

The Effect of Internal Audit and Wishtleblowing System on Fraud prevention at PT. PLN (Persero) UP3 Binjai

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Abstract

This study aims to analyze the effect of internal audit and whistleblowing system on fraud prevention in PT. PLN (Persero) UP3 Binjai. Fraud is a serious problem that can harm a company financially and reputationally. The method used in this study is a quantitative approach with data collection through questionnaires distributed to employees at PT. PLN (Persero) UP3 Binjai. Data analysis was performed using multiple linear regression to test the hypothesis. The results showed that internal audits have a positive and significant effect on fraud prevention, which means that the better the implementation of internal audits, the lower the likelihood of fraud. In addition, the whistleblowing system is also proven to contribute to fraud prevention by providing a channel for employees to report fraudulent actions without fear of retaliation. The study concluded that the combination of an effective internal audit and a good whistleblowing system can significantly reduce the risk of fraud in the company.

Keywords: Internal Auditor, Wishtleblowing System, Fraud

Introduction

The company has a risk that can not be avoided in achieving the objectives of the company. One of the risks in the company is fraud that can harm the company. Aksa (2018) stated that fraud often cannot be detected because of how many parties cooperate to enjoy the benefits obtained. No institution/company is free from fraud. The perpetrators of fraud occur at all levels of both upper and lower class employees. Fraud actions carried out by company employees can have an impact on the achievement of profit and performance targets of the company and if left unchecked can be harmful to the company. The SOE industry is a business entity that plays a central role in the economy and development. Therefore, various scandals and crimes that afflict these two sectors of the economy spark worry. Various cases of fraud or fraud occurred in the country throughout 2021-2024. Now our fiscal sector is plagued by scandals. Indications of fraud that occurred in the tax institution body really drained the public's emotions throughout March 2023. Losses incurred by fraud in the financial services sector since 2018-2022 reached Rp 123.51 trillion (OJK, 2024).

Fraud is one of the major challenges faced by organizations, both in the public and private sectors. Acts of fraud are not only financially harmful but can also damage the reputation of the organization, disrupt operations, and reduce stakeholder trust (Association of Certified Fraud Examiners, 2019). In the context of large organizations such as PT PLN (Persero) UP3 Binjai, the risk of fraud is a significant issue given the complexity of operations and the number of transactions carried out. With a large operational scale, the potential for irregularities increases if there is an effective prevention mechanism. PT. PLN (Persero) recorded losses reaching more than Rp 10 trillion per year for activities from electricity theft carried out by the industrial, business, and residential sectors. PLN president director Mr. Darmawan Prasodjo said electricity theft is one of the targets that will be suppressed by PLN in efficiency. The company has a total of 10 million registered customers (www.li-putan6.com).

Then in North Sumatra, the manager of PLN Medan area, Mr. Hariadi Fitrianto, said that every month, about 700,000 kWh are used illegally, nominally if they are paid around Rp1.1 billion. Various modes are carried out by the public to be able to steal listrik among them by outsmarting the kWh meter, so that the electricity consumption recorded in the meter becomes less than the actual



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usage (www.antaranews.com). Then for the surrounding Binjai area, namely the Manager of PT PLN Rayon Binjai Mr. Ariadi Wisnu Sukendar said that the case of electricity theft in this area is quite high. A total of 1.3 million pounds (www.republika.com).

Many cases of theft and fraud in PT. PLN then the internal Audit plays a very important role in preventing fraud. As one of the components of internal control, internal audit serves to ensure that systems and procedures in the organization have been running in accordance with applicable policies and standards. According to the Institute of Internal Auditors (IIA) (IIA, 2024), internal audits can assist organizations in identifying risk of fraud through independent examination, evaluation of existing controls, and the provision of improvement recommendations. However, in practice, the effectiveness of internal audits is often influenced by various factors such as auditor independence, auditor competence, and management support. At PT PLN (Persero) UP3 Binjai, the existence of an internal audit is an important element to ensure that the control system runs well and is able to minimize the potential for fraud. In addition to internal audit, the implementation of the whistleblowing system is also one of the effective fraud prevention mechanisms. Whistleblowing systems provide an opportunity for employees or others to report indications of fraud without fear of a negative impact on them. This system has become an integral part of good corporate governance and has been adopted by many organizations as one of the proactive measures in detecting and preventing fraud. The success of this system largely depends on the guarantee of the confidentiality of whistleblowers, the protection of whistleblowers, and the quick response of the organization to incoming reports. At PT PLN (Persero) UP3 Binjai, the implementation of the whistleblowing system can be a strategic tool to detect potential fraud early and improve organizational accountability.

However, challenges in the implementation of the internal audit and whistleblowing system remain. Some organizations face barriers such as lack of employee understanding of the system, resistance to reporting fraud, and low levels of trust in management in following up on reports. This condition requires PT PLN (Persero) UP3 Binjai to continue to strengthen both mechanisms in order to run effectively. By integrating an internal audit and whistleblowing system, organizations can create a transparent, accountable, and fraud-free work environment. On the other hand, the importance of fraud prevention is also increasingly emphasized in various government regulations and policies. The Transparency International report and data from the Supreme Audit Agency (BPK) show that the level of fraud in the public sector is still a serious concern. In the context of PT PLN (Persero) as a state-owned enterprise (Soe), fraud prevention is a big responsibility to maintain integrity and ensure quality services to the community. Fraud that is not handled properly can have a negative impact on the sustainability of the organization and the image of SOEs in the public eye.

This study was conducted to assess the effect of internal audit and whistleblowing system on fraud prevention at PT PLN (Persero) UP3 Binjai. This study aims to provide a deeper understanding of how these two mechanisms can contribute to minimizing the risk of fraud, as well as provide strategic recommendations to improve the effectiveness of control systems in organizations. Thus, the results of this study are expected to contribute both theoretically and practically in supporting fraud prevention efforts in the SOE sector.

Theoretical Review

Internal Audits

Internal Audit is an independent and objective activity designed to add value and improve the operations of an organization (Rahmi et al., 2024). According to the Institute of Internal Auditors (IIA) (Audit, 2023), internal auditing aims to help organizations achieve their goals through a systematic and disciplined approach in evaluating and improving the effectiveness of risk management, control, and governance. In general, internal audits serve to provide confidence to management that risks have been identified and managed effectively, evaluate internal control systems, and ensure compliance with applicable policies, procedures, and regulations. In addition, internal audit also has a strategic role in providing advice for operational improvements and risk mitigation (Mahmudah & LS, 2017).

The main purpose of internal audit is (Alqudah et al., 2024)(Arifudin et al., 2020): 1) provide confidence to management and the board of directors that risks have been identified and managed

effectively. 2) evaluate and improve the effectiveness of internal controls to ensure financial data integrity, operational efficiency, and compliance with legislation. 3) provide suggestions for improvements that can help the achievement of organizational goals. Internal Audit has a strategic function and role in the organization, among others (Judijanto et al., 2022): 1) assurance function: ensures that the organization's policies, procedures, and activities are in accordance with established standards. 2) consulting function: provide advice to management to improve control and improve operational performance. 3) evaluative role: identify weaknesses in the system and provide recommendations for risk mitigation. The existence of an effective internal audit has various benefits, including: 1) Identifying and mitigating operational, strategic, and financial risks. 2) increase transparency and accountability. 3) supporting the achievement of good corporate governance (Roussy & Perron, 2018).

Internal audits are carried out based on standards established by the Institute of Internal Auditors (IIA) (IIA, 2024), which include attribute standards such as auditor independence, objectivity, and competence, performance standards governing the audit process, as well as implementation standards tailored to the type of activity being audited. In practice, the existence of an effective internal audit provides significant benefits to organizations, including identifying and managing risks, improving transparency and accountability, and supporting the implementation of good corporate governance. As such, internal auditing is a crucial component to ensure the organization is running in accordance with its strategic objectives and still complies with applicable regulations.

Whistleblowing System

Whistleblowing system is a mechanism designed to enable individuals, both from within and outside the organization, to report actions that are considered to violate the law, ethics, or policies of the organization (Sanjaya et al., 2024). This system is an important part of efforts to create good governance and improve organizational accounting (Maulida & Bayunitri, 2021). According to (Miceli & Near, 1992), whistleblowing is defined as the act of disclosure by individuals of violations or irregularities that occur in the work environment to parties who can take corrective action. In this context, the whistleblowing system serves as a secure and confidential communication channel, so that whistleblowers feel protected from threats or retaliation. Theoretically, the concept of whistleblowing is closely related to organizational justice theory and protection theory (Stubben & Welch, 2020). Organizational justice theory emphasizes the importance of distributive, procedural, and interactional justice in creating a work environment that supports reporting (Nurhidayat & Kusumasari, 2018). Meanwhile, protection theory explains the need for legal and organizational protection mechanisms to protect whistleblowers from risks, such as intimidation, discrimination, or dismissal. Whistleblowing is also supported by agency theory, which underlines the importance of monitoring the actions of agents (management) to ensure the interests of the principal (owner or shareholder) are protected (Esther Pittroff, 2013).

Implementation of a whistleblowing system involves a variety of elements, including clear policies, easily accessible reporting procedures, secure communication channels, and the confidentiality of whistleblowers. International standards, such as ISO 37002: 2021 on Whistleblowing Management Systems, provide comprehensive guidance for organizations in designing, implementing, monitoring, and improving whistleblowing systems (Vebrianti et al., 2024). With this system, organizations can detect and handle potential risks or violations early, improve integrity, and strengthen the trust of stakeholders (Hertati & Puspitawati, 2023). Whistleblowing systems also have a positive impact on organizational culture. By creating an environment that supports transparency and the courage to report violations, organizations can build a workforce that is based on ethical and fair values (Warna Bela Natasia et al., 2024). However, the successful implementation of this system depends on the commitment of top management, education for employees, and the existence of effective protection policies for whistleblowers. Thus, the whistleblowing system becomes a strategic tool in realizing a more responsible and integrity organization.

Indicators of the Whistleblowing System (WBS) include several important aspects designed to ensure the effectiveness and success of the reporting system of violations in the organization. Here is a summary of these indicators (Julpandi et al., 2024)(Austin et al., 2020): 1) structural aspects include commitment statement, reporter protection policy, management structure, resources. 2) operational

aspects include legal obligation to report, role of managers, anonymous reporting, reporting mechanism, investigation and follow-up, effectiveness of WBS. 3) compliance aspects include the existence of guidelines, complaint handling work units, Complaint Information Systems. 4) Indicator quality includes the quality of Complaint Management and The Witness and Victim Protection System: the existence of an effective protection mechanism for those who report.

Fraud Prevention

Fraud is an act of cheating or dishonesty committed by an individual or group to obtain personal or organizational benefits to the detriment of another party (Reurink, 2018). According to the Association of Certified Fraud Examiners (ACFE) (ACFE, 2024), fraud includes three main categories, namely corruption, financial statement fraud, and asset misuse. Fraud prevention is an effort made to identify, reduce, or eliminate the opportunity for fraud in the organization (Bolton & Hand, 2002). This prevention requires the implementation of an effective internal control system, the establishment of an ethical culture, and strict supervision. According to the fraud Triangle theory (Fraud Triangle) proposed by (Sutherland et al., 1992) there are three main factors that drive fraud: pressure, opportunity, and rationalization. By reducing one of these elements, the risk of fraud can be minimized. Supporting theories of Fraud prevention (Sutherland et al., 1992) 1) Fraud Triangle Theory: explains that fraud occurs when there is pressure (pressure), opportunity (opportunity), and rationalization (rationalization). Fraud prevention focuses on eliminating opportunities through good internal control. 2) Fraud Diamond Theory: adds a fourth element, which is capability, which indicates that individuals with special abilities are more likely to commit fraud. 3) Agency Theory: highlighting the importance of oversight to reduce the risk of conflict of interest between agents (agents) and principals (owners).

Fraud prevention involves several key strategies, including (Huang et al., 2016), (Schuchter & Levi, 2013): 1) application of Internal control: refers to the COSO framework for preventing and detecting fraudulent actions through effective control. 2) improvement of ethical culture: forming an organizational culture oriented to honesty and integrity. 3) Training and education: Provide training to employees on the recognition and Prevention of fraud. 4) Reporting System: implement whistleblowing system to improve early detection of potential fraud. Fraud Prevention indicators consist of 1) Internal regulation (the existence of clear policies and procedures to prevent fraud, the effects of internal audit activities in overseeing operational activities, segregation of duties). 2) culture of ethics and compliance (level of employee understanding of the organization's code of ethics, management commitment in supporting a culture of lack and)frequency of socialization of integrity values to employees. 3) Training and education (the number of trainings related to fraud prevention held annually, the percentage of employees who have attended fraud prevention training and training materials that cover the types of fraud and how to prevent it). 4) monitoring and detection system (frequency of internal and external audits, effectiveness of whistleblowing system in handling fraud reports, speed of organization in following up fraud reports). 5) information technology and systems (application of technology in identifying suspicious activity, use of software to detect transaction anomalies, frequency of system updates to support fraud prevention). 6) evaluation and Monitoring (frequency of evaluation of anti-fraud policies and procedures, assessment of the effectiveness of internal control systems, the level of incidence of fraud over time).

Methodology

The research method used is a descriptive method with a quantitative approach. This descriptive method involves collecting data to test hypotheses or answer questions about people's opinions on an issue or topic. Quantitative research is research based on the collection and analysis of data in the form of numbers (numerical) to explain, predict, and control the phenomenon of interest (Sugiyono, 2012). Quantitative research emphasizes the analysis of numerical data processed by statistical methods. With quantitative methods will be obtained the significance of the relationship between variables. This study was conducted at PT. PLN UP3 Binjai which is located at Jl. My Name Is Amir Hamzah. 37, here. Kec. North Binjai, Binjai City, the population in this study are employees

of PT. PLN UP3 Binjai totaling 56 employees, sampling techniques using saturated samples means that the entire population in this study used as a sample. In this study, the authors used quantitative data analysis techniques using multiple linear regression method. Multiple linear regression analysis was carried out to determine the direction and extent of the influence of the independent variable on the dependent variable Saleh & Utomo (2018). Ana-lysis is done by processing the data through the program Statistical Package for the Social Scienc-es (SPSS) version 30.0.0. Data analysis methods to be used are descriptive statistical test, classical assumption test, multiple linear regression model and hypothesis test.

Results and Discussions

Results

Validity Test Result

Table 1. Results of Internal Audit Variable Validity Test

Variable	No. Item	<i>r</i> count	<i>r</i> table	Description
Internal Audits (X1)	AI.1	0.896	0.2564	Valid
	AI.2	0.897	0.2564	Valid
	AI.3	0.853	0.2564	Valid
	AI.4	0.812	0.2564	Valid
	AI.5	0.865	0.2564	Valid
	AI.6	0.912	0.2564	Valid
	AI.7	0.883	0.2564	Valid
	AI.8	0.844	0.2564	Valid

Table 2. Results of Whistleblowing System Variable Validity Test

Variable	No. Item	<i>r</i> count	<i>r</i> table	Description
Wishtleblowing System (X2)	WS.1	0.834	0.2564	Valid
	WS.2	0.859	0.2564	Valid
	WS.3	0.892	0.2564	Valid
	WS.4	0.859	0.2564	Valid
	WS.5	0.875	0.2564	Valid
	WS.6	0.929	0.2564	Valid
	WS.7	0.861	0.2564	Valid
	WS.8	0.836	0.2564	Valid

Table 3. Results of Fraud Prevention Variable Validity Test

Variabel	No. Item	<i>r</i> hitung	<i>r</i> tabel	Description
Fraud Prevention (Y)	PF.1	0.835	0.2564	Valid
	PF.2	0.893	0.2564	Valid
	PF.3	0.841	0.2564	Valid
	PF.4	0.793	0.2564	Valid
	PF.5	0.797	0.2564	Valid
	PF.6	0.837	0.2564	Valid
	PF.7	0.835	0.2564	Valid
	PF.8	0.893	0.2564	Valid

From the table above it can be seen that each statement item for variables ($X1$), ($X2$) and (Y) has a value of R count $> R$ table and is positive. This proves that all instruments of independent variables and dependent variables used the results are valid.

Multiple Regression Testing and Hypothesis Testing

Table 4. Results of Regression Analysis and Hypothesis Testing

Model	Coefficients a					Collinearity Statistics	
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Tolerance	VIF
	B	Std. Error	Beta				
1 (Constant)	13.511	1.782		7.583	.000		
Internal Audits ($X1$)	.281	.091	.367	3.098	.003	.368	2.719
Wishtleblowing System ($X2$)	.363	.092	.468	3.944	.000	.368	2.719
a Dependent Variable: Fraud Prevention (Y)							

Multiple linear regression analysis is used to determine the direction of the relationship of Internal Audit and Wishtleblowing System to fraud prevention. Based on the values in the table above, the multiple linear regression equation will be:

$$Y = a + b1X1 + b2X2 + e$$

$$Y = 13,511 + 0,281 X1 + 0,363 X2 + e$$

T-Test Analysis

1. From the results of the T test above can be seen that the calculated t value for internal Audit is 3.098. This means that the value of t count is greater than the value of T table or can be written with the value of t count ($3.098 > t$ table (1.993)). The significance value for the Internal Audit variable is 0.003 where this value is less than the alpha significance level that has been set at 0.05 or can be written with the value of sig ($0.003 < \text{sig value } 0.05$).
2. From the results of the T test above can be seen that the value of t count for the variable Wishtleblowing System is 3.944. This means that the value of t count is greater than the value of T table or can be written with the value of t count ($3.944 > t$ table (1.993)). The significance value for Wishtleblowing system variable is 0.000 where this value is smaller than the alpha significance level that has been set at 0.05 or can be written with sig value ($0.000 < \text{sig value } 0.05$).

F Test

Table 5. F Test Results

ANOVA a						
Model	Sum of Squares	df	Mean Square	F	Sig.	
1 Regression	1523.463	2	761.731	60.594	.000b	
Residual	905.124	57	12.571			
Total	2428.587	54				
a . Dependent Variable: Fraud Prevention (Y)						
b . Predictors: (Constant), Internal Audits ($X1$), Wishtleblowing System ($X2$)						

The calculated F value yields a value of 60,594. For F table value with significance level 0.05 and F table value is 3.12. The result shows the value of F count is greater than the F table or ($60.594 > 3.12$). So it can be concluded that $H3$ is accepted, meaning that the in-dependent variable simultaneously has a significant effect on the dependent variable, and hypothesis 3 is tested.

Determination Coefficient test**Table 6. Results of the Determination Coefficient Test**

Model Summary <i>b</i>					
Model	<i>R</i>	<i>R</i> Square	Adjusted <i>R</i> Square	Std. Error of the Estimate	Durbin-Watson
1	.792a	.627	.617	3.546	2.185
a. Predictors: (Constant), Internal Audits (<i>X1</i>), Wishtleblowing System (<i>X2</i>)					
b. Dependent Variable: Fraud Prevention (<i>Y</i>)					

Based on the analysis in the table above, the coefficient of determination (*R* Square) is 0.627. This means that the contribution of Internal Audit variables (*X1*), Wishtleblowing System to fraud prevention is 62.7%. While the remaining 37.3% are influenced by other variables that are not discussed in this study.

Discussions**The Effect of Internal Audit on Fraud Prevention at PT. PLN (Persero) UP3 Binjai**

Based on the results of the hypothesis test shows that the Internal Audit has a positive and significant effect on Fraud prevention at PT. PLN (Persero) UP3 Binjai) with a value of *t* count (3,098) > *t* table (1,993). The results showed that the internal audit has a positive and significant effect on fraud prevention at PT PLN (Persero) UP3 Binjai. These findings indicate that the better the quality of internal audits implemented by the organization, the more effective the fraud prevention efforts. An effective internal Audit is able to detect potential fraud risks through evaluating the internal control system, ensuring compliance with procedures and policies, and providing improvement recommendations. In the context of PT PLN (Persero) UP3 Binjai, an independent and competent internal audit is able to identify gaps in internal control that can be exploited by individuals who intend to commit fraud. The existence of internal audits also strengthens transparency and accountability in the management of organizational resources, thus creating a conducive work environment for fraud prevention. This result is in line with the Fraud Triangle theory proposed by Cressey, where one of the main elements of fraud is opportunity. Effective internal auditing can reduce the opportunity for individuals to commit fraud by strengthening supervision, increasing control, and closing loopholes that allow fraud to occur.

This study has implications for PT PLN (Persero) UP3 Binjai needs to continue to improve the quality of internal audits by ensuring the independence, competence, and professionalism of internal auditors. Organizations should provide ongoing training for auditors to improve their understanding of fraud risks and prevention methods. Internal auditing should be equipped with technology that supports early detection of potential fraud, such as the use of sophisticated analytical software. Previous research (Aurelia et al., 2022) found that internal audits have a significant effect on reducing fraud risk in public sector organizations, particularly through strengthening internal control systems. (Cendana et al., 2024) studies on manufacturing companies show that the effectiveness of internal audits can improve employee compliance with procedures, thereby reducing fraud rates. (Azzahar et al., 2024), (Safitri et al., 2024) showed a positive relationship between the competence of internal auditors and the successful implementation of fraud prevention in financial institutions.

The Effect of Wishtleblowing system on Fraud prevention at PT. PLN (Persero) UP3 Binjai

Based on the results of the hypothesis test showed that Wishtleblowing system posi-tif and significant effect on Fraud prevention at PT. PLN (Persero) UP3 Binjai) with a value of *t* count (3,944) > *t* table (1,993). The results of this study indicate that the whistleblowing system has a positive and significant effect on fraud prevention at PT PLN (Persero) UP3 Binjai. This indicates that the implementation of an effective whistleblowing system can strengthen the organization's surveillance mechanism by providing space for employees or others to report potential fraud without fear of negative repercussions. Whistleblowing system acts as an early warning system in identifying

fraudulent actions that may not be detected through internal audits or other internal audits. The existence of this system encourages the creation of a culture of transparency, accountability, and openness in the organization. At PT PLN (Persero) UP3 Binjai, the whistleblowing system implemented is able to minimize the risk of fraud by ensuring that incoming reports are followed up seriously by management. This result is in line with the theory of Good Corporate Governance (GCG), which emphasizes the importance of whistleblowing as one of the main pillars in creating a fraud-free organizational environment. Whistleblowing also reduces the element of "chance" in the Fraud Triangle, as individuals who plan to commit fraud will feel watched by the system, reducing their courage to act unethically.

Research implications PT PLN (Persero) UP3 Binjai needs to continue strengthening system whistleblowing by ensuring confidentiality and protection of whistleblowers. Organizations must provide a variety of easily accessible reporting channels, such as hotlines, digital platforms, or complaint boxes, in order for these systems to be optimized. It is important to conduct internal campaigns to increase employee awareness of the importance of whistleblowing in preventing fraud. Previous research (Sugita & Khomsiyah, 2023), (Handayani et al., 2024) found that the implementation of an effective whistleblowing system can improve early detection of fraud in the financial sector. (Rohmah et al., 2023) studies on state-owned enterprises show that the existence of a whistleblowing system reduces fraud rates through increased internal transparency. (Khoerunnisa et al., 2023) showed that the factor of employee confidence in the reporting system affects the success of the whistleblowing system in preventing fraud. (Rahmawati & Tarjo, 2023) in research in the public sector, it was found that the protection of whistleblowers is the key to the successful implementation of the whistleblowing system in reducing the risk of fraud.

The Effect of Internal Audit and Whistleblowing System on Fraud Prevention at PT. PLN (Persero) UP3 Binjai

Simultaneously showed that the internal audit and Whistleblowing system has a positive and significant effect on Fraud prevention at PT. PLN (Persero) UP3 Binjai with a value of F count $60,594 > f$ tabel 3.12). The results showed that the internal audit and whistleblowing system together have a positive and significant effect on fraud prevention at PT. PLN (Persero) UP3 Binjai. This finding confirms that the co-laboration between the two monitoring mechanisms is able to create a more comprehensive fraud prevention system. Internal Audit serves as one of the main lines of defense in detecting and preventing fraud. Through the evaluation process of the internal audit system, the internal audit is able to identify gaps that could potentially be exploited to commit fraud. In the context of PT. PLN (Persero) UP3 Binjai, an effective internal audit gives confidence to management that the policies and procedures of the organization have been carried out correctly. An independent and professional audit process creates a transparent work environment and minimizes the chance of fraud. Whistleblowing system complements the internal audit by providing space for employees or other parties to report potential acts of fraud. This system serves as an early detection of unethical behavior that may not be identified through internal audits. Previous studies (Septiwidya & Machdar, 2024), (Lathifah Nur'aini & Arismutia, 2024), (Putri & Handayani, 2024) showed that internal audit has a positive effect on fraud prevention. An effective internal Audit can reduce the likelihood of fraud by conducting thorough testing from planning to follow-up.

Conclusions

Based on the discussion in this study it can be concluded that : Internal Audit has a positive and significant effect on Fraud prevention at PT. PLN (Persero) UP3 Binjai with a value of t count $(3,944) > t$ table $(1,993)$. Whistleblowing System has a positive and significant effect on Fraud prevention at PT. PLN (Persero) UP3 Binjai with a value of t count $(3,944) > t$ table $(1,993)$. and simultaneously internal Audit and Whistleblowing system has a positive and significant effect on Fraud prevention at PT. PLN (Persero) UP3 Binjai with a value of t count $(3,944) > t$ table $(1,993)$. Research implications PT PLN (Persero) UP3 Binjai needs to continue to strengthen the whistleblowing system by ensuring confidentiality and protection of whistleblowers. Organizations must

provide a variety of easily accessible reporting channels, such as hotlines, digital platforms, or complaint boxes, in order for these systems to be optimized. It is important to conduct internal campaigns to raise employee awareness of the importance of whistleblowing in preventing fraud.

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