan
Whistleblowing system	0,868	Reliabel
Sistem Pengendalian Internal	0,628	Reliabel
Pencegahan *Fraud*	0,848	Reliabel

Sumber: data diolah SPSS version 27 (2024)

Based on the data processing results from table 7, it can be seen that the Cronbach's Alpha value for each variable is greater than 0,60. Therefore, it can be concluded that each variable is considered reliable.

Normality test. The normality test aims to test whether in the regression model. Confouding or residual variables have a normal distribution. Good regression is normally distributed data. Kolmogorv Smirnov is one of the normality tests by looking at the residual data whether is has a normal distribution or not. If Asymp. Sig (2-tailed)> alpha 0,05 then the residuals are normally distributed. The results of the normality test are decribeb in the table 8 as follows :

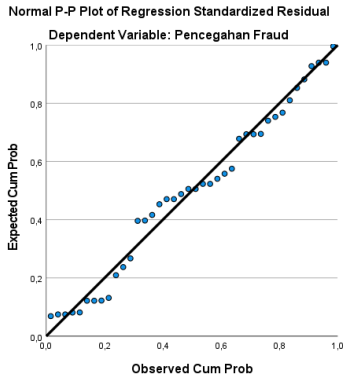
Table. 8 Normality test

Test Statistic	,100
Asymp. Sig. (2-tailed)[c]	,200[d]

Sumber: data diolah SPSS version 27 (2024)

Based on the normality test results as shown in table 8, the significance value is 0.200, which is greater than 0,05. Thus indicating that the data is normally distributed.

Figure. 1 Normal P-Plot of Standardised Residual Regression



Sumber: data diolah SPSS version 27 (2024)

Based of figure 1, the points do not spread too far and follow the diagonal line from point 0, as shown by the normal probability plot test results. This theory indicates that the data is normally distributed. As a result, it is decided that the entire data has a distribution that fulfils the assumption of normality.

Multicollinearity test. Multicolinearity test is conducted to see whether there is a linear relationship between the independent variables in the regression model. The multicolinearity test results are described in table 9 as follows :

Table. 9 Multicollinearity test

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	Total_X1	,683	1,464
	Total_X2	,683	1,464

a. Dependent Variable: Total_Y

Sumber: data diolah SPSS version 27 (2024)

Based on the results of the multicollinearity test as shown in table 9, it is known that the VIF value is 1,464 for both independent variables, which means it is less than 10. Also,

the tolerance value for both independent variables is 0,683, which is greater than 0.1. therefore, it can be concluded that there is no correlation between the independent variables.

Heteroscedasticity test. The heteroscedasticity test aims to test whether the regression model has difference in variance from the residuals of one observation to another. To determine the presence of heteroscedasticity, the researcher used the white test in SPSS Version 27. The heteroscedasticity test results are described in table 10 as follows :

Table. 10 Heteroscedasticity test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,628[a]	,395	,306	3,07921

a. Predictors: (Constant), X1X2, X2, X1_KUADRAT, X1, X1_KUADRA

Sumber: data diolah SPSS version 27 (2024)

Based on the results of the heteroscedasticity test, the R squared value is 0.395, so the calculated chi-square value is 15.8, which is obtained by multiplying the sample size of 40 by the R-squared value. Then, the critical chi-square value is obtained from the chi-square table, where the researcher uses a degree of freedom (df) of 39, which is derived from the number of observations minus 1, with a significance level of 0,05. The critical chi-square value obtained is 54.57223. thus, since the calculated chi-square value is less than the critical chi-square value, it can be concluded that there is no evidence of heteroscedasticity.

Multiple linear regression analysis. Hypothesis testing was conducted to determine whether there is an influence from the independent variable on the dependent variable. The multiple linear regression equation was used in this study. The following are the results of the hypothesis test using multiple linear regression analysis

Table. 11 Multiple linear regression analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	10,785	2,429		4,440	,000
	Sistem Pengendalian Internal	1,067	,157	,861	6,779	,000
	Whistleblowing system	-,256	,125	-,261	-2,053	,047
a. Dependent Variable: Pencegahan Fraud						

Sumber: data diolah SPSS version 27 (2024)

Based on the results of the mutltiple linear regression analysis above, the multiple linear regression equation for this study can be formulated as follows:

$$\mathbf{Y = 10.785 - 0.256X1 + 1.067X2 + e}$$

T-Test. T-test (partial) show that the significance level of the influence of the whistleblowing (X1) on fraud prevention (Y) is 0.047, which is less than 0.05 (0.047<0.05), and the calculated t-value is -2.053, which is negative. The negative value indicates a negative influence of the whistleblowing variable, meaning that the lower the implementation of the whistleblowing, the lower the fraud prevention in villages in the Kawangkoan Barat subdistrict of Minahasa District. Therefore, it can be concluded that (H0) is rejected and (H1)

is accepted. This indicates that the whistleblowing has a negative and significant effect on fraud prevention in village fund management.

Table. 12 T-Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	10,785	2,429		4,440	,000
	Sistem Pengendalian Internal	1,067	,157	,861	6,779	,000
	Whistleblowing system	-,256	,125	-,261	-2,053	,047

a. Dependent Variable: Pencegahan Fraud

Sumber: data diolah SPSS version 27 (2024)

Meanwhile, the significance level of the influence of the internal control sysem (X2) on fraud prevention (Y) is 0.000, which is less than 0.05 (0.000<0.05), and the calculated t-value is 6.779, which is positive. The positive value indicates a positive influence of the internal control system variable, meaning that the higher the implementation of the internal control system, the higher the fraud prevention ini village fund management. Therefore, it can be concluded that (H0) is rejected and (H1) is accepted. This indicates that the internal control system has a positive and significant effect on fraud prevention in village fund management.

F-Test. The F-Test essentially shows whether all independent variables included in the model have a simultaneous or joint influence on the dependent variable. The F-Test is considered influential if the significance value is less than 0.05, indicating that there is a simultaneous influence from the independent variables on the dependent variable.

Table. 13 F-Test

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	118,245	2	59,123	20,496	,000[b]
	Residual	106,730	37	2,885		
	Total	224,975	39			

Sumber: data diolah SPSS version 27 (2024)

Based on table 13, the obtained significance level is 0.000, which is smaller than the 5% significance level (0.05). from these results, it can be concluded that there is a simultaneous influence between the whistleblowing variable (X1) and the internal control system (X2) on fraud prevention (Y)

Coefficient of Determination. The coefficient of determination essentially measures how well the model can explain the variation of the dependent variable (Ghozali, 2020:95). The value of the coefficient of determination is between zero and one ($0 < R^2 < 1$) (Sugiyono, 2020:214).

Table. 14 Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,725[a]	,526	,500	1,698

a. Predictors: (Constant), X2, X1

Sumber: data diolah SPSS version 27 (2024)

Based on the coefficient of determination test results shown in table 14, the R-Value is 0.725. Meanwhile, the Adjusted R-Squared value is 0.500, which means that variable X is significantly influenced or can be explained by the independent variable (Fraud prevention) by 50%. The remaining 50% is influenced by other variables or factors outside of this research model.

4.2. Discussions

The Influence of Whistleblowing. The research results and data processing as shown in table 12 indicate that the value of the whistleblowing (X1) on fraud prevention (Y) is -0.253, which is negative. This negative value indicates a negative influence of the whistleblowing variable, meaning that the lower the implementation of the whistleblowing, the lower the fraud prevention in each village in Kawangkoan Barat district, Minahasa Regency. In addition, the whislteblowing variable has a significance value of 0.047, which is less than 0.05 (5%). Therefore, this variable has a significant influence on fraud prevention (Y).

This show that the whistleblowing has a significant effect on fraud prevention, or it can be said that the first hypothesis (H1) is accepted. This is because the government officials in each village in Kawankoan Barat district, Minahasa Regency, have been effective in implementing the whistleblowing with the availability of government officials to express their commitment to conducting the whistleblowing and their willingness to provide detailed and accurate reports so that the implementation of the whistleblowing can function well in preventing and addressing violations. In addition, each villafe official encourages better conditions, especially through their role as whistleblowers.

The Influence of internal control system. The research results and data processing, as shown in table 12, indicate that the value of the internal control system (X2) on fraud prevention (Y) is 6.779, which is positive. This positive value indicates a positive influence of the internal control system variable, meaning that the higher the implementation of the internal control system, the higher the fraud prevention in each village Kawangkoan Barat district, Minahasa Regency. In addition, the internal control system variable has a significance value of 0.000, which is less than 0.05 (5%). Therefore, this variable has a significant influence on fraund prevention.

The explanation above shows that the internal control system has a positive and significatn influence on fraud prevention. This is because the village government has established competency standards for the duties and functions of each position, delegated authority to the appropriate village officials, conducted reguler evaluations of internal control quality,conducterd a comprehensive risk analysis of the possibility of violations of the use of village funds, and implemented monitoring and evaluation of all activities related to operations so that the village as a recipient of funds can account for village funds to the central government correctly and accurately.

Therefore, it can be concluded that H2 is accepted in this study. This indicates that a good internal control system can prevent fraud. The internal control system itself serves to ensure that the institution always carries out its duties in accordance with the rules and minimizes deviations that are often found in the current era.

5. CONCLUSION

The research results, data processing, and discussion lead to the conclusion that the whistleblowing variable can be said to have a significant influence in preventing fraud in each village in West Kawangkoan District, Minahasa Regency. The better an organization implements whistleblowing, the lower the level of fraud that occurs. The good implementation of whistleblowing can help prevent fraud.

The internal control system has a significant influence on fraud prevention. This means that the implementation of the internal control sytem in each village West Kawangkoan District is already good so that the internal control system can be said to have an influence in realizing fraud prevention. The better an organization implements an internal control system, the better it will be in preventing fraud.

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