The Implementation of Anti-Fraud Strategy to Achieve Good Corporate Governance

Astrini Aning Widoretno*, Agustinus Nicholas Tobing

Master Degree Program of Accounting Economy and Business Faculty, University of Indonesia

*Corresponding author:
E-mail: Astrini.aning26@gmail.com

ABSTRACT

Any type, scale, or shape of organization has risks of fraud. That required an anti-fraud strategy to detect and prevent the occurrence of fraud. The internal audit mostly takes an important role in the implementation of the anti-fraud strategy. This paper aims to analyze the role of internal audit in the implementation of the anti-fraud strategy and the implementation of the anti-fraud strategy of PT.XYZ. This study used a qualitative approach with field study data collection techniques. This research uses 4 anti-fraud strategies that are whistle blowing system, a code of conduct, fraud training for employees and fraud risk assessment to analyze the implementation of anti-fraud strategy of PT.XYZ. The results of this study indicate that internal audit plays an active role in applying anti-fraud strategy and generally anti-fraud strategy of PT.XYZ has met the aspects of detection, prevention, and investigation.

Keywords: Anti Fraud Strategy, internal audit

Introduction

Fraud has caused the collapse of world-class companies like WorldCom. Inc. and Enron. Inc. in the USA in the early 2000s, and according to previous research, this is due to the ineffectiveness of Good Corporate Governance (GCG) (Anugrah, 2012). Fraud is a phenomenal issue in all countries, both in developed and developing countries. Fraud, in all its forms and modes, has brought adverse impacts and harm to business organizations. Fraud can be done in a variety of forms, such as embezzlement practices, asset misappropriation, procurement fraud, financial reporting fraud including corruption, from simple to very sophisticated and complex fraud. In a report published by ACFE - Report to The Nations on Occupational Fraud and Abuse in 2016, studies are showing which industries are vulnerable to fraud. The manufacturing industry is ranked in the top three under the communications and publication and mining industries with a total of 192 or 8.8% of fraud cases. While viewed based on the middle value of the losses of the company, the manufacturing industry is included in the top 10 with the middle value of the loss of the company reaching 194,000 US dollars.

One of the causes of fraud is the weakness of internal control. Internal control of a company is not only aimed at accounting and financial activities alone but all aspects of existing activities in the company. Therefore, the role of internal auditors in internal control is very important in preventing the occurrence of fraud. One other effort that can be done in the early detection and prevention of fraud is to create an anti-fraud strategy. If a company has a good anti-fraud strategy, then the possibility for fraud to be reduced and prevented is increasing. The Report to The Nations on Occupational Fraud and Abuse (ACFE, 2016) states that if fraud can be detected through active detection methods, such as the anti-fraud strategy, the average loss, and duration of the fraud will
be lower than using the passive detection method, such as notice from police or accidental discovery.

This study is based on a case study at PT.XYZ is a subsidiary of a major automotive company based in Japan. PT.XYZ is a manufacturing industry with a business area covering automobile production and components as well as exporter of cars and components. PT.XYZ is headquartered in the Sunter area of North Jakarta and has five factories. Sunter factory has a production capacity of 195,000 units per year and Karawang Factory has a production capacity of 216,000 units per year. A study relating to the extent of the role of internal audit in the application of anti-fraud strategy and its implementation in the manufacturing industry in Indonesia has never been done before. There are still no rules and policies regarding the implementation of an anti-fraud strategy in Indonesia for the manufacturing industry.

Internal audit

According to the Institute of Internal Auditors (IIA, 2013), the definition of internal auditing is an independent objective assurance and consulting activity designed to add value and improve an organization’s operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control, and governance process.

IPPF (2013) Attribute Standards 1120 about Individual Objectivity explains Internal auditors must have an impartial, unbiased attitude and avoid any conflict of interest. Furthermore, Practice Advisory 1120-1 explains that conflict of interest is the situation in which the internal auditor is in a position of trust, has a conflict of interest both personally and professionally. In addition, conflict of interest may create an improper impression that can undermine trust in internal auditors, internal audit activities, and the profession of internal auditors.

Internal auditors must also have skills and competencies to perform their duties and obligation well. IPPF (2013) Attribute Standards 1210 about Proficiency explains that internal auditors must possess the knowledge, skills, and other competencies needed to perform their responsibilities. The internal audit activity collectively must possess or obtain the knowledge, skills, and other competencies needed to perform its responsibilities. According to the IIA in A Global Summary of The Common Body of Knowledge (CBOK) (2006), internal auditors at all levels must acquire and develop competencies and knowledge that enable internal auditors to perform their work effectively and that internal audit activities can function accordingly. The table below is an essential competency that internal auditors need to be able to perform their duties.

Fraud

Fraud is like an ATM in a bank, both are designed to attract money. ATM allows users to withdraw funds from the Bank. Fraud is the withdrawal of funds from an organization (Vona, 2008). Four common elements must be present in a fraud (Wells, 2011):

a. A material false statement
b. The knowledge that the statement was false when it was uttered
c. Reliance of the victim on the false statement
d. Damages resulting from the victim’s reliance on the false statement

Anti-fraud strategy

Anti-fraud strategy is one manifestation of an organization's commitment to controlling fraud. Organizations can apply some of the things below in their anti-fraud strategy.

Whistle blowing program

According to KNKG (2008), whistleblowing is the disclosure of unlawful, unethical, or moral acts of violation or disclosure of any act which may harm the organization or the stakeholders
exercised by the employee or the head of the organization to the leadership of this organization or any other agency that may take action for the offense. This disclosure is confidential. A good whistle-blowing program is one of the most effective fraud detectors. When employees know that they have an easy and nonobligatory path to monitor each other and report fraud allegations, employees will be more reluctant to engage in dishonest activities (Albrecht et al., 2012). Therefore, Albrecht et al. (2012) explain the elements that a whistleblowing program must have to run well are anonymity, independence, accessibility, and follow-up.

According to Guidance for Implementation of The Whistle Blowing System Violation published by KNKG (2008), there is a structural element that the company needs in applying the Whistle Blowing System:

- Commitment Statement. There is a need for a statement of commitment from all employees of their willingness to implement the whistleblowing program and actively participate in reporting in case of any violation.
- Whistleblower Protection Policy this policy states explicitly and clearly that the company is committed to protecting the whistle blower of good faith and the company will comply with all relevant laws and best practices prevailing in the conduct of the Whistle Blowing System.
- Structure of Whistle Blowing System Management. The leadership in the implementation of the Whistle Blowing System is advised to be in the Board of Directors, especially the President Director. The Board of Commissioners will exercise oversight on the adequacy and effectiveness of the implementation of the system.
- Whistle Blowing System Managing Unit. WBS Managing Unit the Reporting Service violation management unit shall be a function or unit independent of the company's day-to-day operations and have access to the highest management of the company. The elements of the Malicious Reporting System (SPP / WBS) management unit consist of two main elements:
  ✓ Whistle Blower Protection Sub Unit.
  ✓ Investigation Sub Unit.

**Code of conduct**

The Report to the Nation of 2016 issued by ACFE stated that the code of conduct ranks second with 81.1% percentage as the most commonly used anti-fraud control by the company. Goldman (2009) explains that when top management of the organizations work on the integrity and ethics set out in the company's code of conduct and ideally accompanied by anti-fraud policies, corporate employees will get the message that activities such as harassment of co-workers, criminalizing minorities, Engaging in conflicts of interest, and all sorts of fraud types are strictly forbidden. There are six elements needed to create an honest and high ethical culture. They are tone of top, create a positive working area, hiring and promoting the right employees, training, confirmation to apply the code of conduct by all employees, and discipline.

IPPF (2013) Performance Standards 2110.A1 about Governance states that the internal audit activity must evaluate the design, implementation, and effectiveness of the organization's ethics-related objectives, programs, and activities. The standards explain that internal audits should evaluate all activities and programs related to the ethics of the organization.

**Fraud training for employees**

According to Kovacich (2008), fraud could be committed by anyone therefore ant fraud training, education, and experience should focus on general human understanding as well as their defrauders and motivations. Fraud training is often a key factor in fraud prevention. International Standards for the Professional Practice of Internal Auditing states that training can meet the company’s expectations of employee behavior, procedures and standards required to implement internal controls, and the role of employees and responsibility for reporting violations. Employees
should understand that they are expected to behave ethically in accordance with organizational expectations (IIA (2013)).

Furthermore, International Standards for the Professional Practice of Internal Auditing explains that fraud training for employees must be made following the position of employees in a company. Although fraud training is generally helpful, it will be more effective to identify the most common areas of fraud risk and establish training so that employees can have a better understanding of their role in the company's fraud detection program. Fraud actors can attend the training, which is beneficial for the company because they may be hindered by looking at the fraud risk management process of the company (IIA, 2013).

Fraud risk assessment

IPPF (2013) Performance Standards 2120.A2 about Risk Management states that the internal audit activity must evaluate the potential for the occurrence of fraud and how the organization manages fraud risk. Furthermore, Performance Standards 2060 about Reporting to Senior Management and the Board states that The chief audit executive must report periodically to senior management and the board on the internal audit activity’s purpose, authority, responsibility, and performance relative to its plan. Reporting must also include significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by senior management and the board. Therefore, an internal audit should do a fraud risk assessment periodically.

COSO (2017) explains the process of fraud risk assessment has eight steps that need to do. Those steps are:

- Establish the fraud risk assessment team
- Identify all fraud schemes and fraud risks.
- Estimate the likelihood and significance of each fraud scheme and risk.
- Determine all personnel and departments potentially involved.
- Identify existing controls and assess their effectiveness.
- Assess and respond to residual risks that need to be mitigated.
- Document the risk assessment.

Material and Methods

This research uses the case study method which is a type of approaching research that examines one case intensively, deeply, detailed, and comprehensively (Ardianto, 2011). The implementation of a case study in the role of internal audit in the implementation of PT.XYZ anti-fraud strategy and the implementation of the anti-fraud strategy of PT.XYZ is expected to provide an evaluation that will assist PT.XYZ in realizing good corporate governance. This research uses primary data and secondary data.

Primary data used in this research is in the form of words and actions. According to Moleong (2014), the primary data sources in qualitative research are words and actions, the rest are additional data such as documents and others. In this study, the authors conducted interviews with the team leader and staff of the internal audit division PT.XYZ. The type of interview used is a combination of structured interviews and unstructured interviews.

This research used secondary data in the form of PT.XYZ company profile, pocket book of code of conduct and whistleblowing program, sustainability report PT.XYZ 2015, pocket book of a cooperation agreement with PT.XYZ, and data of internal audit profile.

Results and Discussion

Organizational Structure of PT.XYZ

In the organizational structure of PT.XYZ, the Internal Audit Division is under the Board of Directors. This means that the Internal Audit Division has direct responsibility to the BOD. The
Internal Audit Division is headed by a Chief of Internal Audit. The Chief of Internal Audit is also one of the BOD in charge of Technical, Project Planning, and Management.

**Figure 2. Organization Structure of PT.XYZ**

**Internal audit division**

The Chief of Internal Audit is in direct line with the head of the internal audit team. The head of the internal audit team oversees three sections: the SOX audit section, the operational audit section, and the planning and development section.

**Figure 3. The organizational structure of the internal audit division**

The Chief of Internal Audit is appointed and dismissed directly by the President Director. Chief of Internal Audit can conduct direct communication with BOD periodically through BOD meetings that discuss internal control, audit implementation, implementation of Good Corporate Governance, and also company financial statement. Chief of Internal Audit is also one of BOD PT.XYZ. Who is responsible for the Technical and Project Planning and Management area. The internal Audit Division has a total of 6 employees with details as follows in table 3:
Table 3. Total employee of internal audit division

<table>
<thead>
<tr>
<th>Position</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief of Internal Audit</td>
<td>1</td>
</tr>
<tr>
<td>Team Leader</td>
<td>1</td>
</tr>
<tr>
<td>Section Head</td>
<td>3</td>
</tr>
<tr>
<td>Staff</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6</strong></td>
</tr>
</tbody>
</table>

The table below shows a breakdown of internal auditors who have attended training or seminars or non-formal courses related to the company’s business processes and which can improve their competence as internal auditors (Table 4).

Table 4. Nonformal training for internal auditor

<table>
<thead>
<tr>
<th>No.</th>
<th>Non-Formal Training or Seminar</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Business Process &amp; Knowledge</td>
<td>3</td>
</tr>
<tr>
<td>2.</td>
<td>Risk Analysis &amp; Control Assessment</td>
<td>4</td>
</tr>
<tr>
<td>3.</td>
<td>Interview Technique</td>
<td>3</td>
</tr>
<tr>
<td>4.</td>
<td>Reporting Technique (including presenting)</td>
<td>4</td>
</tr>
<tr>
<td>5.</td>
<td>Investigation /Forensic Skill Technique</td>
<td>1</td>
</tr>
<tr>
<td>6.</td>
<td>Risk-Based Audit Planning</td>
<td>2</td>
</tr>
<tr>
<td>7.</td>
<td>Audit Program / Work Program (include control testing/TOC &amp; substantive test)</td>
<td>2</td>
</tr>
<tr>
<td>8.</td>
<td>Sampling Technique</td>
<td>3</td>
</tr>
<tr>
<td>9.</td>
<td>Computer Assisted Auditing Techniques such as Microsoft office (word processing, spreadsheet, presentation)</td>
<td>3</td>
</tr>
<tr>
<td>10.</td>
<td>Auditing &amp; Internal Audit Standard</td>
<td>5</td>
</tr>
<tr>
<td>11.</td>
<td>Accounting Framework</td>
<td>3</td>
</tr>
<tr>
<td>13.</td>
<td>Financial Statement</td>
<td>3</td>
</tr>
<tr>
<td>14.</td>
<td>Treasury Management (include cash/bank management)</td>
<td>2</td>
</tr>
<tr>
<td>15.</td>
<td>Budgeting Concept</td>
<td>2</td>
</tr>
<tr>
<td>16.</td>
<td>Cost &amp; costing systems concept</td>
<td>2</td>
</tr>
<tr>
<td>17.</td>
<td>Governance</td>
<td>1</td>
</tr>
<tr>
<td>18.</td>
<td>Enterprise Risk Management</td>
<td>3</td>
</tr>
<tr>
<td>19.</td>
<td>Control Framework</td>
<td>4</td>
</tr>
<tr>
<td>20.</td>
<td>Ethics</td>
<td>5</td>
</tr>
<tr>
<td>21.</td>
<td>Frauds</td>
<td>3</td>
</tr>
<tr>
<td>22.</td>
<td>IT Application Control</td>
<td>1</td>
</tr>
<tr>
<td>23.</td>
<td>Oracle / other specific apps (for Specialist/ Expert)</td>
<td>0</td>
</tr>
<tr>
<td>24.</td>
<td>Legal</td>
<td>2</td>
</tr>
<tr>
<td>25.</td>
<td>Managemen Contract : Legal Agreement &amp; Trade Agreement</td>
<td>2</td>
</tr>
<tr>
<td>26.</td>
<td>Types &amp; evidences of law</td>
<td>2</td>
</tr>
<tr>
<td>27.</td>
<td>Taxation</td>
<td>2</td>
</tr>
<tr>
<td>28.</td>
<td>Operation and Quality Management</td>
<td>1</td>
</tr>
</tbody>
</table>

To be continued
Whistle blowing program

WBP is a direct communication medium for employees and suppliers to Management, WBP tools that can be used are:

a. WBP Box

This box is used as a place to include messages or important and confidential information from employees or vendors to address to the WBP Committee. WBP boxes are placed on:

- Karawang Plant: Lobby of Balai Karyawan
- Sunter 1 Plant: Lobby of Assy Mall
- Sunter 2 Plant: Lobby of Sunter 2 Plant
- Head Office: First Floor

In addition to these boxes, employees and vendors can send their messages or information directly to PO BOX 3000 / JKU, Jakarta 14011, or email or through a voice recorder.

b. Message Format

PT.XYZ does not set the message format to be used but the message must be 4W + 1H (What, Who, Where, When + How)

Code of conduct

The Code of Conduct (CoC) is a set of guidelines covering the basic principles and behaviors of employers and employees that govern how the company’s elements act toward business partners as well as to their environment. To maintain a reputation for quality and integrity thanks to the committed commitments of management and employees, PT.XYZ created a Code of Conduct. These guidelines regulate constituent relationships (Shareholders, Board of Commissioners, Board of Directors, and Employees) with business partners such as Dealers, Suppliers, Vendors, and other Stakeholders. In addition, the Code of Conduct also regulates constituent relations with the surrounding environment.

Fraud handling procedures

In handling fraud or potential fraud, PT.XYZ has a fraud handling procedure. This fraud handling process has four stages and is designed to be able to complete the entire fraud handling procedure from the acceptance stage of the report, assessment, investigation, and review and improve within a maximum of twenty-one days after receipt of the report.

Internal audit division

Based on the research outcome above, the internal audit division has the independence necessary to carry out its duties and responsibilities. However, the dual positions performed by the Chief of Internal Audit which is also BOD that oversees the Technical, Project Planning, and Management areas can reduce the independence of PT.XYZ Internal Audit Division. In IPPF (2013) Attribute Standards 1120 on Individual Objectivity, it is mentioned that the Internal auditors must have an impartial, unsatisfactory attitude and avoid any conflict of interest. If the Chief of Internal Audit has dual positions as BOD, it will likely have a conflict of interest and partial attitude that is inconsistent with the IPPF Attribute Standards (2013) number 1120.
Based on Figure 3, it is shown that several positions are still vacant. There is no minimum number of internal auditors that the internal audit function must-have, but the number of internal auditors owned by a company will affect the effectiveness of the oversight of the company and the conduct of the audit.

Furthermore from the comparison of Table 1 and Table 4, four competencies have not been included in the training. That means that the training that is followed by the internal audit, 77.77% has been following the competencies that should be owned by internal auditors according to CBOK. In addition, from nineteen knowledge areas, three pieces of training have not been followed by internal auditors. It means that the training that is followed by the internal audit 84.2% has been following the knowledge areas that should be owned by internal auditors according to CBOK.

IPPF (2013) Attribute Standards 1210 on Proficiency mentioned that Internal auditors must have possessed the knowledge, skills, and other competencies needed to perform their responsibilities. The internal audit activity collectively must possess or obtain the knowledge, skills, and other competencies needed to perform its responsibilities.

The role of internal audit in the implementation of anti-fraud strategy

To implement and implement the company's anti-fraud strategy, Internal Audit does the following:

a. Planning Implementation of Anti Fraud Strategy
   Based on the research, the authors did not find any written evidence of formal anti-fraud strategy planning.

b. Commitment
   PT.XYZ is committed to not committing fraud and invites all components of the company to do the positive practice. The Commitment is manifested in various forms, including a Declaration of effective internal control planning. In the declaration, there is one point that states that a division does not commit fraud and if there is fraud in the division it will be immediately reported to the BOD. The Declaration was signed by each Division Head and renewed annually.

c. Campaign and Socialization
   The anti-fraud campaign and socialization aim to provide awareness and educate all employees to always be honest and not cheat on the job. Some examples of anti-fraud campaigns conducted by the internal audit division include:
   - The division of positive practice sample booklets does not do fraud.
   - Installation of posters and banners in the work environment.
   - Each quiz will log in to the PT.XYZ system. Each login will appear with two questions to be answered. 10 questions will be randomly assigned in repetition

   Thus from the above explanation, the internal audit is committed and plays an active role in implementing the anti-fraud strategy. Although there is no written proof of anti-fraud strategy planning, internal audits actively commit and campaign and campaign.

Anti-fraud strategy of PT.XYZ

a. Whistle Blowing Program
   Whistle Blowing Program (WBP) PT.XYZ was implemented in 2007. To facilitate understanding and as a form of WBP socialization to all employees, PT.XYZ then made a flyer and pocket book Code of Conduct & Whistle Blowing Program by the internal audit division. Internal Audit Division PT.XYZ created a pocket book Code of Conduct & Whistle Blowing Program in 2007. Since 2007 the pocket book has been reprinted three times, ie in 2009, 2012, and 2015. Especially in 2012, the pocket book was printed in Japanese. In reprinting the three-time pocket book, no changes to the contents of the pocket book were only reprinted. Based on the results of field studies and question and answer with the
internal audit division, in the last three years, there is no report through WBP (zero deficiency).

Based on the above analysis, WBP PT.XYZ has fulfilled the elements that must be owned so that the whistle blowing program can run effectively according to Albrecht et al. (2012) which are anonymity, independence, accessibility, and follow-up. But based on the Guidance for Implementation of The Whistle Blowing System Violation published by KNKG (2008), WBP PT.XYZ has not had a Whistle Blower Protection Policy.

b. Code of Conduct

Based on the explanation above, generally the code of conduct PT.XYZ has been well prepared. The Code of conduct PT.XYZ outlines the basic principles governing corporate relationships with internal and external parties but some things still do not exist in the code of conduct PT.XYZ such as policy for sponsorship and gift and entertainment. As explained before, a pocket book Code of Conduct & Whistle Blowing Program has been reprinted three times, ie in 2009, 2012, and 2015. Especially in 2012, the pocket book was printed in Japanese. In reprinting the three-time pocket book, no changes to the contents of the pocket book were only reprinted. Renewal of contents has to be made following the changes occurring within the company so that the code of conduct can be relevant to the current state of the enterprise.

Furthermore, as stated in IPPF (2013) Performance Standards about Governance, the internal audit activity must evaluate the design, implementation, and effectiveness of the organization’s ethics-related objectives, programs, and activities. Therefore, implementing ethics audits regularly can identify potential risks and improve compliance with long-term behavior guidelines that will be key in improving PT.XYZ performance.

c. Fraud Training For Employee

As shown in Table 4, there is a point in which fraud training is included in the training that should be followed by the employee. The number of employees who had been followed to that training is three people which means 50% of the internal auditors.

From the above analysis, it can be concluded that there has been awareness of the importance of fraud training for an employee for PT.XYZ is one of the preventive measures in PT.XYZ anti-fraud strategy. However, the Internal Audit Division should make a schedule or timeline so that the fraud training for the employee has a competency standard.

d. Fraud Risk Assessment

IPPF (2013) Performance Standards 2120.A2 about Risk Management states that The internal audit activity must evaluate the potential for the occurrence of fraud and how the organization manages fraud risk. In addition, Performance Standards 2060 about Reporting to Senior Management and the Board mentioned that The chief audit executive must report periodically to senior management and the board on the internal audit activity’s purpose, authority, responsibility, and performance relative to its plan. Reporting must also include significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by senior management and the board.

Specifically, PT.XYZ has not implemented fraud risk assessment to become one of the company’s anti-fraud strategies and based on the above analysis PT.XYZ does not meet both standards. To create a Fraud Risk Assessment, COSO issues guidelines in the Fraud Risk Management Guide (2017) as explained above.

Conclusion

Internal audit has generally been actively contributing to implementing anti-fraud strategy. Following the competence that must be possessed by internal audit according to CBOK, internal audit of PT.XYZ has fulfilled the competency with the percentage of 77,7% and 84,2%. However,
in qualification, there is no internal auditor that has certified the profession of internal auditor. In addition, internal audit of PT.XYZ also plays an active role in its contribution to implementing anti-fraud strategy. PT.XYZ internal audit plays an active role in conducting fraud awareness both in internal division and all employees of PT.XYZ.

This research evaluates the implementation of anti-fraud strategy to PT.XYZ using four anti-fraud strategies: whistle blowing system, code of conduct, training fraud for employees, and fraud risk assessment. From the fraud detection aspect, PT.XYZ has a comprehensive WBP. WBP already has a clear reporting mechanism and provides a variety of alternative communication channels that can be used by whistleblowers. In addition, the fraud handling procedure (FHP) is very adequate. The WBP also has a Fraud Handling and Whistle Blowing Committee that is ready to deal with fraud-related reports and conduct investigations. However, WBP PT.XYZ does not yet have a reporting protection policy.

From the fraud prevention aspect, fraud awareness through socialization and anti-fraud campaign are conducted by internal audit. In addition, to prevent the occurrence of internal audit fraud make a code of conduct that must be obeyed by all employees PT.XYZ. The Code of conduct of PT.XYZ generally covers both internal and external areas of the company. However, neither renewal nor evaluation nor the testing of the code of conduct has made the code of conduct either irrelevant or ineffective in mitigating the risk of fraud with the current state of the enterprise.

From the fraud investigation aspect, in handling the existence of fraud, PT.XYZ already has a handling procedure called Fraud Handling Procedures (FHP). This FHP, described how the procedure of handling fraud ranges from reporting information, investigation, to reporting the results of the investigation. The fraud investigation phase begins after the information provided by the reporter is categorized as fraud and then the formation of the investigation team.

References