

PROCEEDING

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**The 4th International Conference on Management Sciences
Universitas Muhammadiyah Yogyakarta, Indonesia**

“Disruptive Innovation in Modern Business Era”

held in UMY, Indonesia, on March 28, 2018

Department of Management

FACULTY OF ECONOMICS AND BUSINESS
Universitas Muhammadiyah Yogyakarta

in collaboration with:
Universiti Sains Islam, Malaysia
Tamkang University, Taiwan
Khon Kaen University, Thailand



**The 4rd International Conference on Management Sciences 2018
(ICoMS 2018)**

March 28 2018

Universitas Muhammadiyah Yogyakarta, Indonesia

Chair Person

Dr. Indah Fatmawati, S.E., M.Si

Keynote Speakers:

1. Prof. Shu Hsein Liao, Ph.D (Tamkang University, Taiwan)
2. Dr. Kawpong Polyorat (Khon Khaen University, Thailand)
3. Dr. Syadiyah Abdul Shukor (Universiti Sains Islam Malaysia)
4. Punang Amaripuja, S.E., S.T., M.IT. (Universitas Muhammadiyah Yogyakarta)

Moderator:

Meika Kurnia Puji RDA, S.E., M.Si., Ph.D (Universitas Muhammadiyah Yogyakarta)

Reviewers of Papers:

1. Prof. Dr. Heru Kurnianto Tjahjono, M.M. (Universitas Muhammadiyah Yogyakarta)
2. Dr. Retno Widowati PA, M.Si. (Universitas Muhammadiyah Yogyakarta)
3. Dr. Indah Fatmawati S.E., M.Si. (Universitas Muhammadiyah Yogyakarta)
4. Dr. Arni Surwanti, M.Si. (Universitas Muhammadiyah Yogyakarta)
5. Ika Nurul Qamari, S.E., M.Si. (Universitas Muhammadiyah Yogyakarta)

Chairs of Parallel Session:

- ROOM A** : Dr. Indah Fatmawati S.E., M.Si.
ROOM B : Retno Widowati PA, M.Si., Ph.D
ROOM C : Ika Nurul Qamari, S.E., M.Si.
ROOM D : Prof. Dr. Heru Kurnianto Tjahjono, M.M.
ROOM E : Dr. Arni Surwanti, M.Si.

Preface ICoMS 2018
The 4th International Conference on Management Sciences 2018
(ICoMS 2018)
March 28 2018
Universitas Muhammadiyah Yogyakarta, Indonesia

Dear Presenters and Delegates,

Department of Management, Economics Faculty, University of Muhammadiyah Yogyakarta, in collaboration with the Tamkang University Taiwan, Khon Kaen University Thailand, USIM Malaysia, organized an International Conference which will be held on March 28 2018.

We are proud to know that there is a thick manuscript submissions came to our table for this conference. In detail, there are 42 international academic manuscripts which we received from Indonesia, Malaysia, Thailand. And in this conference we choose **Disruptive Innovation in Modern Business Era** as the main theme.

Our international conference is a manifestation of the Government of Indonesia through the Directorate General of Higher Education, which has encouraged the internationalization of research and teaching in order to foster high-caliber academic institutions globally and increase competitiveness in International Higher Education.

We are very confident that our presenters and delegates will get a lot of ideas together and experience of this conference. In addition, our participants will enjoy additional insight from our plenary session keynote speakers, namely, Prof.Dr.Shu-Hsien Liao from Tamkang University Taiwan, Dr. Kawpong Polyorat from Khon Kaen University Thailand, Prof. Dr. Syadiyah Abdul Shukor from USIM Malaysia, and Punang Amaripuja, S.E., S.T., M.IT. from Universitas Muhammadiyah Yogyakarta.

Through this conference, we are committed to promote and improve our mission and academic culture synthesize global progress with local knowledge. Therefore, it is my great honour to welcome you to ICoMS 2018 in great cultural city of Yogyakarta, Indonesia. I look forward to seeing you soon in the conference.

Best wishes,

Dr. Indah Fatmawati

Chair of ICoMS 2018

<http://icoms.umy.ac.id/call-for-papers>

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**THE DEPARTMENT OF MANAGEMENT
FACULTY OF ECONOMICS AND BUSINESS
UNIVERSITAS MUHAMMADIYAH YOGYAKARTA**
Website: www.icoms.umy.ac.id | Email: icoms@umy.ac.id
Jl. Brawijaya, Tamantirto, Kasihan, Bantul, D.I. Yogyakarta 55183
Telp. 0274-387656 ext 118 Fax. 0274-387656

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The Effect of Internal Control and Internal Audit on Effort to Minimize the Income Statement Fraud (Case Study at PT Jasa Marga (Persero) Tbk)

Cahyadi Husadha

cahyadi.husadha@dsn.ubharajaya.ac.id

Prodi Akuntansi, Fakultas Ekonomi, Universitas Bhayangkara Jakarta Raya

Desi Wulandari

Prodi Akuntansi, Fakultas Ekonomi, Universitas Bhayangkara Jakarta Raya

ABSTRACT

The purpose of this study is to determine the effect of internal control and internal audit on effort to minimize the financial statements fraud. The research data were obtained through a questionnaire distributed to internal auditors, and accounting on PT Jasa Marga (Persero) Tbk, as many as 25 people. This study uses a quantitative method with multiple linear analysis as a means of testing the hypothesis. Hypothesis testing is done to determine the extent of internal control and internal audit affect on the effort to minimize the financial statements fraud. The results of this study showed that internal control and internal audit have significant influence on effort to minimize the financial statements fraud either simultaneously or partially.

Keywords : Internal Control, Internal Audit, Fraud in a Financial Statement Minimization.

1. Introduction

Business competition in the era of modern globalization is more difficult, coupled with its implementation in the ASEAN Economic Community (MEA). In line with this, conditions of the financial crisis that occurred, can affect other business actors in various aspects. So it can require business people to keep delivering their financial information accurately and relevantly. Then, in general, people can measure the success of a company, based on its performance and ability in delivering its financial report.

Then, in general, people can measure the success of a company, based on the performance and ability to deliver financial report.

The financial statements are to provide information pertaining to financial position, performance, and changes in the financial position of a company that is beneficial to a

large number of users in decision making. (PSAK No. 1).

In general, financial statements is an information system that provides reports to users of information or to parties who have interests (stakeholder) to the results of the performance and financial condition of the company (Herry, 2015:2). In preparing the financial statements, management has responsibility to make various decisions about choice and accounting policies that will be used in the measurement, recognition and reporting so that the quality of financial report process, transparent and reliable can be achieved. Information that has reliable quality, if free from misleading notions, material error, and reliable use of it as a sincere or faithful representation of what should be presented or reasonably expected to be presented (SAK 31, 2012).

The financial statements are documents used by companies to report the results of their

activities to different groups of users, including managers, investors, creditors, and regulatory agents (Welter T Harrison, et al, 2010). Therefore, the information in the financial statements must have high integrity so as not to mislead the users of those financial statements.

Tia Astria (2011:3) revealed that many companies are issuing financial statements with low integrity, thus causing injustice to users of these financial statements. Susiana dan Herawaty (2007: 2) stated various cases of accounting data manipulation that occurred in big companies like Enron, Tyco, Global Crossing, dan Worldcom as well as large companies located in Indonesia such as PT Kimia Farma Tbk and Lippo Bank which previously had high audit quality. The disclosure of PT Kimia Farma.Tbk's financial markup case in 2001 (worth Rp 32.6 billion, because the net profit should be Rp.99.56 billion written Rp.132 billion) (Tuanakotta 2010:291). Then in the case of corruption of social assistance fund and grant of North Sumatera Provincial Government causing loss of State equal to Rp. 2.2 billion involving 17 non-governmental organizations (NGOs) fictitiously proven to receive Social Assistance Fund (BANSOS) of North Sumatra period 2011-2013.

<http://news.liputan6.com/read/2379381/usut-korupsi-bansos-sumutkejagungperiksa-wakil-gubernur-erry>).

While the case of fraud in the financial statements that occurred abroad quite a lot of public confiscation, for example in the case of Enron in the United States, which was revealed in October 2001, Enron's management case boosted profits and hid more than \$ 1 billion in debt by using off-the-book partnerships, won a contract outside the United States (Tuanakotta 2010:291).

In a study by Political and Economic Risk Cosultancy, Ltd. (PERC) in 2009, Indonesia ranked as the most corrupt country in Asia with a score of 8.32. It is said that Indonesia in the history of ranking the list of the most corrupt countries, never in the cleanest category country. In 2010, Indonesia's position according to Political and Economic Risk Cosultancy, Ltd. (PERC) is still the most

corrupt category among Asian key countries. Indonesia scored 9.07 and ranked the highest score 10 (Tuanakotta 2010:66-68).

These fraudulent forms must be anticipated by the company by making internal controls and internal audits to protect the organization from irresponsible parties and those wishing to take personal advantage. Internal control is the first step that can be done by the management to protect the organization from acts of fraud. Internal control systems are generally designed to provide reasonable assurance that the assets of an agency or company have been properly secured and that accounting records are reliable (Herry, 2011:102).

Internal audit is an independent assessment function within an organization to examine and evaluate the organization's activities (Tugiman, 2016). More specifically, organizations rely on intrate audit functions to help ensure that risk management processes, the scope of overall control and the effectiveness of the performance of the business process has been consistent with management expectations. The current internal audit function is not only required to find the problem, but at the same time be part of the solution and provide suggestions for improvement. Internal audits are involved and actively participate in monitoring business unit activities and provide consultative roles in the operation of the company's operations. Therefore, the role of internal audit is not only limited as a "detector" but can be more that as a deterrent is expected support and encourage the process of realization of good governance (Saptapradipta, 2013).

Internal auditing is an activity of providing independent objective confidence and consultation activities undertaken to provide added value and improve the performance of the organization's operations. Internal audit is a follow up action in an effort to minimize possible frauds. Internal auditing serves to provide managers with the information needed to carry out their responsibilities effectively. Internal audit acts as an independent appraiser to review the company's operations by measuring and evaluating the adequacy of

control and efficiency and performance effectiveness of an agency and/or company.

With the internal audit that is expected any fraud or mistakes and actions that harm an organization will be anticipated can even be avoided (Gusnardi, 2011).

1.1 Problem Formulation

From the background, the formulation of problems that made the main discussion in this study are as follows:

1. Does the internal control affect on the efforts to minimize in the financial statements fraud?
2. Does the internal audit affect on the efforts to minimize in the financial statements fraud?
3. Do internal control and internal audit simultaneously affect on the efforts to minimize in the financial statements fraud?

1.2 Research Purposes

As the purpose of this study, are as follows:

1. To know, the influence of internal control variables on efforts to minimize in the financial statements fraud.
2. To know, the influence of internal audit variables on efforts to minimize in the financial statements fraud.
3. To know simultaneously the influence of internal control and internal audit on efforts to minimize in the financial statements fraud.

2. Literature Review

2.1 Internal Control

Internal audit is an independent organization, and objective assurance consulting activities designed to add value and improve organizational operations. Internal Auditor is a person or body conducting Internal Audit activities. (https://www.kompasiana.com/ema_surya/audit-internal-audit-operasional-audit-sektor-publik_556c4665589373c6038b4567).

(Sukrisno Agoes, 2012: 100) in the Indonesian Institute of Certified Public Accountants (IAPI) (2011:319:2), defines internal control as a process carried out by the board of commissioners, management and other personnel designed to provide reasonable assurance about achieving the following three classes of objectives: (a) the reliability of financial reporting, (b) the effectiveness and efficiency of operations and (c) compliance with applicable laws and regulations. Internal control consists of the following five interconnected components:

1. Control Environment is to determine the style of an organization, affect the awareness of the control of the people in it, control environment is the basis for all internal control components, providing discipline and structure.
2. Risk assessment is the entity's identification and analysis of the relevant risks to achieve its objectives, establish a basis for determining how risk should be managed.
3. Control activities are policies and procedures that help ensure that management directives are implemented.
4. Information and communication is the identification, capturing and exchanging information in a form and time that allows others to carry out their responsibilities.
5. Monitoring is the process that determines the quality of internal control performance over time

2.2 Internal Control Elements

Cited by (I Cenik Ardana., et al, 2016:76), in the Committee of Sponsoring Organization (*Concidence., et al., 2010*) describes the relationship between the various components of control are divided into three dimensions, namely: (1) control objectives, (2) control components, and (3) control entities. First dimension, the purpose of internal control, namely:

1. Financial Reporting

The quality of financial statements can be determined by the level of reliability and relevance of the financial information. A

financial report is said to be reliable if the financial statements are prepared carefully (accurately), free from material misstatements, and describes what it is. The financial statements are called relevant if they benefit the user for the decision-making process.

2. Operations

The purpose of the internal control operation is to reflect the ability of the internal control structure to secure the assets of an entity / organizational unit, as well as internal control capabilities to achieve effectiveness and efficiency of operations.

3. Compliance

The objectives of compliance with internal controls emphasize the internal control ability to ensure that any rules, policies, and procedures established by external parties (government, shareholders) as well as by internal parties (management), obeyed and implemented by every person / unit within an organizational entity.

The second dimension, the control components consist of the following five components:

1. Control Environment

Control environment becomes the main factor determining the level of effectiveness of internal control, because it concerns the quality of ethical awareness and the competence of people within an entity.

2. Risk Assessment

Risk determination is the process of identifying and analyzing the relevant risks in relation to the achievement of the stated objectives, and became the basis for deciding how risk should be managed.

3. Control Activities

Control activities include various policies and procedures to ensure that management direction can be implemented at various levels of activity.

4. Information and Communication

Information and communication are an important part of the management process. Communication information about the operation of internal controls provides

substances that management can use to evaluate the effectiveness of controls and manage its operations.

5. Monitoring

Supervision is a dynamic rational evaluation of information provided on information communication for management control reviews.

The third dimension of internal control is seen from the entity component, consisting of:

a. Entity by function or activity every corporate entity is formed from a set of functions, parts, smaller units that are interconnected. Entities by function, means viewing the control structure based on the functions that exist within an organization.

b. Entities based on units in the organization. For the management interests of entities units in the organization that is to measure and assess the performance of each unit within a company organization in stages.

2.3 Internal Audit

Some definitions of internal auditing have evolved, American Accounting Associations (Sawyers., et, al 2014:8), defines internal audit as a systematic process to objectively obtain and evaluate assertions about economic actions and events to ensure the degree of conformity between these assertions and the established criteria and communicate to the interested user.

Institute of Internal Auditor (IIA) in Standards for the Professional Practice of Internal Auditing (SPPIA), defines: "Internal Audit is an independent appraisal function established within a company to examine and evaluate its activities as services rendered to the company"

Internal auditing by Institute of Internal Auditor (IIA) quoted by (Pickett 2010:15): "Internal audits are independent and objective assurance and consultation activities, designed to provide added value and enhance the organization's operational activities. Internal audit helps the organization to achieve its

goals, through a systematic and regular approach to evaluating and improving the effectiveness of risk management, control, and governance processes".

2.4 Internal Audit Practices Cover 3 Main Categories, Namely:

1. Financial Audit, which includes an analysis of the firm's economic activity that is measured and reported based on the accounting method.
2. The Compliance Audit, which includes a review of financial and operating controls, as well as transactions to determine the level of compliance/conformity with the law, regulations, standards and procedures that apply/exist.
3. Operational Audit, which includes a comprehensive review of the various functions within the organization to assess the economics and efficiency of operations, and effectiveness in achieving the goals that have been set.

https://www.kompasiana.com/ema_surya/audit-internal-audit-operasional-audit-sektor-publik_556c4665589373c6038b4567

2.5 Definition of Cheating

Book of the Criminal Code (KUHP) in (Tuanakotta, 2010:194), mentions several articles covering the definition of fraud, among others:

1. Article 362 concerning theft (the definition of the Criminal Code: "to take things, wholly or partly belonging to others, with the intent to possess unlawfully").
2. Article 368 on extortion and threats (the definition of the Criminal Code; "for the purpose of relying on oneself or others against the law, forcing a person by force or the threat of force to give something, wholly or partially belonging to that person or another person, or in order to make debts or to delete a receivable").
3. Article 372 on embezzlement (the definition of the Criminal Code: "intentionally and unlawfully possesses

something wholly or partly belonging to another, but which is in his power not by wickedness").

4. Article 378 on cheating (the definition of the Criminal Code; "with the intent to benefit myself or others unlawfully, by using false or false dignity, by deceit or by a series of lies, moving others to surrender things to him, or in order to lend or waive accounts").
5. Article 396 on harming the receiver in a state of bankruptcy.
6. Article 406 on destroying or destroying goods (the definition of the Criminal Code; "intentionally or unlawfully destroys, destroys, makes it unusable or removes anything wholly or partly belongs to another person").
7. Articles 209, 210, 387, 388, 415, 419, 420, 423 and 435 which are specifically regulated in the law to eradicate corruption (Law No.31 of 1999).

From the definition of fraud according to the Criminal Code, it can be concluded that fraud is a deliberate act of cheating, theft and fraud with the intent to gain personal gain.

Cited by (Amin Widjaja Tunggal,2016:8) in Association of Certified Fraud Examiners (ACFE), identifies the following fraud: "The use of a position by a person to enrich himself through intentional abuse or misuse of an organization's assets or resources".

2.6 Types of Fraud

Schematically, Association of Certified Fraud Examiners (ACFE) describes fraud in the form of fraud tree. This fraud tree describes the branches of fraud in working relationships, along with twigs and twigs. The Occupational fraud tree has three branches, namely corruption, asset misappropriation, and fraudulent statements (Tuanakotta, 2010:196). Each branch and its twigs and twigs will be described in general, as follows:

2.6.1 Corruption

Corruption in this definition is depicted in the four rating of a conflict of interest conflicts

of interest, bribery, gift with illegal gratuities, economic extortion.

a. Conflicts of Interest, The characteristics or indications are:

1. Over the years.
2. The value of the contracts is relatively expensive compared to contracts made at arm's mark up or mark down.
3. These partners, although only a handful, controlling a relatively large share of purchases at the agency.
4. Although this partner is out as a "winner" in an official tender process, but his victory was achieved in unnatural ways.
5. The relationship of seller and buyer is more than a business relationship.

2.6.2 Asset Misappropriation

Asset misappropriation is defined as "taking" assets illegally (unlawful) done by someone who is authorized to manage or supervise the asset, called skimming (Tuanakotta 2010:199). In the form of cash looting or cash misappropriation done in three forms such as; skimming, larceny, and fraudulent disbursements, the classification is adjusted to the inflow of money (Tuanakotta 2010:199).

2.6.3 Fraudulent Statement

This fraud misstatements misappropriations either overstatements or understatements, there are two branches of this twig, first presents an asset or income higher than the actual (asset/ revenue overstatements), both present an asset or income lower than the actual (asset/ revenue understanding) (Tuanakotta 2010:203).

(Sukrisno Agoes, 2010:213), fraud can also occur in various forms as follows:

1. International Misrepresentation
To suggest that something is true, when it's wrong, by someone who knows it's wrong.
2. Negligent Misrepresentation
The assertion that something is wrong by someone who does not have a solid basis for declaring it to be true. Leaks to others something that should be kept secret. For

example giving information inside the capital market.

3. False Promises
A promise is given without desire to fulfill that promise.
4. Employee Fraud
Cheating by an employee to benefit himself.
5. Management Fraud
Fraud committed by management to the detriment of other parties, including the government. For example tax manipulation, bank credit manipulation, contractors who use "cost plus fee".
6. Organized Crime
Organized crime, eg credit card forgery, delivery of goods exceeding or less than should be where the executive will get a 10% share.
7. Computer Crime
Crime by utilizing computer technology, so that the perpetrator can transfer funds from someone else's account to his own account.
8. White Collar Crime
The crime committed by the tie.
For example land mafia, coercion is fine for merger and others.

According to Mulford and Comiskey (2010) in (I Cenik., Et al, 2016: 66), uses the term game numbers (Financial Number Game) to reveal manipulation through financial statement engineering.

2.7 Framework

2.7.1 The Influence of Internal Control on effort to Minimize Financial Statements Fraud.

The internal control system consists of policies and procedures designed to provide reasonable assurance to management that the company has achieved its goals and objectives. Management has three general goals in designing an effective internal control system, namely the reliability of financial report, efficiency and effectiveness of operations, as well as compliance with laws and regulations (Herry, 2011:87). According to Maydeline Ararat Malewa University of Hassanudin

Makasar (2015) in his research entitled "The Influence of Internal Control and Internal Audit Against Efforts to Minimize Fraud in Financial Statements" concluded that internal control has the most dominant influence on efforts to minimize fraud in the financial statements.

2.7.2 Effect of Internal Audit on Efforts to Minimize Financial Statements Fraud.

(Faiz Zamzami., Et.al, 2015: 73) in the International Standards for the Professional Practice of Internal Auditing (IPPF-2130), requires internal audit to assist the organization in maintaining effective internal control by evaluating the adequacy, efficiency and effectiveness of such control, and encourage continuous improvement of internal controls. Based on the IPPF, the role of the auditor is to assist the management in maintaining an adequate control system by among others as follows:

1. Assess high-risk areas that are the main objectives of control.
2. Define and run programs to review the risk-prevention system.
3. Review each system by testing and evaluating the internal control system (SPI) to consider the achievement of the principal objectives of control.
4. Give it to management whether the control is running properly and effectively, whether its implementation encourages the achievement of system goals or control.

According to Rio Sempana Karo, Karo University Computer Indonesia Bandung (2015) in his research entitled "The Influence of Internal Audit and Internal Control of Fraud Prevention In Bandung Regency Government" concluded that Internal Audit influence on fraud prevention at Bandung Regency Government, meaning the better the internal audit it will further increase fraud prevention.

Based on previous theories and research mentioned above, the following framework is developed:

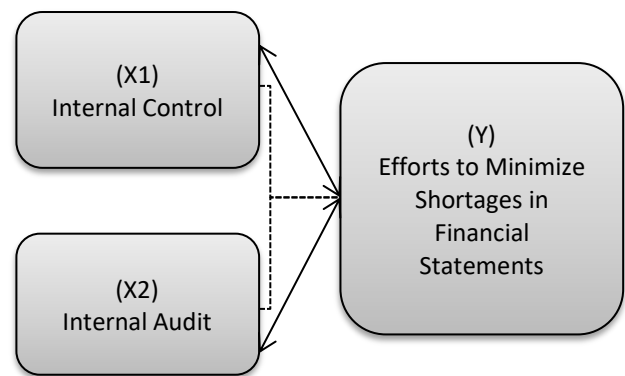


Figure 1 Framework of research

2.8 Research Hypothesis

From the above description regarding the influence of internal control and internal audit on efforts to minimize the financial statements fraud, then the researcher can take the hypothesis while among others as follows:

- Ha₁ Internal Control has a positive and significant effect on efforts to minimize the financial statements fraud.
- Ho₁ Internal Control does not has a positive and significant effect on efforts to minimize the financial statements fraud.
- Ha₂ Internal Audit has a positive and significant effect on efforts to minimize the financial statements fraud.
- Ho₂ Internal Audit does not has a positive and significant effect on efforts to minimize the financial statements fraud.
- Ha₃ Internal Control and Internal Audit have positive and significant influencen to the efforts to minimize the financial statements fraud.
- Ho₃ Internal Control and Internal Audit does not have positive and significant affect to the efforts to minimize the financial statements fraud.

3. Research Method

3.1 Research Design

Design in this research by using quantitative research method. Quantitative method is research in the form of numbers and analysis using statistic (Sugiyono, 2012: 23). This study uses quantitative research methods

to measure the influence of internal control and internal audit on effort to minimize the financial statements fraud. This study has three variables, namely two dependent variables and one independent variable. As for the two dependent variables consist of internal control (X1) and internal audit (X2), while the independent variable is to minimize the financial statements fraud (Y).

3.2 Place and time of research

This research was conducted at PT Jasa Marga Head Office (Persero) Tbk located at Plaza Toll of Taman Mini Indonesia Indah, which conducted in six months, in March 2016 to August 2016.

3.3 Data Types and Sampling Methods

3.3.1 Data Type

The types of data used are:

1. Primary Data

Primary data is data collected by the researcher himself directly from the first source or place the object of research conducted (Syofian Siregar, 2013: 16). In this study researchers obtained primary data in several ways, among others, as follows:

a. Questionnaire

1.) The questionnaire is an information-gathering technique that allows analysts to study attitudes, belief, behavior, and the characteristics of some key people within the organization that could be affected by the proposed system or by the existing system (Syofian Siregar, 2013: 2). Questionnaires were distributed to the internal auditors, financial and accounting firms at PT Jasa Marga (Persero) Tbk. Questionnaire in this research use likert scale.

b. Interview

Interview is the process of obtaining information or data for research purposes by means of question and answer (Syofian Siregar, 2013: 18).

2. Secondary Data

Secondary data is data published or used by non-processing organizations (Syofian Siregar, 2013: 16). Secondary data is data obtained in connection with the company, secondary data is supporting data that has been so like a brief history of the company, organizational structure and others.

4. Result and Conclusion

4.1 Internal Control on Efforts to Minimize Financial Statements Fraud

At the stage of testing the quality of data all items questioned on the questionnaire declared valid with the provisions of the value $r_{count} > r_{table}$, where obtained r_{table} value of 0.344. Then in the data reliability test stage obtained Cronboach's Alpha value of 0.600, this indicates that the variable has met the criteria reliable. (see table 1.)

Table 1. result test of data

TABEL 4.3
Hasil Uji Validitas

Variabel	Item	Person correlation (r hitung)	r-tabel	Keterangan
Internal Control (X1)	X1.1	0.474	0.344	VALID
	X1.2	0.474	0.344	VALID
	X1.3	0.438	0.344	VALID
	X1.4	0.749	0.344	VALID
	X1.5	0.792	0.344	VALID
	X1.6	0.827	0.344	VALID
	X1.7	0.749	0.344	VALID
	X1.8	0.457	0.344	VALID
	X1.9	0.846	0.344	VALID
	X1.10	0.674	0.344	VALID
Internal Audit (X2)	X2.1	0.749	0.344	VALID
	X2.2	0.846	0.344	VALID
	X2.3	0.860	0.344	VALID
	X2.4	0.494	0.344	VALID
	X2.5	0.867	0.344	VALID
	X2.6	0.880	0.344	VALID
	X2.7	0.955	0.344	VALID
	X2.8	0.703	0.344	VALID
	X2.9	0.915	0.344	VALID
	X2.10	0.763	0.344	VALID
X2.11	0.852	0.344	VALID	
X2.12	0.426	0.344	VALID	
X2.13	0.852	0.344	VALID	
X2.14	0.558	0.344	VALID	
X2.15	0.643	0.344	VALID	
Meminimalisasi Kecurangan (Y)	Y1.1	0.887	0.344	VALID
	Y1.2	0.897	0.344	VALID
	Y1.3	0.642	0.344	VALID
	Y1.4	0.706	0.344	VALID
	Y1.5	0.706	0.344	VALID
	Y1.6	0.758	0.344	VALID
	Y1.7	0.399	0.344	VALID

Sumber: Data diolah kembali 2016

Based on F test or simultaneous test, obtained F_{count} value of 50.844 and probability or significance value α of 0.000. If value of $F_{count} > F_{table}$ then as simultaneously, independent variables have a positive and significant effect on the dependent variable. At the level of $\alpha = 0.05$ with the degrees of freedom of the numerator / $df1 k-1 = 3-1 = 2$ (total variable-1) and the degrees of freedom denominator / $df2 n - k = 24 - 3 = 21$ (total sample - total variables), then obtained value of

F-table equal to 3,47. Thus from the test results that the value $F_{count} > F_{table}$, so, as simultaneous two independent variables significant and positive effect to dependent variable.(see table 2.)

Table 2. F-test

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	205.965	2	102.983	50.844	.000 ^b
	Residual	42.535	21	2.025		
	Total	248.500	23			

a. Dependent Variable: MINIMALISASI KECURANGAN

b. Predictors: (Constant), INTERNAL AUDIT, INTERNAL CONTROL

The calculation results obtained at the phase of partial t-test obtained t_{count} value of 1.756, and for the value of t-table, from n-k-1 (n = respondent, k = independent variable) of 1.720. Therefore the value of t_{count} (1.756) > t_{table} (1.720), then the internal control positive effect on efforts to minimize the financial statements fraud. (see table 3)

Table 3. t-test

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.762	3.092		.570	.575
	INTERNAL CONTROL	.234	.133	.290	1.756	.094
	INTERNAL AUDIT	.277	.070	.654	3.956	.001

a. Dependent Variable: MINIMALISASI KECURANGAN

So in this case, for the first hypothesis H_0 is rejected and H_1 accepted, meaning there is a significant influence internal control to minimize effort the financial statements fraud.

4.2 Internal Audit to Efforts to Minimize Financial Statements Fraud.

In the partial t-test obtained t-count of 3.956 and for the t-table value of the results n-k-1 (n = respondents, k = variabel independen) amount 1,720. Therefore the value of t_{count} (3.956) > t_{table} (1.720), then the internal audit on efforts to minimize the financial statements fraud have a significant and positive effect. Hence in this case, for the second hypothesis H_0 is rejected and H_2 is accepted, meaning there is a significant influence internal audit on the effort to minimize the financial statements fraud.

4.3 Control System Internal PT Jasa Marga (Persero) Tbk.

PT Jasa Marga (Persero) Tbk realizes that all business processes must be based on good corporate governance principles as well as good business ethics, for that in 2011 PT Jasa Marga (Persero) Tbk create and socialize some guidelines as follows:

1. Code of Corporate Governance
2. Code of Conduct
3. Conflict of Interest
4. Guidelines for handling gratification.
5. Whistle blowing System

The implementation of the company's internal control system (SPIP) by PT Jasa Marga (Persero) Tbk refers to Article 26 of the Regulation of the Minister of State-Owned Enterprise No. PER-01 / MBU / 2011 on the Implementation of Good Corporate Governance in State-Owned Enterprises Through the Directors' Decree No.174/KPTS/2013 about Good Corporate Governance (GCG), The implementation of the company's internal control system (SPIP) by PT Jasa Marga (Persero) Tbk refers to Article 26 of the Regulation of the Minister of State-Owned Enterprise No. PER-01 / MBU / 2011 on the Implementation of Good Corporate Governance in State-Owned Enterprises, reliability of financial reporting, security of corporate assets and compliance with laws and regulations.

Internal Control System PT Jasa Marga (Persero) Tbk has adopted the concept of the Committee of Sponsoring Organizations (COSO) of the Treadway Commission consisting of 5 (five) components of an effective Internal Control System:

1. Control Environment
2. Risk Assessment
3. Control Activites
4. Information & Communication
5. Monitoring

Internal Audit Position PT Jasa Marga (Persero) Tbk is directly under the President Director, so that the Internal Audit can evaluate the effectiveness of the implementation of internal controls and provide suggestions for improvement to the President Director.

From audit reports that are then grouped according to the target categories and components in the SPIP (COSO framework), an annual periodic analysis is conducted so that improvement can be made for the components that require it. Analysis of the audit results is also conducted to measure the effectiveness of SPIP achievements (Company operations, accuracy/reliability of Company reports, and compliance with applicable laws and regulations). PT Jasa Marga (Persero) Tbk has evaluated the effectiveness of internal control over the financial statements ending December 31, 2015 in accordance with the criteria established by the Committee of Sponsoring Organizations (COSO) of The Treadway Commission. Based on the evaluation results, PT Jasa Marga (Persero) Tbk concluded that the system of internal control over the financial statements ending 31st December 2015 has been effective.

PT Jasa Marga (Persero) Tbk is committed to continuously improve the implementation of Good Corporate Governance (GCG), violation of GCG implementation and Code of Conduct should be avoided by all Jasa Marga Individuals. Related to this, PT Jasa Marga (Persero) Tbk has owned Whistleblowing System as a medium for submission of violation reporting to the implementation of GCG and Code of Conduct.

The Whistleblowing System (WBS) is a mechanism of reporting system for violations committed in confidence conducted by employees of PT Jasa Marga (Persero) Tbk. Reporting is addressed through a standardized and professionally managed mechanism by the Reporting Commission on Violations, assisted by the Administrator of the Reporting System of Violations, namely PT Deloitte Konsultan Indonesia who has been selected through the procurement process of goods/services.

The scope of violation reporting that is followed up by Whistleblowing System is an action that may harm the company, which includes the following:

1. Deviations from applicable laws and regulations.
2. Abuse of office or authority for other interests outside the company.

3. Extortion.
4. Cheating.
5. Conflict of Interest.
6. Gratifikasi.

4.4 Internal Audit Duties and Responsibilities At PT Jasa Marga (Persero) Tbk.

Internal Audit PT Jasa Marga (Persero) Tbk plays a role in ensuring and providing independent and objective consultancy for management so as to encourage the creation of added value and improve the business operations of the company. Internal Audit's duties and responsibilities under Internal Audit Charter include:

1. Develop and implement the Annual Audit Work Program.
2. Test and evaluate the implementation of Company's Internal Control System (SPIP) and Risk Management in accordance with Company policy.
3. Conduct examination and assessment of efficiency and effectiveness in finance, accounting, operations, human resources, information technology and other activities.
4. Provide suggestions for improvements and objective information about the activities examined at all levels of management.
5. Produce the audit report and submit the report to the President Director and the Board of Commissioners.
6. Develop a program to evaluate the quality of internal audit activities it undertakes.
7. Conduct a special check if necessary.
8. Conducting Internal Audit Management in a Subsidiary as a special assignment from the President Director, in order to conduct guidance, supervision, learning dan consulting in preparing and conducting Internal Audit in Subsidiaries.

PT Jasa Marga (Persero) Tbk is continuously conducting its Internal Audit personnel competence improvement program by conducting a systematic and tiered systematic competence development program. In general, the policy of competence

development in 2015 is done by 2 (two) ways, namely:

1. Development of competence in external institutions.
2. Development of competence internally.

The development of competence in external institutions is conducted formally in the form of courses or seminars and / or workshops related to internal audit issues whether implemented by the company through Jasa Marga Development Center (JMDC) or other external education institutions.

Internal Audit PT Jasa Marga (Persero) Tbk has improved audit management by using computer application (Audit Management System / AMS). All audit activities from the start of the Annual Audit Work Program (PKAT), scheduling and assignment of audit teams, field work, audit reporting and follow-up monitoring of audit results managed by Audit Management System/AMS.

5. Conclusion and Suggestion

5.1 Conclusion

This study aims to examine the influence of internal control and internal audit on efforts to minimize the financial statements fraud. The dependent variable in this research is to minimize the financial statements fraud, while the independent variables are internal control (X1) and internal audit (X2). Based on the results of tests that have been done, the researcher concludes, as follows:

1. The results of the study stated that internal control has a significant positive effect on the effort to minimize the financial statements fraud at PT Jasa Marga (Persero) Tbk.
2. The results of the study stated that internal audit has a significant positive effect on the effort to minimize the financial statements fraud at PT Jasa Marga (Persero) Tbk.
3. The results of the study stated that internal control and internal audit simultaneously have a significant positive effect on the effort to minimize the financial statements fraud at PT Jasa Marga (Persero) Tbk.

5.2 Suggestion

Based on the conclusions, as for suggestions that can be given related to the results of this study as follows:

1. Suggestions for Companies.
 - a. PT Jasa Marga (Persero) Tbk to maintain and continue to improve the Company's Internal Control System (SPIP), as a function of corporate control both in finance and in risk management to maintain stability and improve company performance and can suppress or prevent possible fraud that may occur.
 - b. PT Jasa Marga (Persero) Tbk, to remain consistent with competence development efforts and internal audit training, with the aim of achieving a competent and independent auditor in its field as a function of evaluation of better corporate performance.
 - c. PT Jasa Marga (Persero) Tbk must continue to improve the Reporting System of Violation or Whistleblowing System (WBS), so that early identification of violations can be immediately followed up, with the aim to create a clean and corruption-free corporate environment in accordance with Jasa Marga Bersih's commitments.

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