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THE EFFECT OF INTERNAL CONTROL SYSTEMS, INTERNAL AUDITS, AND GOOD CORPORATE GOVERNANCE ON FRAUD PREVENTION IN ISLAMIC COMMERCIAL BANKS IN INDONESIA

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Abstract

This study aims to analyze the effect of the Internal Control System, Internal Audit, and Good Corporate Governance on fraud prevention in Sharia Commercial Banks in Indonesia during the 2017–2024 period, with company size included as a control variable. Fraud prevention was measured using an anti-fraud strategy disclosure index based on content analysis of annual reports and Good Corporate Governance reports. This study employed a quantitative approach using an unbalanced panel dataset consisting of 108 bank-year observations from 16 Sharia Commercial Banks. Data were analyzed using the Random Effect Model (REM) with cluster-robust standard errors. The results indicate that the Internal Control System and Good Corporate Governance have a positive and significant effect on fraud prevention, whereas Internal Audit and company size do not have a significant effect. These findings suggest that the implementation of the Internal Control System and Good Corporate Governance plays a more important role in supporting fraud prevention than the existence of the Internal Audit function or differences in company size. The findings are expected to provide practical implications for regulators and the management of Sharia Commercial Banks in strengthening internal control and corporate governance mechanisms to improve the effectiveness of fraud prevention.

Keywords: Internal Control System; Internal Audit; Good Corporate Governance; fraud prevention; Sharia Commercial Bank.

INTRODUCTION

Islamic banking in Indonesia has experienced steady growth in recent years. According to a press release issued by the Financial Services Authority (OJK), the Indonesian Islamic banking industry, comprising Sharia Commercial Banks and Sharia Business Units, recorded total assets of IDR 980.30 trillion at the end of 2024, representing a 9.88% year-on-year (YoY) increase. During the same period, its market share rose from 7.44% in 2023 to 7.72% in 2024 (Financial Services Authority, 2025). These achievements show that the Islamic banking industry continues to grow and has an increasingly important role in the national financial system. On the other hand, the increase in banking activities and operational complexity also increases the potential for fraud, so that an effective supervisory mechanism is needed to maintain the integrity and accountability of bank management.

Nonetheless, the practice internal fraud is still found in a number of Sharia Commercial Banks in Indonesia. Report recapitulation results Good Corporate Governance Sharia Commercial Banks for the 2019–2022 period showed that PT Bank Tabungan Pensiunan Nasional Syariah Tbk recorded the number of cases internal fraud the most cases, namely 65 cases, followed by PT Bank Muamalat Indonesia Tbk with 58 cases (Prayogo & Ifazah, 2024). The findings suggest that the risk of fraud is still a challenge for the Islamic banking industry despite various regulations and anti-sharia strategies fraud has been implemented. In addition to causing financial losses, Fraud It also has the potential to reduce stakeholder trust, damage the company's reputation, and reflect the suboptimal implementation of corporate governance (Altaf, 2025). These conditions indicate that the effectiveness of prevention Fraud It does not only depend on the existence of regulations, but also on the quality of the implementation of supervisory mechanisms within the organization. Therefore, the implementation of internal control systems, internal audits, and Good Corporate Governance that are effective are an important factor in supporting prevention efforts Fraud in Sharia Commercial Banks.

Furthermore, fraud prevention in Sharia Commercial Banks is not only related to the effectiveness of supervision and compliance with banking regulations, but also to the fulfillment of sharia principles in every operational activity. Unlike conventional banking, Sharia Commercial Banks are obliged to carry out business activities based on Sharia principles that prioritize the value of trust, justice, transparency, and responsibility. Therefore, fraud practices not only have the potential to cause financial losses, but can also lead to non-compliance with sharia principles (sharia non-compliance) which ultimately lowers public trust in the Islamic banking industry. Thus, the effectiveness of the supervisory mechanism becomes increasingly important because it not only serves to protect assets and maintain the stability of bank operations, but also ensures that all business activities remain in accordance with sharia principles.

To realize the effectiveness of the supervisory mechanism, Sharia Commercial Banks require the implementation of an internal control system, internal audit, and effective good corporate governance to minimize the risk of fraud. The internal control system functions to minimize the chance of fraud through supervision of the bank's operational activities (Rahayu et al., 2024). Meanwhile, internal audit acts as an independent supervisory function that helps evaluate the effectiveness of control and detect potential irregularities early on (Ashari et al., 2024). On the other hand, the application of the principle Good Corporate Governance encourage the creation of transparent, accountable, responsible, independent, and fair governance so as to strengthen the effectiveness of prevention Fraud (Maulani et al., 2024). The importance of implementing an internal control system, internal audit, and Good Corporate Governance can be explained through Agency Theory which views these three mechanisms as a means to reduce agency conflicts due to information asymmetry. Therefore, this study uses Agency Theory as a foundation in explaining the relationship between internal control systems, internal audits, Good Corporate Governance, and prevention Fraud in Sharia Commercial Banks.

Previous studies have shown that the effectiveness of internal control systems is able to strengthen the supervisory mechanism so that the chances of fraud can be minimized (Fitriyana & Hidayatulloh, 2024; Maulani et al., 2024; Nugroho & Afifi, 2022; Pomanto et al., 2024; Santoso & Rustandi, 2024; Stuart & Stuart, 2024; Wibowo, 2023). Nevertheless, Komalasari & Annisa (2023) obtained different results, namely the internal control system did not have a significant effect on fraud prevention because its effectiveness was influenced by the quality of implementation, individual morality, and human resource competence. Results literature review Salvaa & Abdullah (2024) It also shows that the success of internal control in preventing fraud is highly dependent on the consistency of implementation and effectiveness of organizational supervision.

In addition to the internal control system, internal audit is also seen as a supervisory mechanism that plays a role in increasing the effectiveness of fraud prevention. Several studies have shown that internal audits have a positive effect on fraud prevention because they are able to evaluate the effectiveness of controls, identify weaknesses in the supervisory system, and provide recommendations for improvement to minimize the chances of irregularities (Artawan & Azizudin, 2022; Hajat & Prasetya, 2021; Sukarmanto et al., 2024). The findings indicate that the internal audit function plays a role not only as an audit activity, but also as a mechanism Insurance which helps organizations strengthen their risk control and management systems. However, the effectiveness of internal audits in preventing fraud is still influenced by the independence of auditors, the quality of audit implementation, and management's support for audit recommendations. Therefore, the contribution of internal audit fraud prevention still has the potential to produce different findings in various organizational contexts.

Good Corporate Governance (GCG) is also widely researched as a governance mechanism that can increase the effectiveness of fraud prevention. Several studies show that the application of the principles of transparency, accountability, responsibility, independence, and fairness has a positive effect on fraud prevention because it is able to strengthen the supervisory function and increase organizational accountability (Epist, 2024). These results show that effective GCG implementation can create a governance system that supports risk control and minimizes the chance of deviations. However, other studies have obtained different results. Situngkir (2020) found that the implementation of governance mechanisms has not been able to significantly reduce fraud because its implementation has not been running optimally. Similar findings were also reported by Nyakarimi et al. (2020) which shows that GCG does not have a direct effect on fraud, but rather acts as a moderation variable. Meanwhile, Maisaroh & Nurhidayati (2021) prove that the implementation of GCG is able to reduce the level of fraud in Sharia Commercial Banks, while Angelin & Kristanto (2025) explained that the effectiveness of GCG is highly dependent on the consistency of the application of governance principles and management's commitment in carrying out the supervisory function. These differences in results indicate that the effectiveness of GCG in preventing fraud is not only determined by the existence of governance mechanisms, but also by the quality of its implementation in each organization.

Previous empirical studies investigating the influence of internal control systems, internal audit, and Good Corporate Governance on fraud prevention have produced mixed findings. Some research proves that the three supervisory mechanisms are able to increase the effectiveness of fraud prevention through strengthening supervision, risk control, and corporate governance. However, other studies show that the influence of these three variables is not always significant because they are influenced by the quality of implementation, organizational characteristics, competence of human resources, independence of the supervisory function, and the measurement indicators used. The difference in findings shows that there is still a research gap regarding the factors that affect fraud prevention, especially in the Islamic banking industry. The difference in the results of the study shows that the relationship between the internal control system, internal audit, and Good Corporate Governance to fraud prevention still does not provide consistent empirical conclusions. These inconsistencies indicate that there is still a research gap that requires re-testing, especially in the Islamic banking sector which has different governance and sharia compliance characteristics compared to other sectors.

On the other hand, previous research also still has some limitations. Most of the research was conducted on manufacturing companies, government agencies, and conventional banks, while research that specifically examined the influence of internal control systems, internal audits, and Good Corporate Governanc*e* simultaneously on Sharia Commercial Banks is still relatively limited. In addition, the majority of studies use a survey approach based on respondent perception or measuring fraud based on the number of cases that occur, so there are not many studies that use secondary data in the form of annual reports and Good Corporate Governance reports as a basis for measuring fraud prevention. The use of content analysis-based anti-fraud strategy disclosure index is also rarely applied in research on Islamic banking. In addition, a review of previous research shows that most of the research on internal control systems, internal audits, and Good Corporate Governance is still carried out separately or is more widely applied to manufacturing companies, government agencies, and conventional banks. Research that simultaneously tested the three supervisory mechanisms on fraud prevention in Sharia Commercial Banks in Indonesia is still relatively limited. Therefore, this study integrates these three variables in one research model so that it is expected to provide more comprehensive empirical evidence regarding the effectiveness of supervisory mechanisms in preventing fraud in the Islamic banking industry.

Based on these research gaps and limitations, this study aims to analyze the influence of internal control systems, internal audits, and Good Corporate Governance on fraud prevention in Sharia Commercial Banks in Indonesia for the period 2017–2024 with company size as a control variable. The novelty of this research lies in several aspects. First, this study simultaneously examines the influence of internal control systems, internal audits, and Good Corporate Governance on fraud prevention in Sharia Commercial Banks, while the previous study examined these variables more partially or in conventional banking objects and the non-banking sector. Research on fraud prevention in the banking sector has been conducted in various countries, but most of it still focuses on the effectiveness of each separate supervisory mechanism, such as internal control, internal audit, or corporate governance. Research that integrates these three mechanisms simultaneously in Sharia Commercial Banks, especially using content analysis-based measurement on the disclosure of anti-fraud strategies, is still very limited. Second, this study uses an anti-fraud strategy disclosure index based on content analysis on annual reports and Good Corporate Governanc*e* reports as a proxy for fraud prevention, so that it is able to provide a more objective measure than the respondent perception approach or the number of fraud cases. Third, this study utilizes unbalanced panel data during the period 2017–2024 which allows analysis of the dynamics of the implementation of the supervisory mechanism over a longer period of time in all Sharia Commercial Banks in Indonesia. Thus, this research is expected to enrich empirical evidence on the factors that affect fraud prevention in Islamic banking and provide input for regulators and bank management in strengthening the company's control and governance system. This research is also expected to enrich the literature on fraud prevention in Islamic banking through a disclosure-based measurement approach (disclosure index) which is still relatively rarely used compared to the survey approach and the number of fraud cases.

LITERATURE REVIEW

Agency Theory

Agency Theory was introduced by (Jensen and Meckling, 1976) which explains the contractual relationship between the principal as the owner of the company and the agent as the party authorized to manage the company. In such a relationship, the principal delegates some of his authority to the agent to carry out operational activities and make decisions on behalf of the company. However, this relationship has the potential to cause a conflict of interest due to information asymmetry, which is a condition when management has more information than the company owner, thus opening up opportunities for opportunistic behavior, including fraudulent acts. The relevance of agency theory in explaining corporate fraudulent behavior is also supported by the findings Rostami & Rezaei (2022) which shows that the greater the gap in interests between management and shareholders, the higher the tendency of companies to manipulate financial reporting, so that strengthening governance mechanisms is an important instrument to suppress this potential. In the context of Sharia Commercial Banks, the principal consists not only of shareholders, but also customers, regulators, and other stakeholders who entrust the management of funds to management as agents. Therefore, a supervisory mechanism is needed that is able to reduce agency conflicts through the implementation of an internal control system, internal audit, and Good Corporate Governance So that the risk of fraud can be minimized. Thus, agency theory becomes a theoretical foundation that explains the importance of implementing internal control systems, internal audits, and Good Corporate Governance as a supervisory mechanism to reduce agency conflicts and minimize the risk of fraud in Sharia Commercial Banks. In the context of Sharia Commercial Banks, the agency relationship is not only oriented to the economic interests between the principal and the agent, but also reflects the responsibility to maintain the trust of the funds entrusted by the community. Therefore, the supervisory mechanism in Sharia Commercial Banks is not only directed to reduce agency conflicts, but also to ensure compliance with sharia principles. Thus, the effectiveness of internal control systems, internal audits, and good corporate governance is increasingly important because they play a role in maintaining operational integrity, increasing stakeholder trust, and ensuring that all bank activities remain in accordance with sharia principles.

Fraud Prevention

Fraud is an intentional act committed to obtain personal or organizational benefits through abuse of authority, deception, manipulation, or other dishonest practices that cause losses to other parties (Association of Certified Fraud Examiners, 2024). In the banking sector, fraud may take the form of asset misappropriation, corruption, or financial statement manipulation committed by both internal and external parties. The systematic literature review conducted by Mangala & Soni (2022) emphasized that the banking industry is one of the sectors most vulnerable to various forms of fraud worldwide. Therefore, fraud prevention remains an important concern in accounting and corporate governance research. In the Islamic banking industry, fraud prevention plays an essential role in maintaining public trust and ensuring the stability of the financial system. The Financial Services Authority through POJK Number 39/POJK.03/2019 requires every bank to implement an anti-fraud strategy consisting of prevention, detection, investigation, reporting and sanctions, as well as monitoring, evaluation, and follow-up. In line with this regulation. In line with this, the research Nyakarimi et al. (2020) found that the effectiveness of fraud prevention depends largely on the consistent implementation of integrated control mechanisms. In this study, fraud prevention was measured using an anti-fraud strategy disclosure index developed based on POJK Number 39/POJK.03/2019. The anti-fraud strategy was operationalized into 15 disclosure indicators covering four dimensions: prevention, detection, investigation, reporting and sanctions, and monitoring, evaluation, and follow-up. These indicators were assessed through content analysis of the annual reports and Good Corporate Governance reports of Sharia Commercial Banks. In Sharia Commercial Banks, the implementation of anti-fraud strategies is intended not only to prevent financial losses but also to ensure compliance with Sharia principles. Fraudulent practices may increase the risk of Sharia non-compliance, which can reduce public trust in Islamic financial institutions. Therefore, the disclosure of anti-fraud strategies reflects the commitment of Sharia Commercial Banks to maintaining sound corporate governance while ensuring compliance with Sharia principles.

An internal control system is a process designed to provide sufficient confidence that an organization's goals can be achieved through operational effectiveness, reporting reliability, regulatory compliance, and protection of the company's assets (Committee of Sponsoring Organizations of the Treadway Commission, 2013). The COSO framework explains that the internal control system consists of five main components, namely the control environment, risk assessment, control activities, information and communication, and monitoring activities. Research Roemkenya et al. (2021) Proving that internal control has a positive effect on fraud prevention through strengthening organizational supervision mechanisms. In this study, the internal control system was measured using a disclosure index developed based on the five components of the COSO Internal Control–Integrated Framework (2013). These five components were operationalized into 17 disclosure indicators and assessed through content analysis of the annual reports of Sharia Commercial Banks. In Sharia Commercial Banks, the implementation of an internal control system is not only aimed at maintaining operational effectiveness and reliability of financial reporting, but also ensures that the entire process of raising funds, distributing financing, and other operational activities is carried out in accordance with sharia principles. Thus, internal control plays a role in minimizing operational risks as well as the risk of non-compliance with sharia regulations.

Audit Internal

According to The Institute of Internal Auditors (2017), internal audit is an independent and objective assurance and consulting activity to provide added value and improve the effectiveness of the organization's governance, risk management, and internal control system. The effectiveness of the internal audit function is also influenced by a number of operational factors, as revealed Haryanto & Ardillah (2021) which identifies that auditor competence, independence, and top management support are the main determinants of the success of internal audit in overseeing organizational governance, including in efforts to detect and prevent irregularities. In Sharia Commercial Banks, internal audits have an important role in evaluating the effectiveness of controls, ensuring compliance with sharia regulations and principles, and providing recommendations for improvement of control weaknesses. In this study, internal audit was measured using a disclosure index developed based on the International Professional Practices Framework (IPPF). The IPPF principles were operationalized into 14 disclosure indicators covering independence and objectivity, audit scope, audit implementation, reporting and follow-up, and competencies and development. The indicators were assessed through content analysis of the annual reports of Sharia Commercial Banks. In Sharia Commercial Banks, internal audit also plays a role in supporting supervision of sharia compliance through coordination with the Sharia Supervisory Board. The synergy aims to ensure that all operational activities of the bank not only meet governance and internal control standards, but also in accordance with sharia principles

Good Corporate Governance

Good Corporate Governance (GCG) is a system that regulates the relationship between shareholders, management, board of commissioners, and other stakeholders to create a company that is transparent, accountable, responsible, independent, and fair (National Committee on Governance Policy, 2021). In the Islamic banking industry, the implementation of GCG also includes compliance with sharia principles through the role of the Sharia Supervisory Board. Research Fitriyana & Hidayatulloh (2024) It shows that the integration of corporate governance with sharia governance is able to strengthen the effectiveness of supervision while reducing the chance of fraud, because this dual mechanism expands the scope of supervision both from the business aspect and the sharia compliance aspect. In this study, Good Corporate Governance was measured using a disclosure index developed based on SEOJK Number 13/SEOJK.03/2017 concerning the implementation of governance for Sharia Commercial Banks. The regulation consists of eleven governance assessment factors, which were operationalized into 26 disclosure indicators and assessed through content analysis of the annual reports and Good Corporate Governance reports. The concept is known as Islamic Corporate Governance, which is corporate governance that integrates the principles of Good Corporate Governance with compliance with sharia. Through the role of the Sharia Supervisory Board, every policy, product, and operational activity of the bank is supervised to remain in accordance with sharia fatwas and regulations. Therefore, the effectiveness of governance in Sharia Commercial Banks is not only measured by the success of achieving business goals, but also by its ability to maintain sharia compliance and increase public trust in Islamic financial institutions.

The Influence of Internal Control Systems on Fraud Prevention

Agency Theory explains that conflicts of interest between principals and agents may increase the risk of fraud due to information asymmetry. One mechanism to reduce these risks is the implementation of an effective internal control system. According to the framework Committee of Sponsoring Organizations of the Treadway Commission (2013), an internal control system consists of five interrelated components, namely the control environment, risk assessment, control activities, information and communication, and monitoring activities. The effective implementation of these components strengthens organizational oversight, improves the reliability of operational and financial reporting processes, and reduces opportunities for fraudulent behavior. In this study, the Internal Control System is measured using a disclosure index based on these five COSO components through content analysis of the annual reports and Good Corporate Governance reports of Sharia Commercial Banks. Several previous studies have found that an effective internal control system positively influences fraud prevention (Artawan & Azizudin, 2022; Kurniawan et al., 2024; Wibowo, 2023). The findings were reinforced Roemkenya et al. (2021) who concluded that effective internal control consistently reduces the likelihood of fraud in banking institutions. Therefore, stronger implementation of the internal control system is expected to enhance fraud prevention in Sharia Commercial Banks. Based on these descriptions, the hypotheses proposed are:

H1: The internal control system has a positive effect on fraud prevention in Sharia Commercial Banks in Indonesia.

The Effect of Internal Audit on Fraud Prevention

According to Agency Theory, internal audit serves as an independent monitoring mechanism that helps reduce agency conflicts arising from information asymmetry between principals and agents. An effective internal audit function enhances organizational oversight by evaluating internal controls, risk management, and governance processes while providing recommendations to improve organizational performance (The Institute of Internal Auditors, 2017). In this study, the internal audit function is reflected through the dimensions of independence and objectivity, audit scope, audit implementation, reporting and follow-up, as well as competencies and development. These dimensions enable internal auditors to detect control weaknesses, ensure that audit findings are properly communicated and followed up, and continuously improve audit quality through professional competence. Consequently, a more effective internal audit function is expected to reduce opportunities for fraud and strengthen fraud prevention mechanisms within the organization. Research Artawan & Azizudin (2022), Maulani et al. (2024), and Stuart (2023) It shows that internal audits have a positive effect on fraud prevention because they increase the effectiveness of organizational supervision. These results are consistent with the findings Roemkenya et al. (2021) which proves that internal audits contribute significantly to fraud prevention. Based on this description, the hypothesis proposed is:

H2: Internal audit has a positive effect on fraud prevention in Sharia Commercial Banks in Indonesia.

The Influence *of Good Corporate Governance* on Fraud Prevention

According to Agency Theory, Good Corporate Governance (GCG) functions as a monitoring mechanism that reduces agency conflicts arising from information asymmetry between principals and agents. Effective corporate governance enhances transparency, accountability, responsibility, independence, and fairness, thereby reducing opportunities for opportunistic behavior and fraud. In Sharia Commercial Banks, the implementation of Good Corporate Governance not only aims to strengthen organizational oversight but also ensures compliance with sharia principles through the supervision of the Sharia Supervisory Board. In this study, Good Corporate Governance is reflected through eleven governance factors based on SEOJK Number 13/SEOJK.03/2017, including the implementation of the duties and responsibilities of the Board of Commissioners, Board of Directors, committees, conflict of interest handling, compliance function, internal audit function, external audit function, risk management and internal control systems, provision of funds to related parties and large debtors, transparency of financial and non-financial conditions, and the bank's strategic plan. The effective implementation of these governance mechanisms is expected to strengthen organizational oversight, improve accountability and regulatory compliance, minimize agency conflicts, and ultimately reduce opportunities for fraud. Previous studies have demonstrated that Good Corporate Governance has a positive effect on fraud prevention because effective governance strengthens monitoring mechanisms and enhances organizational accountability Angelin & Kristanto (2025), Destiana (2024), and Maisaroh & Nurhidayati (2021). These findings indicate that stronger governance implementation reduces the likelihood of fraudulent practices and supports the effectiveness of fraud prevention in Sharia Commercial Banks. Based on this description, the hypothesis proposed is:

H3: Good Corporate Governance has a positive effect on fraud prevention in Sharia Commercial Banks in Indonesia.

METHOD

This study employs a quantitative approach using secondary data obtained from the annual reports and Good Corporate Governance reports of Sharia Commercial Banks in Indonesia during the 2017–2024 observation period. The quantitative approach was selected because the study aims to examine the effect of the Internal Control System, Internal Audit, and Good Corporate Governance on fraud prevention using panel data regression analysis. The population consists of all Sharia Commercial Banks registered with the Financial Services Authority (OJK) during the observation period. Sample selection was conducted using a population-based selection approach with exclusion criteria, in which all population members were initially considered and observations that did not meet the data availability criteria were excluded. The final sample consisted of an unbalanced panel dataset comprising 16 Sharia Commercial Banks with a total of 108 bank-year observations. Details of the sample selection process are presented in Table 1.

Table 1. Sample Criteria

No	Criteria	Total
1	Sharia Commercial Banks that are the research population during the 2017–2024 period	128
2	Observations of Bank BRI Syariah, Bank Syariah Mandiri, and Bank BNI Syariah for 2021–2024 were excluded due to their merger into Bank Syariah Indonesia (BSI)	(12)
3	Bank Aladin Syariah observations for 2017–2019 were excluded because the bank had not yet operated as an Islamic Commercial Bank	(3)
4	Bank Syariah Indonesia observations for 2017–2020 were unavailable because the bank commenced operations in 2021 following the merger	(4)
5	Bank NTB Syariah observation for 2017 was excluded because the bank was still undergoing conversion into an Islamic Commercial Bank	(1)

Total Sample	**108**

Source: Author Data, 2026

All research variables were measured using the content analysis against annual reports and reports Good Corporate Governance Sharia Commercial Bank. Measurements are carried out using the disclosure index, that is, by giving a score of 1 if an indicator is disclosed and a score of 0 if it is not disclosed. The index value is obtained from the comparison between the number of items disclosed and the number of all items in each variable. The higher the index value indicates the more complete the level of disclosure carried out by Sharia Commercial Banks. The operationalization of each variable and the basis for its measurement is presented in Table 2.

Table 2. Variable Operations

Variabel	Measurement	References
Fraud Prevention	Anti Fraud Strategy Disclosure Index = (Number of items disclosed / Total items) × 100%	Joseph et al. (2021); Nobanee et al. (2021); POJK No. 39/POJK.03/2019
Internal Control System (SPI)	SPI Index = (Number of SPI items disclosed / Total SPI items) × 100%	Boyle et al. (2004); Fourie and Ackerman (2013); Sumarna & Novitasari (2022); COSO (2013)
Audit Internal (AI)	Internal Audit Index = (Number of internal audit items disclosed / Total internal audit items) × 100%	Joseph et al. (2021); Nobanee et al. (2021); Mukhibad et al. (2022); IIA (2017)
Good Corporate Governance (GCG)	GCG Index = (Number of GCG items disclosed / Total GCG items) × 100%	Abdullah et al. (2015); Mukhibad et al. (2022); Dewanti & Birton (2024); SEOJK No. 13/SEOJK.03/2017
Company Size (SIZE)	Ln(Total Assets)	Hormati & Syahdan (2022)

Source: Author Data, 2026

To obtain the value of each variable, each disclosure index is compiled based on a number of dimensions and indicators that refer to relevant regulations and previous research. These indicators are the basis for the preparation of content analysis instruments used to evaluate the level of disclosure of each Sharia Commercial Bank. Details of the dimensions, indicators, and number of disclosure items in each variable are presented in Table 3.

Table 3. Research Variable Measurement Indicators

Variabel	Dimensions/Indicators	Number of Items
Fraud Prevention	Prevention	5
	Detection	4
	Investigation, Reporting, and Sanctions	3
	Monitoring, Evaluation, and Follow-up	3
	Total	15
Internal Control System	Control Environment	4
	Risk Assessment	3
	Control Activities	4
	Information and Communication	3
	Monitoring	3
	Total	17

Audit Internal	Independence and Objectivity	3
	Audit Scope	3
	Audit Implementation	3
	Reporting and Follow-up	3
	Competencies and Development	2
	Total	14
Good Corporate Governance	Implementation of the duties and responsibilities of the Board of Commissioners	3
	Implementation of the duties and responsibilities of the Board of Directors	3
	Completeness and implementation of committee tasks	3
	Conflict of interest handling	2
	Implementation of compliance functions	2
	Implementation of internal audit functions	2
	Implementation of external audit functions	2
	Implementation of risk management and internal control systems	2
	Provision of funds to related parties and large debtors	2
	Transparency of financial and non-financial conditions	3
	The bank's strategic plan	2
	Total	26
Company Size	Total assets (Ln Total assets)	–

Source: Compiled based on POJK No.39/2019, COSO (2013), IIA (2017), and SEOJK No.13/SEOJK.03/2017.

To facilitate the interpretation of descriptive statistical results, the disclosure index values in this study are grouped into four categories of disclosure rates based on the percentage range of index values as presented in Table 4.

Table 4. Variable Disclosure Rate Criteria

Index Percentage	Disclosure Completeness Level
0%–25%	Very Low
>25%–50%	Low
>50%–75%	High
>75%–100%	Very High

Source: Alfonso, 2022

After all research variables were measured and the disclosure index values were obtained, the data were analyzed to test the research hypotheses using Stata 17 software. The analysis began with descriptive statistical analysis to describe the characteristics of each variable based on the minimum, maximum, mean, and standard deviation values. Subsequently, panel data regression analysis was employed to examine the effect of the Internal Control System, Internal Audit, and Good Corporate Governance on fraud prevention, with company size included as a control variable. The appropriate panel data regression model was determined through the Chow Test, Hausman Test, and Lagrange Multiplier Test. After selecting the most suitable model, the classical assumption tests were conducted, including the heteroscedasticity test and the autocorrelation test. When the results indicated the presence of heteroscedasticity and autocorrelation, the final estimation was performed using the Random Effect Model (REM) with cluster-robust standard errors to obtain robust coefficient estimates and standard errors that remain reliable in the presence of heteroscedasticity and within-panel correlation. Hypothesis testing was conducted using significance levels of 1%, 5%, and 10%.

RESULTS AND DISCUSSION

Descriptive statistical analysis was carried out to provide an overview of the characteristics of each research variable based on minimum, maximum, mean, and standard deviation values. The results of descriptive statistics are presented in Table 5.

Table 5. Descriptive Statistics

Variabel	obs	Mean	Std.Dev.	Min	Max
Fraud Prevention (Y)	108	0.8365	0.1333	0.40	1.00
Internal Control System (X1)	108	0.7751	0.1168	0.47	1.00
Audit Internal (X2)	108	0.8089	0.1019	0.57	1.00
Good Corporate Governance (X3)	108	0.8992	0.0699	0.69	1.00
Company Size (SIZE)	108	28.1114	4.3725	16.03	32.91

Source: Author Data, 2026

The Internal Control System (X1) variable has a mean value of 0.7751 (77.51%), with a minimum value of 0.4706, a maximum value of 1.0000, and a standard deviation of 0.1168. Based on the disclosure level criteria presented in Table 4, the average score falls into the very high disclosure category, indicating that, in general, Sharia Commercial Banks have disclosed most Internal Control System indicators in their annual reports and Good Corporate Governance reports. The average disclosure level of 77.51% was obtained from the assessment of 17 Internal Control System indicators using the content analysis method. A further examination of the disclosure checklist shows that the integrity and ethical values indicator and the organizational structure indicator achieved the highest disclosure rate, with each being disclosed by 100% of the observations. This finding indicates that all Sharia Commercial Banks consistently emphasize the establishment of a sound control environment as the foundation of their internal control system. In contrast, the physical control over assets indicator recorded the lowest disclosure rate, at approximately 21.3% of the observations. This finding suggests that information related to physical safeguards over assets is not consistently disclosed across Sharia Commercial Banks. Consequently, although the overall Internal Control System disclosure level is relatively high, differences remain in the disclosure of several operational control indicators, particularly those related to physical asset protection.

The Internal Audit (X2) variable has a mean value of 0.8089 (80.89%), with a minimum value of 0.5714, a maximum value of 1.0000, and a standard deviation of 0.1019. Based on the disclosure level criteria presented in Table 4, the average score falls into the very high disclosure category, indicating that, in general, Sharia Commercial Banks have disclosed most Internal Audit indicators in their annual reports and Good Corporate Governance reports. The average disclosure level of 80.89% was obtained from the assessment of 14 Internal Audit indicators using the content analysis method. Among these indicators, the existence of an internal audit unit, the follow-up of audit findings, and auditor qualifications were the most consistently disclosed, each achieving a disclosure rate of 100%. This indicates that almost all Sharia Commercial Banks have established and maintained an internal audit function as an integral part of their corporate governance system. In contrast, the operational audit scope indicator recorded the lowest disclosure rate, at approximately 29.6%, indicating that information regarding the scope of operational audit activities was not consistently disclosed across the sampled banks. The relatively low disclosure of this indicator reduced the overall disclosure index, although the average level of Internal Audit disclosure remained in the very high category. These findings suggest that while most Internal Audit components have been widely disclosed, variations in disclosure practices still exist, particularly regarding the disclosure of operational audit activities.

The Good Corporate Governance (X3) variable has a mean value of 0.8992 (89.92%), with a minimum value of 0.6923, a maximum value of 1.0000, and a standard deviation of 0.0699. Based on the disclosure level criteria presented in Table 4, the average score falls into the very high disclosure category, indicating that, in general, Sharia Commercial Banks have disclosed most Good Corporate Governance indicators in their annual reports and Good Corporate Governance reports. The average disclosure level of 89.92% was obtained from the assessment of 26 Good Corporate Governance indicators using the content analysis method. Among these indicators, the implementation of the duties and responsibilities of the Board of Commissioners, the Board of Directors, and the internal audit function were the most consistently disclosed, each achieving a disclosure rate of 100%. This indicates that Sharia Commercial Banks have generally complied with the governance requirements established by the Financial Services Authority (OJK). In contrast, the provision of funds to related parties and large debtors indicator recorded the lowest disclosure rate, at approximately 23.1%, indicating that information regarding related-party financing policies and large debtor exposures was not consistently disclosed across the sampled banks. The relatively low disclosure of this indicator reduced the overall disclosure index, although the average level of Good Corporate Governance disclosure remained in the very high category. These findings suggest that while most Good Corporate Governance components have been widely disclosed, variations in disclosure practices still exist, particularly regarding the disclosure of transactions involving related parties and large debtors. Overall, the disclosure level of Good Corporate Governance was higher and more consistent than that of the other independent variables.

Meanwhile, the company size variable has an average value of 28.1114, with a minimum value of 16.03, a maximum value of 32.91, and a standard deviation of 4.3725. This value shows that there is a variation in the size of assets between Sharia Commercial Banks during the research period. The fairly wide range of values indicates that the research sample consists of banks with diverse asset scales, ranging from banks with relatively small sizes to banks with much larger sizes.

After the descriptive statistical analysis, the appropriate panel data regression model was selected using the Chow Test, Hausman Test, and Lagrange Multiplier Test. The results of the model selection are presented in Table 6.

Table 6. Panel Data Regression Model Selection

Stages of Testing	Hypothesis Tested	Statistical Value	Probability	Result
Chow Test	CEM vs FEM	F =7.57	0,0000	FEM
Hausman Test	FEM vs REM	$\chi^2 = 6.17$	0.1865	REM
Lagrange Multiplier Test	CEM vs REM	chibar² = 81,43	0,0000	REM

Source: Author Data, 2026

Based on the results of the Chow Test presented in Table 6, an F-statistic of 7.57 with a probability value of 0.0000 was obtained. Since the probability value is lower than the 5% significance level (0.0000 < 0.05), the Common Effect Model (CEM) is rejected in favor of the Fixed Effect Model (FEM). Furthermore, the Hausman Test produced a Chi-Square value of 6.17 with a probability value of 0.1865. Since the probability value is greater than the 5% significance level (0.1865 > 0.05), the Random Effect Model (REM) is preferred over the Fixed Effect Model (FEM). This result is supported by the Lagrange Multiplier Test, which yielded a chibar² value of 81.43 with a probability value of 0.0000, indicating that the Random Effect Model (REM) is more appropriate than the Common Effect Model (CEM).Therefore, based on the combined results of the Hausman Test and the Lagrange Multiplier Test, the Random Effect Model (REM) was selected as the final panel data regression model to examine the influence of the internal control system, internal audit, and Good Corporate Governance on fraud prevention in Sharia Commercial Banks in Indonesia. The use of the REM indicates that differences across Sharia Commercial Banks are better represented as random effects rather than fixed individual effects.

After the appropriate panel data regression model had been determined, the next stage was to examine the model assumptions. These tests aimed to identify whether the regression model suffered from heteroscedasticity and serial correlation, which could affect the reliability of the estimated standard errors. In this study, heteroscedasticity was examined using the Breusch–Pagan/Cook–Weisberg test, while serial correlation was tested using the Wooldridge test. The results are presented in Table 7.

Table 7. Heteroscedasticity Test and Serial Correlation Test

Testing	Statistical Value	Probability	Result
Breusch–Pagan/Cook Weisberg Test	x² = 10.12	0,0015	Heteroscedasticity occurs
Wooldridge Test	F = 79.519	0,0000	Serial correlation occurs

Source: Author Data, 2026

Based on the results of the Breusch–Pagan/Cook–Weisberg Test, a Chi-Square value of 10.12 was obtained with a probability value of 0.0015. Since the probability value is smaller than the 5% significance level (0.0015 < 0.05), it can be concluded that the research model suffers from heteroscedasticity. This condition indicates that the variance of the residuals is not constant across observations, which may reduce the efficiency of conventional standard errors. Furthermore, the Wooldridge Test produced an F-statistic of 79.519 with a probability value of 0.0000. Since the probability value is also smaller than the 5% significance level (0.0000 < 0.05), it can be concluded that the research model suffers from serial correlation, indicating that the residuals are correlated across time within the same panel.

The presence of heteroscedasticity and serial correlation indicates that conventional standard errors may produce unreliable statistical inference. Therefore, the Random Effect Model (REM) was retained as the final panel data regression model, while coefficient estimation and hypothesis testing were conducted using cluster-robust standard errors. This approach provides robust standard errors that remain valid in the presence of heteroscedasticity and within-panel serial correlation, thereby improving the reliability of statistical inference. After the appropriate panel data regression model was selected and the assumption tests confirmed the presence of heteroscedasticity and serial correlation, the next stage was hypothesis testing. The hypotheses were tested using the Random Effect Model (REM) with cluster-robust standard errors. The regression estimation results are presented in Table 8.

Table 8. Hypothesis Testing Results

Hipotesis	Path	Coefficient	z-Value	p-Value	Results
H1	SPI → PF	0.3699	5.45	0.000***	Accepted
H2	AI → PF	-0.0189	-0.16	0.877	Rejected
H3	GCG → PF	0.6406	2.09	0.036**	Accepted
Control	SIZE → PF	0.4776	0.53	0.595	Rejected
Overall R²		0.2241			

Wald Chi²	44.12
Prob > Chi²	0.0000
*10% Sign	
**5% Sign	
***1% Sign	
*10% Sign	

Source: Author Data, 2026

Based on the estimation results presented in Table 8, the Wald Chi² statistic is 44.12 with a Prob > Chi² value of 0.0000. Since the probability value is smaller than the 5% significance level (0.0000 < 0.05), the regression model is statistically significant. This result indicates that the internal control system, internal audit, Good Corporate Governance, and company size jointly explain fraud prevention in Sharia Commercial Banks in Indonesia. Furthermore, the Overall R^2 value of 0.2241 indicates that 22.41% of the variation in fraud prevention is explained by the internal control system, internal audit, Good Corporate Governance, and company size, while the remaining 77.59% is attributable to other factors outside the research model. Individually, the Internal Control System has a coefficient of 0.3699 with a probability value of 0.000, demonstrating a positive and significant effect on fraud prevention. In contrast, Internal Audit has a coefficient of −0.0189 with a probability value of 0.877, indicating that its effect on fraud prevention is not statistically significant. Good Corporate Governance has a coefficient of 0.6406 with a probability value of 0.036, demonstrating a positive and significant effect on fraud prevention. Meanwhile, company size, included as the control variable, has a coefficient of 0.4776 with a probability value of 0.595, indicating that it does not have a statistically significant effect on fraud prevention.

DISCUSSION

The Influence of Internal Control Systems on Fraud Prevention

The results of Hypothesis 1 (H1) testing indicate that the Internal Control System has a positive and significant effect on fraud prevention in Sharia Commercial Banks in Indonesia. This is evidenced by the coefficient value of 0.3699 and the probability value of 0.000, which is lower than the 5% significance level (0.000 < 0.05). Therefore, Hypothesis 1 (H1) is accepted.These findings are further supported by the descriptive statistics, which show that the Internal Control System has an average disclosure level of 77.51%, categorized as very high. This indicates that most Sharia Commercial Banks have disclosed the majority of internal control indicators in their annual reports and corporate governance reports. The high level of disclosure reflects the banks' commitment to strengthening supervision mechanisms, managing risks effectively, and complying with regulatory requirements.

The findings indicate that the Internal Control System in Sharia Commercial Banks functions not only as a control mechanism to reduce fraud risk but also as an instrument to ensure that all operational activities are conducted in accordance with Sharia principles. Based on Law No. 21 of 2008 concerning Islamic Banking, Sharia Commercial Banks are required to conduct their business activities based on Sharia principles. Therefore, an effective internal control system plays an important role in ensuring that fundraising activities, financing distribution, and contract implementation comply not only with operational procedures but also with Islamic values.

From the perspective of Islamic economics, internal control implementation is closely associated with the principle of trustworthiness and the objectives of Maqashid Sharia, particularly hifz al-mal (the protection of wealth). Funds entrusted by customers represent an amanah that must be managed responsibly and protected from misuse and fraudulent activities. Therefore, strengthening internal control systems contributes not only to improving fraud prevention effectiveness but also to maintaining public trust in Islamic banking institutions.

These findings are also consistent with Agency Theory put forward by Jensen & Meckling (1976), which explains that the relationship between principals and agents may create conflicts of interest due to information asymmetry. In the context of Sharia Commercial Banks, principals do not only include shareholders but also customers, regulators, and other stakeholders who entrust the management of funds to bank management as agents. Therefore, the internal control system serves as an important mechanism to minimize opportunities for misconduct by strengthening supervision, reducing opportunistic behavior, and ensuring that banking activities remain aligned with Sharia principles. Furthermore, the findings demonstrate that the effectiveness of the internal control system is not merely determined by the existence of control procedures but also by the consistent implementation of the five COSO components, namely the control environment, risk assessment, control activities, information and communication, and monitoring activities. The more effectively these components are implemented, the lower the possibility of fraud occurrence and Sharia non-compliance risks. Thus, an effective internal control system contributes to strengthening operational integrity and maintaining public confidence in Sharia Commercial Banks.

This finding is supported by Fakhruddin et al. (2025), who emphasize that internal fraud prevention in Islamic Commercial Banks depends not only on corporate governance mechanisms but also on the effectiveness of internal control systems embedded within banking operations. Furthermore, this result is consistent with previous studies conducted by Ilham & Hafidh Ali (2023), Stuart (2023), Artawan & Azizudin (2022), Kurniawan et al. (2024), Pomanto et al. (2024), Fitriyana & Hidayatulloh (2024) which found that internal control systems have a positive effect on fraud prevention. The consistency of these findings indicates that internal control systems serve as an essential mechanism for strengthening supervision, improving compliance with procedures, and reducing opportunities for fraudulent practices within the banking sector.

The Effect of Internal Audit on Fraud Prevention

The results of Hypothesis 2 (H2) testing indicate that Internal Audit has no significant effect on fraud prevention in Sharia Commercial Banks in Indonesia. This is evidenced by the coefficient value of −0.0189 and the probability value of 0.877, which is higher than the 5% significance level (0.877 > 0.05). Therefore, Hypothesis 2 (H2) is rejected. These findings are supported by the descriptive statistics, which show that the Internal Audit variable has an average disclosure level of 80.89%, categorized as very high. This indicates that most Sharia Commercial Banks have disclosed the existence and activities of their internal audit functions in annual reports and corporate governance reports. However, the high level of disclosure has not significantly contributed to improving fraud prevention effectiveness. In other words, the formal existence of an internal audit function is insufficient to reduce fraud risk without being supported by effective audit implementation.

From the perspective of Islamic economics, internal audit functions not only as a mechanism for evaluating operational compliance but also as a supervisory instrument to ensure that banking activities are conducted in accordance with Sharia principles. Internal audit plays an important role in maintaining the values of trustworthiness, transparency, and accountability in managing public funds. However, the findings indicate that the existence of an internal audit function alone does not directly improve fraud prevention unless it is supported by auditor independence, competent human resources, high audit quality, and effective follow-up of audit findings. Although Internal Audit does not have a significant effect on fraud prevention, it remains an important function within Sharia Commercial Banks. Internal audit not only evaluates the effectiveness of internal control systems but also supports governance practices that are aligned with Sharia principles. In practice, internal auditors work alongside the Sharia Supervisory Board (DPS) to ensure that banking operations comply not only with regulatory requirements but also with the fatwas issued by the National Sharia Council of the Indonesian Ulema Council (DSN-MUI).

Theoretically, these findings are not fully consistent with Agency Theory which explains that monitoring mechanisms such as internal audit can reduce conflicts of interest between principals and agents caused by information asymmetry. In this study, internal audit measured based on the standards of The Institute of Internal Auditors (2017) has not demonstrated a significant influence on fraud prevention. This suggests that internal audit effectiveness is not merely determined by the existence of an audit function within the organizational structure, but also by the quality of audit implementation, auditor independence, auditor competence, management support, and consistency in following up audit recommendations. In the context of Sharia Commercial Banks, the effectiveness of internal audit is also closely related to the implementation of *sharia governance*. Therefore, the success of internal audit is not only measured by its ability to identify weaknesses in operational procedures but also by its ability to ensure compliance with Sharia principles. When audit recommendations are not optimally followed up or the audit function lacks independence, the existence of internal audit may not provide maximum contribution to fraud prevention.

These findings are consistent with Nobanee et al. (2021), Baqir & Sulhani (2023), and Maghfiroh et al. (2025) who emphasize that the contribution of internal audit to fraud prevention depends on the effectiveness of audit implementation, auditor competence and independence, and the consistency of supervisory mechanisms rather than merely the existence of an internal audit function. However, these results differ from Stuart (2023) and Ginanjar & Syamsul (2020) who found that internal audit has a positive effect on fraud prevention. The differences may be attributed to variations in research objects, observation periods, measurement indicators, and analytical methods. Therefore, this study demonstrates that the existence of an internal audit function alone is insufficient to enhance fraud prevention effectiveness in Sharia Commercial Banks. More decisive factors include the quality of audit implementation, auditor independence, human resource competence, management support, and the effectiveness of audit recommendation follow-up. Strengthening the quality of internal audit practices is essential to ensure that internal audit can perform its role optimally in improving supervision mechanisms and preventing fraud.

The Influence *of Good Corporate Governance* on Fraud Prevention

The results of Hypothesis 3 (H3) testing indicate that Good Corporate Governance has a positive and significant effect on fraud prevention in Sharia Commercial Banks in Indonesia. This is evidenced by the coefficient value of 0.6406 and the probability value of 0.036, which is lower than the 5% significance level (0.036 < 0.05). Therefore, Hypothesis 3 (H3) is accepted. These findings are supported by descriptive statistics, which show that Good Corporate Governance has an average disclosure level of 89.92%, categorized as very high. This indicates that most Sharia Commercial Banks have implemented good governance practices through strengthening transparency, accountability, responsibility, independence, and fairness in their operational activities.

Unlike conventional banks, Good Corporate Governance in Sharia Commercial Banks does not only emphasize corporate governance principles but also includes compliance with Sharia principles. Based on SEOJK No. 13/SEOJK.03/2017, governance implementation in Sharia Commercial Banks involves the role of the Sharia Supervisory Board (DPS), which ensures that banking activities comply with Sharia principles and DSN-MUI fatwas. The presence of DPS distinguishes Islamic banking governance from conventional banking because supervision is conducted from both regulatory and Sharia compliance perspectives. From the perspective of Islamic economics, Good Corporate Governance reflects the values of trustworthiness, transparency, justice, and public benefit. Effective governance strengthens supervision mechanisms and reduces opportunities for misconduct because banking activities must be accountable to stakeholders. Therefore, the better the implementation of Good Corporate Governance, the more effective fraud prevention becomes.

These findings support Agency Theory, which explains that corporate governance mechanisms can reduce conflicts of interest between principals and agents caused by information asymmetry. Through transparency, accountability, and effective supervision, Good Corporate Governance is able to limit opportunistic behavior and increase stakeholder trust. In Sharia Commercial Banks, this mechanism is strengthened through the implementation of *Islamic Corporate Governance* with the supervision of DPS to ensure that banking activities remain aligned with Sharia principles.

These findings are supported by Husaeni & Jayengsari (2020), Mukhibad et al. (2021), Hidayati et al. (2021), N. Al Baqir (2023), and Maisaroh & Nurhidayati (2021) who found that effective Good Corporate Governance strengthens supervision mechanisms, improves compliance with Sharia principles, and reduces the likelihood of fraud in Sharia Commercial Banks. These results indicate that fraud prevention effectiveness depends not only on the existence of governance mechanisms but also on the quality of their implementation in building a transparent and integrity-based organizational culture.

CONCLUSION

This study found that the Internal Control System and Good Corporate Governance have a positive and significant effect on fraud prevention in Sharia Commercial Banks in Indonesia. These findings indicate that stronger implementation of internal control systems and sound corporate governance practices contributes to more effective fraud prevention. In contrast, Internal Audit does not have a significant effect on fraud prevention. This finding suggests that the existence of an internal audit function alone is insufficient to enhance fraud prevention effectiveness, as its contribution also depends on the quality of audit implementation, audit scope, auditor independence, and the follow-up of audit recommendations. Furthermore, firm size, as the control variable, does not significantly affect fraud prevention, indicating that differences in bank size do not necessarily lead to differences in fraud prevention effectiveness. Overall, these findings support Agency Theory, which emphasizes that monitoring mechanisms, particularly the Internal Control System and Good Corporate Governance, play an important role in reducing agency conflicts, strengthening accountability, and minimizing fraud risk in Sharia Commercial Banks.

This study has several research limitations that should be considered. First, the characteristics of Sharia Commercial Banks, which operate under Sharia principles, involve the supervision of the Sharia Supervisory Board, and are subject to specific regulatory requirements, may influence the relationship between the Internal Control System, Internal Audit, Good Corporate Governance, and fraud prevention. Second, this study relies on secondary data obtained from Annual Reports and Good Corporate Governance Reports. Consequently, the findings depend on the completeness, consistency, and quality of the information disclosed by each bank and may not fully reflect internal organizational conditions that are not publicly reported. Third, the differences between the findings of this study and those reported in previous studies indicate that the relationships among the Internal Control System, Internal Audit, Good Corporate Governance, and fraud prevention remain context-dependent, as they may be influenced by differences in organizational characteristics, observation periods, measurement indicators, and analytical methods.

Based on these limitations, future studies are encouraged to expand the research scope by including other industrial sectors or Islamic financial institutions, extending the observation period to increase the number of observations, and incorporating additional variables that may influence fraud prevention, such as organizational culture, risk management, audit quality, human resource competence, whistleblowing systems, and information technology. Future research may also combine secondary data with primary data collected through questionnaires or interviews to provide a more comprehensive understanding of fraud prevention practices.

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