

## THE EFFECT OF INVESTIGATIVE, INDEPENDENT AUDIT AND DUE PROFESSIONAL CARE AUDITS ON THE EFFECTIVENESS OF THE IMPLEMENTATION OF FRAUD PROCEDURES MODERATED BY SOCIAL PRESSURE IN THE INTERNAL AUDIT DEPARTMENT OF PT. INDOAGUNG MULTIKREASI CERAMIC INDUSTRI & PT. WIJAYA DISTRIBUTION

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### ABSTRACT

*This research is a study on "The Effect of Investigative Audit, Independent Audit and Due Professional Care Verification Procedures for Implementation Effectiveness Against Fraud which in moderation by Social Pressure". The dependent variable in this study is the Effectiveness of Implementation of Era Fraud (Fraud) Procedures, while the independent variable is the Investigative Audit, Independent Audit and Due Professional Care. Moderating variables using variable Social Pressure. The Internal Audit Department of PT. Indoagung Multikreasi Ceramic Industry. Samples that meet the criteria are as many as 60 respondents. A couple of stages. The first stage is to explore the theory of formulation of research problems and hypotheses. The second stage is the collection of data from the unit of analysis is researched. The Descriptive Test and Reliability Test, the fourth stage of the research hypothesis testing using multiple regression to test the hypothesis either partially or simultaneously. The fifth stage is the Social Pressure testing of the moderating effect, not weaken or diminished the effect of the Audit and Due Professional Care Verification Procedures of the Implementation Effectiveness Against Fraud (Fraud). The significant effect on the effect of the implementation of the procedure is that there is a significant effect on the effectiveness of the procedure. Effectiveness of the Implementation Procedures of Evidence Fraud (Fraud). Simultaneously Investigative Audit Variables, Independent Audit and Due Care Professionals have significant effects on the procedures for Implementation of Evidence Fraud (fraud). Moderation of Social Pressure Able to weaken the influence of Investigative Audit, Independent Audit and Due Professional Care of the Effectiveness of the Implementation Procedures of Evidence Fraud (fraud).*

**Keywords:** *Investigative Audit, Independent Audit, Due Professional Care*

### 1. INTRODUCTION

Recently corporate financial accounting scandals (eg Enron, WorldCom, Global Crossing, Tyco, etc.) have raised concerns about fraud. In addition, this financial accounting scandal harms billions of dollars in shareholder value and results in a loss of investor confidence in financial

markets (Peterson and Buckhoff, 2004; Rezaee et al., 2004). Globally, the average loss per organization of economic crime is estimated at \$ 2,199,930 over a two-year period (PriceWaterhouseCoopers, 2003). In the United States, the Association of Certified Fraud Examiners (ACFE) estimates that around six percent of

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company revenues, or around \$ 660 billion, are lost per year as a result of work fraud (Association of Certified Fraud Examiners, 2004). Larger businesses are more likely to experience economic crime, but fraud may be more expensive for small businesses (Thomas and Gibson, 2003; Price Waterhouse Coopers, 2003). For example, the Association of Certified Fraud Examiners (2004) stated that small-scale fraudulent businesses averaged \$ 98,000 per event compared to \$ 105,500 per event for large companies. This means that the percentage of fraudulent actions in small businesses is 51.84% and for larger businesses it is 48.16%. For each employee, losses from fraud can be as much as 100 times greater for smaller companies than large companies (Association of Certified Fraud Examiners, 2004; Wells, 2003). In addition, the damage caused by fraudulent actions exceeds direct financial losses. The damage includes detrimental external business relationships, employee morale, company reputation, and branding (Price Waterhouse Coopers, 2003). In fact, some of the effects of fraudulent actions, such as poor company reputation, can have long-term impacts (PricewaterhouseCoopers, 2003). In addition to the increasing incidence of fraudulent acts and the enactment of new anti-fraudulent laws, the efforts made by organizations to combat fraudulent actions have not gone smoothly and are only formalities (Andersen, 2004). Therefore, many companies try new and different ways to combat fraud (KPMG Forensik, 2003; PriceWaterhouse Coopers, 2003).

One reason that entities of all types take more and different steps to counter fraud is that the red flags approach is considered ineffective, because this approach is well-known involving the use of a list of indicators of fraud. Red flags do not predict fraud, but are conditions related to fraud. Red flags give a sign that is intended to notify the auditor of possible fraudulent activities. Commentators doubt the red flags approach because of two limitations (Krambia-Kardis, 2002):

red flags relate to fraudulent actions, but cannot express definitively (do not show genuine relationships), and because focusing attention on certain signs may red flags hinder internal auditors and external auditor from the identification of other reasons that fraud can occur (Krambia-Kardis, 2002). The second reason for the need for companies to take better and different steps to counter fraud is that many companies have used the impractical strategy of detecting fraud (Wells, 2004). Wells (2004) also explains that there is a strategy that is more feasible than the detection of fraud, namely prevention of fraud because it is often difficult to recover losses due to fraud after they are detected. Many companies and their auditors handle fraudulent actions on a case-by-case basis not by applying them in their long-term plans. In addition, new laws such as the Sarbanes-Oxley Act of 2002 (SOX) do not do much in preventing fraud; rather, it focuses on punishment and accountability (Andersen, 2004). The recent growth of cases of fraud has shown that there is a very strong need to overcome these problems. Therefore, a better research approach is needed that enables auditors to prevent and detect conditions that have the potential to cause fraud with diverse techniques. Research on perceptions of managers and external auditors regarding the effectiveness of methods of detection and prevention of financial fraud is a replication of Bierstaker et al. (2006) with a sample of 86 accountants, internal auditors and examiners of certified accountants who were tasked with reviewing fraud. Bierstaker's research shows that firewalls, viruses and password protection, reviews of internal controls and improvements are quite commonly used to combat and prevent fraud. The effectiveness of the implementation of investigative audit procedures can be achieved if the auditor is able to have standards for implementation. If the independent auditor works without audit standards, he places himself in a very weak position. Especially when he gives an audit that is expected to find

Fraud, there are several standards or measures of quality in conducting an investigative audit. Among them the auditors cannot provide assurance that they can find fraud above a certain amount with the understanding that the potential of finding this fraud depends on the time and expertise used. With these standards the audited party (auditee), the party using the audit report, and other parties can measure the auditor's work quality so that the purpose of the investigative audit can be achieved effectively, the auditor has several general responsibilities that must be met, including investigative audits carried out by officers who together have the necessary authority.

The auditor must have the ability to prove that fraud is possible and previously indicated by various parties detecting fraud is a challenge for the auditor, this can be caused because the auditor does not have much experience in detecting fraud or friends who might be cheated by the party others previously anticipate how auditors think and act. This makes the factors that influence the effectiveness of auditors' procedures for proof of fraud (Fraud) an interesting thing to study further."

Based on the description above, the formulation of the problem in this study, among others :

- Does an investigative audit have a significant effect on the Effectiveness of Implementing Auditor Procedures Fraud Proof in the Internal Audit Department of PT. Indoagung Multikreasi Ceramic Industry?
- Is independent audit has a significant effect on the Effectiveness of Implementing Auditor Procedures Fraud Proof (Fraud) in the Internal Audit Department of PT. Indoagung Multikreasi Ceramic Industry?
- Does Due professional care have a significant effect on the Effectiveness of Implementing Auditor Procedures Fraud Proof (Fraud) at the Internal Audit Department of PT. Indoagung Multikreasi Ceramic Industry?
- Are investigative auditors, independent

audits and care due professionals having a significant effect on the Effectiveness of Implementing Auditor Procedures Fraud Proof in the Internal Audit Department of PT. Indoagung Multikreasi Ceramic Industry?

- Does social pressure not weaken the influence of the Audit investigation audit on the Effectiveness of the Implementation of Auditor Procedures Fraud Proof in the Internal Audit Department of PT. Indoagung Multikreasi Ceramic Industry?
- Does social pressure do not weaken the independent influence of the audit on the Effectiveness of Auditor Procedure Implementation Fraud verification in the internal Audit Department of PT. Indoagung Multikreasi Ceramic Industry?
- Does social pressure do not weaken the influence of care due professionals on the effectiveness of auditors' procedures for proof of fraud (Fraud) in the internal audit department of PT. Indoagung Multikreasi Ceramic Industry?

## 2. LITERATURE REVIEW AND HYPOTHESIS

### Agency Theory

Jensen & Meckling (1976) defines that agency relations as a contract where one more (principal) hires another person (agent) to do some services for their interests by delegating some decision making authority to the agent. Conflict of interest will arise from delegation of tasks given to agents, namely agents not in the interests of maximizing the welfare of owners, but have a tendency to pursue their own interests at the expense of the interests of the owner. The auditor is one of the parties related to the agency relationship (between agents and principals). According to contracting theory (Watt & Zimmerman, 1983) which is also known as principal and agent theory (principle agent agent) states that the relationship between parties in a company, manager, shareholder, creditor, government and society will be difficult

to create because of interests conflicting. The conflict between management and the owner occurs because the owner on one side wants management to have the opportunity to satisfy their interests without being observed directly by the owner.

The relationship between those who have interests has been successfully realized optimally through the creation of several mechanisms that can reduce management's actions to the detriment of the owner and encourage the owner to entrust management to management. According to this theory, the mechanism can be realized in accounting and auditing. Both accounting and auditing have a strategic market value in helping to create optimal and economical relationships with costs obtained and accounted for in terms of market value. Stakeholders are willing to pay prices for accounting and auditing because of the value of the benefits they generate. In The American Accountant Association Committee on Basic Auditing Concepts (Louwers, 2005: 07) defines auditing, namely: "auditing as a result of evidence regarding economic actions and events in the degree of correspondence between those assertions and established criteria and communicating the results to interested users. "Auditors work according to professional standards that are unlikely to accommodate any management actions far beyond the scope and responsibilities of financial reports and audit reports. In an explanation if the auditor uses the effectiveness of the procedure to prove fraud, he will produce a report in accordance with the objectives of the management. In the opinion of Mahmudi (2005: 92) defining effectiveness is as follows: "Effectiveness related to the relationship between expected results and actual results achieved." The same view in the opinion of Peter F. Drucker is translated by H.A.S. Moenir (2006: 166) in his book *General Management in Indonesia* which defines effectiveness, as follows: Effectiveness, on the other hand, is the ability to choose appropriate

objectives. An effective manager is one who selects the right things to get done. (Effectiveness, on the other hand, becomes the ability to choose the target results accordingly. An effective manager is one who chooses the truth to implement). "Noting the opinions of experts above, that the concept of effectiveness is a concept that is multidimensional, meaning in defining different effectiveness -different according to the basic knowledge that is owned even though the ultimate goal of effectiveness is the achievement of goals. Referring to the explanation above, then to achieve organizational goals effectively there needs to be harmonization of resource capabilities by using other means so that the objectives to be achieved become clear.

#### **Investigative Audit and Effectiveness of Implementation of Fraud Verification Procedures**

According to Jack Bologna Paul Shaw was quoted by Amin Widjaja in his book entitled *Fraud Audit (An Introduction)* (2005: 36): "Forensic accounting sometimes called fraud auditing or investigative accounting is a skill that goes beyond the realm of corporate and management fraud , "embryo or commercial bribery, indeed, forensic accounting" can go beyond the general realm of the collar crime ". Based on Siti Zuliha (2008) the conclusion that the ability of the Investigative auditor affect the effectiveness of the implementation of audit procedures in proving fraud. The first hypothesis in this study is determined, namely:

H1: Investigative Audit has a significant effect on the Implementation Effectiveness of the Decision Proof Procedure.

#### **Independent Audit and Effectiveness of Implementation of Fraud Proof Procedure**

Meutia (2004) states that independence is an ability to act based on integrity and objectivity. Although integrity and objectivity cannot be measured with certainty, both are fundamental to the profession of public accounting. Integrity is a moral principle that is impartial, honest, views, and presents facts as they are. So



that the second hypothesis is determined in this study are:

H2: Independent audit has a significant effect on the Implementation Effectiveness of the Decision Proof Procedure.

#### **Due Professional Care and Effectiveness of Implementation of Fraud Proof Procedure**

Due professional care means careful and thorough professional proficiency (PSA No. 04 SPAP 2001). Singgih and Bawono (2010) define due professional care as precision and accuracy in the use of professional skills that require the auditor to carry out professional skepticism. It is important for auditors to implement due professional care in their audit work, so that the third hypothesis set in this study is:

H3: Due Professional Care has a significant effect on the Implementation Effectiveness of the Decision Proof Procedure

#### **Investigative Audit, Independent Audit, Due Professional Care and Effectiveness of Implementation of Fraud Proof Procedure.**

Based on the description in the previous discussion about the effect of investigative auditing on the effectiveness of fraud verification procedures then the Independent influence of the audit on the effectiveness of fraud procedures and care due professional procedures on the effectiveness of fraud procedures, so that the fourth hypothesis is specified in this research is: H4: Investigative Audit, Independent Audit and Due Professional Care simultaneously have a significant effect on the Implementation Effectiveness of the Decision Proof Procedure.

#### **Moderation of Pressure on the influence of the Investigative Audit on the Implementation Effectiveness of Fraud Verification Procedures**

Research conducted by Nadirsyah & Syafri A Razaq stated that Supervision will play a lot in achieving the objectives of the quality of the auditor's expected work results. Social influence pressure can act as an intermediate variable (moderating)

between these variables. The Indonesian Accountants Code of Ethics mandates that each member must maintain integrity and objectivity in carrying out its duties. By maintaining integrity, he will act honestly, decisively, and without pretension. By maintaining objectivity, he will act fairly, without being influenced by pressure or requests from certain parties or personal interests. With this code of ethics, it can be assessed the extent to which an auditor has worked in accordance with the ethical standards set by his profession. For this reason, even though auditors have supervised well, but the pressure of social influence will play a lot in the aim of achieving the optimal quality of work targets. Based on these descriptions, the fifth hypothesis in this study is determined: H5: social pressure does not weaken the influence of investigative audits the effectiveness of the procedure for proving fraud.

#### **Moderation of the Pressure for Independent Audit Effect on the Effectiveness of the Implementation of Fraud Verification Procedures**

Much of the literature in accounting has reflected and acknowledged the importance of evaluating the effect of pressure generated from the organization on auditor attitudes, desires and behaviors that will be reflected in the quality of the work produced. Whereas Leicht and Fennel (1997) state that there is always a situation where employees feel pressured by supervisors and other members of the organization to compromise their personal values in achieving audit objectives. Dezoort and Lord also see that in achieving audit quality, auditors who receive conflicting instructions from both a manager and their partners are more likely to violate professional norms or standards than auditors who are not under pressure. Based on the description, the sixth hypothesis in this study is determined, namely:

H6: social pressure does not weaken the independent influence of audit audits

on the effectiveness of the procedure of proving fraud.

### **Moderation of the Pressure of Independent Audit Effect on the Effectiveness of the Implementation of Fraud Verification Procedures**

Understanding of social pressure has been explained in the previous discussion and the same as the previous discussion that according to research conducted by Nadirsyah & Syafri A Razaq (2005) regarding the Effect of Audit Supervision on the Quality of Auditor Work with Social Influence Pressure as Moderating Variables, indicating that: (1) Audit supervision has a positive effect on the quality of the auditor's work; (2) The pressure of social influence negatively affects the quality of the work of the auditor; and (3) The pressure of social influence influences the relationship between supervision and the quality of the work of the auditor. Based on the description, the seventh hypothesis in this study is determined, namely:

H7: social pressure does not weaken the independent influence of audit audits on the effectiveness of the procedure of proving fraud

### **3. METHODS**

The analytical method used in this study is regression analysis using SPSS version 16. The population of this study is all audits in the PT department. Indoagung is a creative ceramic industry. The sampling

method uses purposive sampling method (judgment sampling), where the sample is chosen based on special conditions that are considered capable of indicating the character of the population (Apollo Daito, 2011: 206).

### **4. RESULT AND DISCUSSION**

The number of samples that meet the criteria are 60 auditors. Data processing begins with descriptive and reliability statistical analysis, validity test and hypothesis test then test the coefficient of determination. All data prerequisite tests met the criteria, where the research data was normal and there were no problems in other descriptive statistical tests. Testing the hypothesis in this study is done with several times the data processing in accordance with the measurement of research variables.

#### **A. Testing of the First Hypothesis (H1)**

The first hypothesis in this study is: Investigative Audit has an effect on the effectiveness of the procedure for proving fraud. The following is the result of data processing to answer the hypothesis. Based on table I above, it can be seen that the value of t count -1,346 < t table 2,010 and the significance value of 184, then from the results of this t test it is negative. Investigative Audit does not affect the effectiveness of the implementation of fraud proof procedures (H1 hypothesis is rejected).

Table I. **Testing of the First Hypothesis**

Coefficients <sup>a</sup>					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	8.828	3.098		2.849	.006
X1= Audit Investigatif	-.139	.103	-.105	-1.346	.184
X2= Independen Audit	.620	.129	.527	4.793	.000
X3= Due Profesional Care	.339	.103	.364	3.276	.002

a. Dependent Variable: Y = Efektivitas Pelaksanaan Prosedur Pembuktian Kecurangan

Source: SPSS 16 output (data processed)

**B. Testing of the Second Hypothesis (H2)**

The second hypothesis in this study is: Independent Audit has a significant effect on the Effectiveness of the Implementation of the Fraud Proof Procedure (Fruad). Based on table I above, it can be seen that the value of the count is  $4.793 > t$  table 2.001 and the significance value is 0.00, then the result of the t test this is stated positive so that it can be said that individually an Independent Audit has an effect on the effectiveness of the procedure of proving fraud (fraud) is accepted).

**C. Testing of the Second Hypothesis (H3)**

The third hypothesis in this study is: Due Profesional Care has a significant effect on the Effectiveness of the Implementation of the Fraud Proof Procedure (Fruad). Based on table I above, it can be seen that the value counts  $t_{count} 3.276 > t$  table 2.010 and the significance value of 0.002, then from this t test result stated positively so that it can be said that individually Independent Audit has an effect on the effectiveness of the procedure of proving fraud (the H3 hypothesis is accepted).

**D. Testing of the Third Hypothesis (H4)**

The fourth hypothesis in this study is: Investigative Audit, Independent Audit and Due Profesional Care together together have a significant effect on the Effectiveness of Implementation of Fraud Verification Procedures. The following is the result of data processing to answer the hypothesis.

From the ANOVA table above, it is known that the calculated F value is

Table 2. Anova

ANOVA<sup>b</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	387.683	3	129.228	37.839	.000 <sup>a</sup>
	Residual	191.250	56	3.415		
	Total	578.933	59			

a. Predictors: (Constant), X3 = Due Profesional Care, X1= Audit Investigatif, X2 = Independen Audit

b. Dependent Variable: Y = Efektivitas Pelaksanaan Prosedur Pembuktian Kecurangan

37.839 with a significance value of 0.00. Whereas to find F table with the number of samples ( $n$ ) = 63 number of variables ( $k$ ) = 3, with the significance level  $\sigma = 5\%$ ; degree of freedom  $df1 = 5-2 = 3$  and  $df2 = n - k = 60 - 5 = 55$  obtained F table value of 3,150. The result of ANOVA test between independent variables and dependent variable obtained F count  $37,839 > F_{table} 2,750$  and significance level of  $0,000 < 0,05$  then  $H_0$  is rejected. This indicates that simultaneously or together an Investigative Audit, Independent Audit and Due Profesional Care has an effect on the Effectiveness of the Implementation of the Fraud Proof Procedure (H4 hypothesis is accepted).

**E. Testing the Fifth Hypothesis (H5)**

The fifth hypothesis in this study is: whether moderation in Social Pressure does not weaken the effect of Investigative Audit on the Effectiveness of Fraud Verification Procedure. The following is the result of data processing to answer the hypothesis.

The results of the SPSS run in this study resulted in Equation 1, namely  $Y = a + \beta_1 X_1 + \beta_2 Z$  or  $Y = 18.902 + 0.094 X_1 + 0.906 Z$  and Equation 2, namely  $Y = a + \beta_1 X_1 + \beta_2 Z + \beta_3 Z * X_1$  or  $Y = 1,491 + 0.815 X_1 + 0.2192 Z + -1.714 Z * X_1$ . This result shows that in 1  $\beta_2$  equation is significant, and in Equation 2  $\beta_3$  has a significant effect, the Social Pressure variable (Z) is the pure moderator. Furthermore the Hypothesis Test is seen from Equation 2, by looking at the  $\beta_3$  sign, marked negative (-), it means

Source: IBM SPSS 20 Output (data processed)

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	18.902	1.937		9.757	.000
X1= Audit Investigatif	-.123	.077	-.094	-1.602	.115
Z= Tekanan Sosial	.019	.001	.906	15.510	.000

a. Dependent Variable: Y = Efektivitas Pelaksanaan Prosedur Pembuktian Kecurangan

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.491	1.166		1.278	.206
X1= Audit Investigatif	1.075	.069	.815	15.486	.000
Z= Tekanan Sosial	.045	.001	2.192	30.759	.000
Interaksi Z*X1	-.052	.003	-1.714	-18.944	.000

a. Dependent Variable: Y = Efektivitas Pelaksanaan Prosedur Pembuktian Kecurangan

that the Social Pressure variable (Z) has the opportunity to weaken the influence of the Investigative Audit variable (X1) on the Effectiveness fraud procedure (Y). The opposite also, if it is negative (+), then it means that the Social Pressure variable (Z) has an opportunity not to weaken the influence of the Invetigative Audit variable (X1) to the Effectiveness variable of the procedure for proving fraud (Y). The results of this study prove that in Equation 2  $\beta_3$  is negative, this means that the Social Pressure variable (Z) has the opportunity to weaken the influence of the Investigative Audit variable (X1) on the Effectiveness variable of the procedure for proving fraud (Y). However, the authors see that although the effect is positive, the effect is significant because  $\text{sig } 0,000 > 0.05$ . Based on this evidence, it can be concluded that the Fifth Hypothesis (H5) is accepted.

#### F. Testing the Fifth Hypothesis (H6)

The sixth hypothesis in this study is: Does Moderation of Social Pressure not weaken the Independent influence of Audit on the Effectiveness of the Implementation of Fraud Verification Procedures. The following is the result of data processing to answer the hypothesis.

Table 4.

The results of the SPSS run in this study produce Equation 3, namely  $Y = a + \beta_1 X_2 + \beta_2 Z$  or  $Y = 12,710 + 0,192 X_2 + 0,744 Z$  and Equation 4, namely  $Y = a + \beta_1 X_2 + \beta_2 Z + \beta_3 Z * X_2$  or  $Y = 103 + 1008 X_2 + 2191 Z + -2.190 Z * X_2$ . This result shows that in 3  $\beta_2$  equation is significant, and in Equation 4  $\beta_3$  it is also significant, so the Social Pressure variable (Z) is the pure moderator. Furthermore the Hypothesis Test is seen from Equation 4, by looking at the  $\beta_3$  sign, marked negative (-), it means that the Social Pressure variable (Z) has the opportunity to weaken the influence of the Independent Audit variable (X2) on the variable Effectiveness of Fraud Verification Procedure (Y). As a result, moderation of Social Pressure was able to strengthen significantly because  $\text{sig } 0,000 < 0,05$ . Based on this evidence, it can be concluded that the Sixth Hypothesis (H6) is accepted.

#### G. Testing of the Fifth Hypothesis (H7)

The seventh hypothesis in this study is: Social Pressure strengthens the Independent influence of Audit on the Effectiveness of the Implementation of Fraud Verification Procedures. The following is the result of data processing to answer the hypothesis.



Table 4. **Testing the Fifth Hypothesis (H6)****Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	12.710	1.777		7.154	.000
X2 = Independen Audit	.226	.109	.192	2.077	.042
Z = Tekanan Sosial	.015	.002	.744	8.061	.000

a. Dependent Variable: Y = Efektivitas Pelaksanaan Prosedur Pembuktian Kecurangan

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.103	.499		.207	.837
X2 = Independen Audit	1.186	.034	1.008	34.574	.000
Z = Tekanan Sosial	.045	.001	2.191	49.970	.000
Interaksi Z*X2	-.054	.001	-2.190	-36.493	.000

a. Dependent Variable: Y = Efektivitas Pelaksanaan Prosedur Pembuktian Kecurangan

Table 5.

The results of the SPSS run in this study produce Equation 3, namely  $Y = a + \beta_1 X_3 + \beta_3 Z$  or  $Y = 28.195 + -0.1416X_3 + 0.2.243Z$  and Equation 4, namely  $Y = a + \beta_1 X_2 + \beta_2 Z + \beta_3 Z * X_2$  or  $Y = 28,075 + 1,452X_3 + 0,2,291Z + 0,006Z * X_3$ . This result shows that in 3  $\beta_2$  equation is significant, and in Equation 4  $\beta_3$  is not significant, the Social Pressure variable (Z) is a quasi moderator. Furthermore the Hypothesis Test seen from Equation 4, by looking at the  $\beta_3$  sign, is marked positive (+), it means that the Social Pressure variable (Z) is not likely to weaken the influence of the Due Professional Care (X3) variable on the Implementation Effectiveness Fraud Proof Procedure (Y). As a result, moderation in Social Pressure did not significantly weaken because  $\text{sig } 0.775 < 0.05$ . Based on this evidence, it can be concluded that the Seventh Hypothesis (H7) is rejected.

**5. Coefficient of Determination**

The summary model shows the Adjustend R Square Determination Coefficient of 0.652 or 65.2%, which means that the variable ability of the Investigative Audit, Independent Audit

and Due Professional Care can explain the effectiveness of the implementation of fraudulent verification of the internal audit department of PT. Indoagung 14 Ceramic Multiculture (Y), is 65.2%. While the remainder of 35.8% is explained by other variables outside of this research variable. The determination coefficient uses Adjustend R Square, because there are more than one independent variable (multiple regression), whereas if there are only one independent variable (simple regression), the coefficient of determination will be calculated from r square.

**5. CONCLUSION**

Based on the discussion described in Chapter IV, the following conclusions are obtained:

1. The results of testing the first hypothesis found empirical evidence that partially, Investigative Audit has no significant effect on the effectiveness of the implementation of fraud proof procedures (Fraud) of the internal audit department of PT. Indoagung Multikreasi Ceramic Industry. The direction of the influence given is negative, which means the influence is

Table 5. Testing of the Fifth Hypothesis (H7)

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	28.195	.517		54.587	.000
	X3 = Due Profesional Care	-1.318	.051	-1.416	-25.951	.000
	Z = Tekanan Sosial	.046	.001	2.243	41.123	.000

a. Dependent Variable: Y = Efektivitas Pelaksanaan Prosedur Pembuktian Kecurangan

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	28.075	.636		44.117	.000
	X3 = Due Profesional Care	-1.300	.060	-1.452	-21.668	.000
	Z = Tekanan Sosial	.046	.001	2.291	34.094	.000
	Interaksi Z*X3	.000	.001	.006	.287	.775

a. Dependent Variable: Y = Efektivitas Pelaksanaan Prosedur Pembuktian Kecurangan

Source: SPSS Output

Table 6. Coefficient of Determination

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.818 <sup>a</sup>	.670	.652	1.848

a. Predictors: (Constant), X3 = Due Profesional Care, X1 = Audit Investigatif, X2 = Independen Audit

Source: SPSS Output

- in the same direction and significant. This means that the first hypothesis is rejected. From the explanation above, the researcher suggests that auditors who do not have expertise in investigative audits will not be able to carry out the effectiveness of the implementation of prediction of proof of fraud.
- The results of testing the second hypothesis found empirical evidence that partially Independent Audit has a significant influence on the effectiveness of the implementation of fraud proof procedures (Fraud) of the internal audit department of PT. Indoagung Multikreasi Ceramic Industry. The direction of the influence given is positive, which means the influence is in the same direction and significant. This means that the second hypothesis is accepted.
  - The results of testing the third hypothesis found empirical evidence that partially Due Professional Care has a significant influence on the effectiveness of the implementation of fraud proof procedures (Fraud) of the internal audit department of PT. Indoagung Multikreasi Ceramic Industry. The direction of the influence given is positive, which means the influence is in the same direction and significant. This means that the third hypothesis is accepted.
  - The results of testing the fourth hypothesis found empirical evidence that simultaneously Investigative Audit, Independent audit and Due

Professional Care have a significant effect on the effectiveness of the implementation of fraud verification procedures (Fraud) Internal audit department of PT. Indoagung Multikreasi Ceramic Industry company. This means that the fourth hypothesis is accepted.

5. The results of testing the fifth hypothesis found empirical evidence that the moderation of Social Pressure has a chance not to weaken the Independent Audit's influence on the Effectiveness of the implementation of the Fraud verification procedure in PT. Indoagung Multikreasi Ceramic Industry company. This is concluded because the beta effect of moderation is positive. However, the positive impact is significant. This means that the fifth hypothesis is accepted.
6. The results of testing the sixth hypothesis found empirical evidence that the moderation of Social Pressure has the opportunity not to weaken the Independent Audit's influence on the Effectiveness of the implementation of the Fraud verification procedure in PT. Indoagung Multikreasi Ceramic Industry company. This is concluded because the beta effect of moderation is positive. Then, the positive impact given is significant. This means that the sixth hypothesis is accepted.
7. The results of testing the seventh hypothesis found empirical evidence that the moderation of Social Pressure has the opportunity to weaken the influence of Due Professional on the Effectiveness of the implementation of fraud proof procedures (Fraud) PT. Indoagung Multikreasi Ceramic Industry company. This is concluded because the beta effect of moderation is positive. Then, the positive impact given is significant. This means that the seventh hypothesis is rejected. From the results of the explanation above that social pressure weakens the influence of care due professionals on the effectiveness of the implementation

of fraudulent verification procedures which means that workloads that are not in line with the auditor's capacity will result in job stress that will affect care due professionals to the effectiveness of fraud verification procedures.

Based on the results of this study, there are several suggestions put forward by researchers that might be considered for future research, including:

1. Achievement of Investigative Audit The internal audit department of PT. Indoagung Multikreasi Ceramic still has to be increased by 28% again.
2. Independent Achievement of Audit Employees The internal audit department of PT. Indoagung Multikreasi Ceramic still needs to be increased by 22.6%.
3. Achievement of Due Professional Care The internal audit department of PT. Indoagung Multikreasi Ceramic still has to be increased by 42% again.
4. Achieving Social Pressure The internal audit department of PT. Indoagung Multikreasi Ceramic still needs to be increased by 32.4%.
5. Achieving Effectiveness of the implementation of fraud proof procedures (Fraud) The internal audit department of PT. Indoagung Multikreasi Ceramic still has to be increased by 28.6% again.
6. Further research is expected to increase the number of independent variables in the next research to select investigative auditors who have more than one year of practice and who have carried out large cases that have occurred in the company and government information.

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