Research Article

The Effect Of Internal Auditors, Fraud Detection On The Quality Of Financial Statements In Strategic Industrial Soes

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Abstract: In this study, using the Internal Auditor variable (X1) and the Fraud Detection variable (X2) and the quality of the financial statements in the implementation of internal audits and carrying out their duties and functions with the presence of an auditor's attitude can detect the presence of these attitudes to minimize the existence of Praud. This study aims to determine the effect of internal auditors and proud research on the quality of financial reports in strategic industrial SOEs. The research method used is descriptive analysis with a survey approach and non-probability sample techniques of respondents to strategic industrial SOEs in transferring the required data. Based on the research results, there is a strong relationship between variables.
Keywords: Internal auditors, proud detection, quality financial statements.

1. Introduction

Fraud is a hot and exciting topic in the media. People want to know who was involved, where, when it happened, how many losses happened, which rules were violated, and what caused it to happen whether the audit findings should measure supervision success. And if the management is good and cheating is much reduced, how to measure the success of control.

Many acts of fraud occur along with high competition. Fraud is an unlawful act committed intentionally for the benefit of the individual/group unfairly, directly, or indirectly harming the other party. The Association of Certified Fraud Examination (ACFE) focuses its activities on preventing and eradication of irregularities. There are 3 (three) categories of irregularities, namely: fraudulent financial reporting, asset misappropriation, and corruption.

According to Bambang Widodo, Fraud is divided into 2 (two), namely:

1. Fraud for the benefit of the Company, for example:

- Conducting deliberate misjudgment of transactions related to income, assets, or liabilities.
- Perform asset sales fictitiously.
- Unauthorized payments, such as bribery, commissioning, political donations, payments to officials, customers or suppliers.
- Conducting business activities that are contrary to government legislation. Intentionally making special relationship transactions.
- Intentionally do not record (unrecorded) or do not explain significant information so that the financial picture of a company does not describe what is real.
- Tax Fraud.

2. Fraud conducted by way of harm to the Company, for example:

- Receive bribes or commissions
- Transfer of profits that will be received by the Company to someone inside or outside the Company.
- Intentionally misuse the Company's assets and falsify financial records.
- Intentionally conceal or falsely (falsify) present data or events.
- Claims for the reward of services or goods not charged to the Company.

In audit theory, there are 3 (three) fraud triangles that cause Fraud:

1. perceived pressure

As life exceeds its capabilities, many debts, greed, lack of attention from superiors / companies, poor working conditions, gamblers, drunks, and drug addicts.

2. perceived opportunity (opportunity factor)

Such as working there are not enough procedures, not being able to assess the quality of work, lack or lack of access to information and failing to discipline or sanction fraudsters.

3. Rationalization factors

Like feeling like you've done a lot to the Company, the amount stolen is immaterial or lacks access to information and fails to discipline or sanction fraudsters.

According to a report by the Association of Certified Fraud Examiners (ACFE), in 2010 of 1843 cases of fraud that occurred worldwide between January 2008 and December 2009, asset misappropriation was the largest form of fraud cases at 90% of cases, although losses were the least amounting to $135,000.

Based on PP number 23 of 2005 accounting and financial reporting held by financial accounting standards (SAK), in PSAK 45, in line with PP number 66 of 2010 where private universities in the preparation of financial statements also refer to PSAK 45 and SAK ETAP, while in-state universities need to consolidate financial statements with financial statements of the ministry of state/institution based on government accounting standards (SAP).

The Company is a non-profit institution, so it has characteristics that differ from the characteristics of business accounting. The preparation of financial statements refers to the government accounting system as well as the accounting system applied to Indonesian financial accounting standards. Financial statements produced by State-Owned Enterprises have reliable quality so that they can be used in decision making (Pertiwi; 2014; Srakar, 2018).

According to Zaenal Fanani (2009), The quality of financial statements is the extent to which financial statements are presented showing true and honest information. The quality of financial statements can be judged by the relevance of value, timing, and conservatism. Meanwhile, Murphy (2004) revealed that quality financial statements would increase the confidence of financial report managers in decision making because the information presented has been well prepared, approved, audited transparently, and accountable.

The quality of financial statements can be reflected from the audit report; Sukrisno Agoes (2012:75) stated that opinions are given on the fairness of the financial statements and their compliance with accounting standards that are generally accepted in Indonesia. Opinion- the Audit does not give opinions (TMP) because the financial statements contain misrepresentation material or are compiled not in accordance sak / ETAP / IFRS (Sukrisno Agoes, 2012:77)¬.

Bpk Ri data in 2009 showed that the ministry of national education got a fair opinion with exceptions (WDP), but in 2010 and 2011, the audit opinion became No Opinion (TMP), and in 2012 the audit opinion became Fair With Exceptions (WDP). The results of the audit opinion of BPK RI showed the quality of the financial statements of BUMN Industri Strategies.

Sigit Hermawan (2008) revealed that many personal financial statements are still not in accordance with the generally accepted financial accounting in Indonesia, and most private universities only report in the form of budget and realization reports. Transparency of the financial statements of private SOEs is also still low where there are only a few medium-scale private companies that have conducted external audits and published the resulting financial statements.

Based on the description above, there are several cases of asset abuse that occur in state-owned enterprises (SOEs) Strategic Industry so that the author is interested in conducting further research with the aim to see how much influence of internal auditors and shorts proud technology on the quality of strategic financial statements.

2. Theoretical foundation

Audit

Auditing is a systematic process of obtaining and evaluating evidence objectively related to questions prepared inactivity and economic events, aims to establish the level of conformity between the composition of statements about activities with established criteria, and must provide results to stakeholders.

Types of Audits

There are several types of audits that are reviewed from the examination area and the type of examination. When reviewed from the examination area, the Audit is divided into two types, namely General Audit (General examination) and Special Audit (special examination). While when reviewed from the type of examination, Sukrisno Agoes (2004:9) stated the Audit is divided into four types, namely management audit, compliance audit, Internal Audit, and computer audit. Here's an explanation of each type of Audit:

1. From the breadth of examination, audits can be distinguished by:

a. General Audit (general inspection)

General Audit (general examination) is a general examination of financial statements conducted by kap independent with the aim to be able to provide opinions on the fairness of the financial statements as a whole. The examination must be conducted in accordance with the Professional Standards of Public Accountants and pay attention to the Indonesian Accountant Code of Ethics, kap Ethics Rules that have been ratified by the Indonesian Institute of Accountants, and Quality Control Standards.

b. Special Audit

Special Audit is a limited examination (in accordance with the request of the auditee) conducted by an independent KAP, and at the end of its examination, the auditor does not need to give an opinion on the fairness of the report as a whole. Opinions given are limited to specific posts or issues examined, as audit procedures are also limited.

2. From the type of examination, Audit can be distinguished over:

a. Management Audit

Management Audit (operational Audit) is an examination of a company's operations, including accounting policies and active policies that have been determined by management, to find out if the procedures have been carried out effectively, efficiently, and economically.

b. Compliance audit (Pemeriksaan Ketaatan)

Compliance audit (compliance check) is an examination conducted to find out if the Company has complied with the prevailing rules and policies, both determined by the internal parties of the Company (Management, Board of Commissioners) and external parties (Government, Bapepam, Bank Indonesia, Directorate General of Taxation, and others). An examination can be done either by KAP or Internal Audit.

c. Internal Audit (Pemeriksaan Audit)

Internal Audit (audit examination) is an examination conducted by the internal audit section of the Company, both on financial statements and accounting records of the Company, as well as adherence to the management policy that has been determined. The internal auditor's examination is usually more detailed compared to the general study conducted by KAP. Internal auditors typically do not give an opinion on the fairness of financial statements because parties outside the Company consider that the internal auditor who is an insider of the Company is not independent. The internal auditor's report contains the findings of an audit finding on irregularities and fraud found, weaknesses in internal control, and suggestions.

d. Computer Audit

Computer Audit is an examination by KAP of companies that process their accounting data using EDP (Electronic Data Processing System).

Arens et al. (2008:16) write the types of audits into three types:

1. Operational Audit.

Evaluate the efficiency and effectiveness of each part of the organization's operating procedures and methods. At the end of an operational audit, management usually expects suggestions to improve operations.

2. Compliance Audit.

Compliance audits are conducted to determine whether the audited party follows specific procedures, rules, or conditions established by a higher authority.

3. Financial Statement Audit.

It is done to determine whether the financial statements (verified information) have been declared in accordance with certain criteria.

Auditor's Definition

An auditor conducts activities in obtaining fairness related to the information presented. According to the International of Organization (2002): "Auditors are people who have the competence to carry out audits." According to the Public Accountant Profession Standard (2001) on auditors: "Audits are conducted by one or more who have sufficient technical expertise and training as auditors."

From some of the above understandings, it can be concluded that auditors are people who play an important role in audit activities and have the ability to carry out audits in accordance with professional standards.

Types of Auditors

Competencies that must be owned by auditors can know the type and must be collected a lot of audit evidence to get conclusions by presenting the right opinion according to the audit evidence that has been tested.

According to Arens et al. (2008:19), there are four types of auditors that are most commonly known, namely:

1. Public Accountant Register

External or independent auditors work for public accounting firms whose status is outside the structure of the Company they are auditing. Generally, external auditors produce reports on financial audits made by their clients

2. Government Auditors

Tasked with obtaining fairness to financial information made by government agencies, other functions of auditing are also used to measure the efficiency of effectiveness and econometrics in the operation of programs as well as the use of government-owned goods And ordinary also audits for compliance with government-issued rules (BPK) Financial Examiner Agency or (BPKP) Audit Agency of Finance and Development is the implementer of Government Audit.

3. Tax Auditor

Have the task of checking the compliance of taxpayers with applicable tax laws.

4. Internal Auditor

The internal auditor is an employee of the Company that will be audited has the main task to determine the policies and procedures decided by the Company's leadership has been carried out determining whether or not the safeguard of the organization's assets

Audit Internal

Ratliff presented the definition of internal Audit as follows:

"Internal auditing is an independent appraisal function established within an organization to examine and evaluate its activities as a service to the organization. "(2002:49)

The definition can be described as follows:

1. Independent, indicates that audits are border-free which can reduce the scope and effectiveness of audits or reporting
   audit findings as well as conclusions.
2. Appraisal, expresses confidence in the internal audit assessment of the conclusions it makes.
3. Established, stated the Company's recognition of the role of internal Audit.

4. Examine and evaluate and declare internal audit actions as auditors to determine facts and evaluate and use their considerations.
5. It's activities, stating that the scope of internal audit work is addressed to all parts of the organization.
6. Service, described as a service and assistance obtained from the final results of all internal audits.
7. To the organization, assigning the scope of internal audit services addressed to all parts of the organization.

Fraud Prevention

Fraud is an act of fraud that violates the illegal law that is done intentionally and its nature can harm other parties Hermiyetti (2010) mentions that fraud can occur on two levels, namely employees and fraud management. Employee fraud or fraud committed by non-management employees is usually intended to directly steal cash or other assets for personal benefits, such as warehouse administration employees taking goods in warehouses for resale to outside parties. Fraud management is more hidden and dangerous because it is usually done by top-level management.

Tuanakotta (2007), describing the work of fraud in the form of a proud tree, describes the branches of fraud in relationships with limbs and branches. There are three main branches of fraud, namely:

1. Corruption, which includes conflicts of Interest; bribery; kickbacks (planned bribery to make a profit); bid-rigging (auditor's game in winning tenders); and illegal gratuities(gift-giving, which is a covert part of corruption).
2. Assets missapf-operation is the unlawful collection of asset looting. The target of looting fraudsters is money. In addition, it can also be in the form of assets such as merchandise preparations that can then be converted into cash by the perpetrator.
3. Fraudulent statements are fraud related to the presentation of financial statements, and this is a concern of parties who use the information of money. The type is fraud in the form of misstatement of financial statements, namely, the presentation of assets and acquisitions higher than the actual or the presentation of assets and income is lower than the actual. This is done so that in the eyes of stakeholders, the financial statements show a healthy financial condition. This branch fraud case is quite a concern when this branch fraud is caught in Enron company; the United States.

Cressey (2006) in Tuanakotta (2007) developed a model to describe the reasons for fraud in the fraud triangle as follows:

1. The pressure is a motivation that causes a person to commit fraud that is generally due to financial needs or problems. Examples of these pressures include accumulated debts or bills and lavish lifestyles.
2. Opportunity is an opportunity that allows fraud to occur. This is usually due to weak internal organizational control, lack of oversight, and abuse of authority.
3. Rationality or justification is the perpetrator of fraud seeking reason for the actions taken. For example, the perpetrator commits fraud because he wants to make his family happy, the perpetrator feels entitled to a position or a bigger salary because of the long working period

Fraud

Fraud is a form of irregularities. Fraud briefly states as a false presentation or concealment of material facts that cause a person to have something. For more details, Weels (1999:3), quoted by Amin Widjaja Tunggal (2000:1), suggests that:

"Fraud is a criminal fraud that intends to provide financial benefits to the perpetrator."While the definition of fraud, according to Alison (2004:1), is as follows:

"Fraud (in advance) is a deliberate fraud that causes losses unwittingly by the party that at a loss and provide benefits for fraudsters."

In addition, according to Hiro Tugiman (2004:63), cheating is defined as follows:

Fraud includes unlawful acts of clan violations of regulations and other laws that are carried out with the intention to commit fraud. Such acts are done deliberately for the benefit or loss of an organization by an insider or also by a person outside the organization".

Another definition of fraud is stated by The Institute of Internal auditors, quoted by Soedjono Kartini (2000:34):

"Cheating includes irregularities and illegal acts characterized by intentional fraud. It can be done for the benefit and or loss of the organization by persons outside or within the organization".

From this understanding, it can be concluded that fraud is an act that is contrary to the truth and done deliberately to obtain something that is not the right of the perpetrator so as to cause losses to the Company.

Factors That Drive Fraud

Fraud generally occurs due to pressure to make financial or encouragement to take advantage of existing opportunities and the existence of justification (generally accepted) for such actions.

Soedjono Kartini (2003:38) expressed his opinion on the driving factors of fraud are as follows:

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1. Weak internal control

a. Management does not emphasize the need for an internal control role
b. Management does not crackdown on fraudsters
c. Management does not take a stand in the event of a conflict of Interest
d. Internal auditors do not have the authority to investigate executives, especially when it comes to large expenditures.

2. Financial pressure on a person

a. Amount of debt
b. Low occupancy
c. Luxury lifestyle

3. Non-financial pressures

a. Demands of leaders beyond the capabilities of subordinates

b. The president director sets a goal that must be achieved

4. Other indications

a. Weak employee acceptance policy

b. Underestimating personal integrity

c. Possible connections with criminal organizations

The characteristics or conditions of cheating according to Soedjono Kartini (2000:43) are:

1. There are striking financial statements figures with previous years
2. There is a difference between the ledger and the helper book
3. Differences made by confirmation
4. Transactions that are not recorded in accordance with management authorizations, both general and special
5. There are differences in Interest in employee work tasks

From the statement, it is clear that fraud occurs because of weak internal control within the Company. One of the reasons is because management does not emphasize the importance of internal control, so employees work without thinking about their honesty and integrity towards the Company.

Signs of Fraud

Amin Widjaja Tunggal (2010:61) stated that some of the signs of fraud include:

1. There is a striking difference in the figures of the principal financial statements with previous years.
2. There is no clear division of duties and responsibilities of the principle
3. No employee job rotation
4. Control of principle operation is not good
5. The situation of principal employees is under pressure increment of fraud

According to The Association Certified Fraud Examiner (2008), fraud grouping into three things are:

1. Financial Statement Fraud

Fraud is defined as fraud by the management or manager of the Company in the form of material misstatement of financial statements that harm stakeholders, especially investors, creditors, or tax authorities.

2. Asset Misuse

This fraud is in the case of cash fraud and non-cash fraud. Cash fraud is very common.

3. Corruption

This proud bias is distinguished into conflict of Interest (Calif list of Interest) bribery giving illegal (vegan graters FY) extortion.

Quality of Financial Statements

Financial statements are an important component to establish accountability in the implementation of universities. The source of funds from the public is transparent so as to provide the information needed by the community. The resulting financial statements can be used by management for decision-making. (Winner Jihad Akbar, 2008: 27).

Financial statements, according to Warren (2005: 24) is an accounting report that generates information about the state of a company as well as a means of communication between financial data or corporate activities with interested parties with the data or activities of the Company.

The definition of financial statements, according to Kieso, et al. (2009: 5) is a recording process that is a summary of financial transactions that occurred during the financial year in question, which is useful for users of financial statements in decision making.

The quality of financial statements can be seen from two points of view, namely the quality of financial reporting related to the overall performance of the Company reflected in the Company's profit, and the quality of financial reporting related to capital market performance embodied in the form of rewards (Zaenal Fanani, 2009).

Elements and Components of Financial Statements

According to Waffen (2005: 24) that the types of financial statements of the Company consist of: income statement, owner's equity statement, balance sheet, cash flow statement. Income statement is used to report income and free during a certain period of time based on the concept of comparison or matching concept, owner's equity report to report changes in owner's equity during a certain period of time, balance sheet is a list of assets, liabilities, and equity of the owner on a certain date, cash flow statement is, an overview of cash receipts and cash payments during a certain period of time consisting of three parts namely operating activities investment activities, and funding activities.

Elements of financial statements based on PSAK No. 1 of 2009 consist of assets, liabilities, equity that can be explained that assets are resources controlled by the Company as a result of past events and from which future economic benefits are expected to be obtained by the Company, liabilities are current corporate debt arising from past events, the settlement is expected to result in cash flow out of the Company's resources containing future economic benefits, as well as equity is the right and residual to the Company's assets after deducting all liabilities.

PSAK No.1 of 2009 eliminated the components of financial statements are as follows:

a. Statement of Financial Position at the end of the period is a report that provides information on the value and type of investment of the Company to creditors and equity owners.

b. A comprehensive income statement for the same period serves to measure the Company's financial performance between balance sheet dates. Profit and loss statements can be used to determine indications of the Company's profitability.

c. Report of equity companies during the period, presenting changes to the equity post. This report is useful for identifying the basis for changes in equity holder claims for the Company's activities.

d. Cash flow statements during the period, presenting and reporting cash inflows and cash outflows for the Company's operating, investment and funding activities separately for a period.

e. Notes on financial reports, including a narrative explanation of the details of the amounts listed on the balance sheet. Income statements, cash flow statements, and equity change reports as well as additional information such as contingency liabilities and commitments.

f. Statements of financial position at the beginning of a comparative period, presented when an entity applies an accounting policy retrospectively or makes a restatement of financial statements posts or when records classify posts in its financial statements.

Tujuan Laporan Keuangan

Tujuan laporan keuangan sebagaimana dikemukakan dalam PSAK No I paragraph 05 (IAI, 2007:2) adalah memberikan informasi tentang posisi keuangan, kinerja, dan arus kas perusahaan yang bermanfaat bagi sebagian besar kalangan pengguna laporan dalam rangka membuat keputusan-keputusan ekonomi serta menunjukkan pertanggungjawaban manajemen atas penggunaan sumber-sumber daya yang di percayakan kepada mereka.

Characteristics of Quality Financial Statements

The characteristics of financial statements are normative measures that need to be embodied in accounting information so that they can fulfill the content. The characteristics of financial statements are a normative prerequisite for financial reports to meet the expected quality.

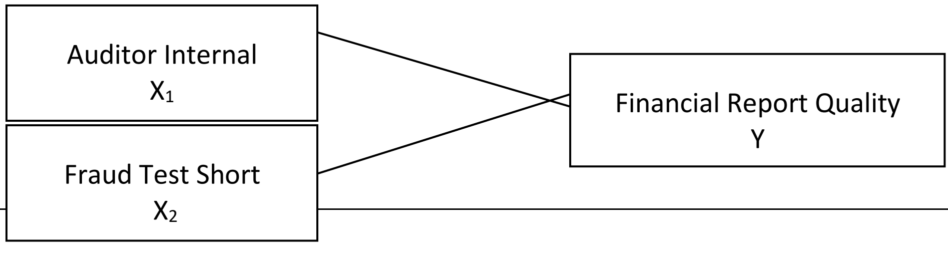
Report quality category according to SAK. ETAP consists of implementable, relevant, materiality, and material. In line with Donald E. Kiesto, Jerry J. Weygandt, Terry D. Warfiel (2011), the statement of the quality of financial statements is stated as follows: a) can be implemented (understanding), b) relevant (relevance), c) reliability (reliability), d) comparability, e) consistency.

This fact can state that the information contained in the financial statements must be implemented by users. Information that is relevant and has predictive value (predictive value), has feedback value (feedback value), and has timeliness (timeliness). Reliable or reliable accounting information can be verified (variability), presented in a timely manner, free from error and bias (neutrality), demonstrated when independent gauges, using the same measurement method, obtain similar results.

Information from various companies is seen as computable if it has been measured and reported in the same way. Previous year's financial information and inter-company financial reports mean that consistency means that the entity applies the same accounting standards.

Frame of Mind

Frame of Mind



Source: Supriyono and processed researchers

Hypothesis

The research hypothesis is as follows:

H1: There is no positive influence between internal auditors on fraud detection.

H2: There is a positive influence between internal auditors on fraud detection.

H3: There is a positive influence between auditors; there is the quality of financial statements.

3. Research methods

Research Object

Suharsimi Arikunto (2012: 161), stated that the object of research is a variable, or what is the focal point of object research in this study is the internal auditor of fraud quality of financial statements.

Research Methods

Research Design

Research design is a series of activities and plans based on time, always based on research questions, instructions on the source and type of information to be unearthed, analyst references to the study of relationships between variables, and outlines of procedures for each study (Cooper and Schindler, 2003:34). The design of the study consists of several components, namely: study objectives, type of investigation, level of interspersing researchers, measurement and size, analysis unit (population studied), sample design, time horizon, data collection method, and analysis.

Data Validity and Reliability Test

Validity Test

Validity is a measure that indicates the validity or validity of an instrument. A valid or valid instrument has high validity. Otherwise, a less valid instrument means it has low validation. An instrument is said to be valid if it is able to measure what is desired and can reveal data from variables studied appropriately (Hussain et al., 2019).

To test the validity of the questionnaire used in this study used grain/item analysis by testing the characteristics of each item that is part of the test in question. Items that do not meet the requirements should not be included in the test. This test is conducted using the correlation of item/item score to total item score as X value, while the total score is seen as Y value.

The resulting correlation coefficient is then compared to the critical value of the Pearson correlation coefficient. Items that have a correlation coefficient smaller than or equal to that critical value must be removed or revised because they have a low validity level. While the research included are only items that have a large correlation of critical value.

The spearman rank coefficient formula used to test validity in this study is as follows:

$$= \frac{6\sum di^2}{n^3-n}\pi r^2$$

(Husein Umar, 2008:114)

Description:

rs = spearman rank correlation coefficient

di= the average difference between rank X and Y

n = many subjects studied

The instrument is declared valid if the calculation result of the correlation coefficient shows a correlation coefficient of 0.3 or more (Sugiyono, 2009). The authors used Spearman rank in testing validity because the data used in the research in the form of ordinal data.

Reliability Test

Testing of reliability levels is intended to determine whether a questionnaire can provide a constant measure or not. Reliable instruments (questionnaires) are able to reveal reliable data.

To test the reliability of the questionnaire in this study used Cronbach's alpha formula. The correlation formula is:

$$r11 = \left(\frac{k}{k-1}\right)\left(1 - \frac{\sum \sigma b^2\, \sigma}{\sigma t^2}\right)$$

(Husein Umar, 2008: 58)

Keterangan :
r11: instrument reliability
k: many question items
σt^2: total variants
$\sum ab^2$: number of item variants

As a result of the calculation, a variable is said to be reliable if the alpha value produced gives an alpha value of > 0.60 (Ghozali, 2004: 42).

4. Results of research and discussion

Descriptive Test Results

Descriptive analysis aims to see an overview or describe the respondents' answers to each question asked in the questionnaire distributed to 30 Internal Auditors who work BUMN industry strategically to be respondents. In this study, the respondents' answers obtained will be presented in the form of frequency and percentage distribution tables.

Validity and Reliability Test Results

Test validity by regressing existing questions by the number of scores of each variable. Validity test results as follows:

Table 1. Recapitulation of X Variable Validity and Reliability Test Results
N=15

Variable	No item	Coef. Validity	Tipping Point	Conclusion	Coef. Reliability	Tipping Point	Conclusion
Audit internal (X1)	1	0,678	0,300	Valid	0,927	0,700	Realibel
	2	0,624	0,300	Valid			
	3	0,716	0,300	Valid			
	4	0,680	0,300	Valid			
	5	0,624	0,300	Valid			
	6	0,585	0,300	Valid			
	7	0,806	0,300	Valid			
	8	0,634	0,300	Valid			
	9	0,727	0,300	Valid			
	10	0,787	0,300	Valid			

	1 1	0,707	0,3 00	Valid			
	1 2	0,703	0,3 00	Valid			
	1 3	0,523	0,3 00	Valid			
	1 4	0,693	0,3 00	Valid			
	1 5	0,466	0,3 00	Valid			

From the table above, it is known that all questions that make up the Auditor variable have a validity coefficient value of > 0.300 (Critical point) so that all the stamens are declared Valid. For reliability testing. obtained Alpha Cronbach value of 0.927 > 0.700 and declared Reliable. So it can be concluded that all the question instruments used in the study have been able to measure what should be measured and have been tested in its entirety or validity so that the question instrument can be used in research.

Table 2. Recapitulation of Y N=9 Variable Validity and Reliability Test Results

Variable	No item	Coef. Validity	Tipping Point	Conclusion	Coef. Reliability	Tipping Point	Conclusion
Pendeteksian *Fraud Agrees*	16	0,528	0,300	Valid	0,885	0,700	Reliabel
	17	0.653	0,300	Valid			
	18	0,422	0,300	Valid			
	19	0,691	0,300	Valid			
	20	0,723	0,300	Valid			
	21	0,792	0,300	Valid			
	22	0,899	0,300	Valid			
	23	0,757	0,300	Valid			
	24	0,511	0,300	Valid			

From the table above, it is known that all questions that make up the r --:fraud detection system has a validity coefficient value of > 0.300 (Critical Point) so that all such instrument is declared valid. For reliability testing, an Alpha Cronbach value of 0.885 > 0.700 was obtained and declared Reliable. So it can be concluded that all the question instruments used in the study have been able to measure what should be measured and have been tested validity or validity so that the question instrument can be used in research.

Table 3. Recapitulation of Instrument Validity and Reliability Test Results (continued)

Variable	No item	Coef. Validity	Tipping Point	Conclusion	Coef. Reliability	Tipping Point	Conclusion
Financial Factor Quality (Y)	1	0,663	0,300	Valid	0,759	0,706	Reliable
	2	0,500	0,300	Valid			
	3	0,834	0,300	Valid			
	4	0,536	0,300	Valid			
	5	0,476	0,300	Valid			
	6	0,410	0,300	Valid			
	7	0,558	0,300	Valid			
	8	0,79	0,300	Valid			
	9	0,540	0,300	Valid			

	10	0,530	0,30	Vali			
	11	0,555	0,30	Vali			
	12	0,361	0,30	Vali			
	13	0,675	0,30	Vali			

Source: data processing

Based on the recapitulation of the results of the test of validity and reliability of the instrument above, it appears that all statements addressed in measuring each variable have a validity coefficient above the critical point 0.3, which indicates that all the statements have performed their measuring functions. The above instrument reliability test results obtained a reliability coefficient value exceeding the minimum limit of 0.7, which indicates that the variable typhus tested has demonstrated its reliability, so that it is eligible for use in research.

Respondents' Response to Internal Auditor Prvfesiontaliswe Variables (X)

Internal Auditor variables consist of 4 dimensions: independence and objectivity, professional expertise and carefulness of objectives, authority and responsibility, dimensions of quality assurance programs, and improvement of internal audit function guarantees, which are broken down into 12 questions. Each dimension consists of 2 - 7 questions. The following is presented the respondent's response score to each question in order to be able to give an assessment of each dimension and its variables as a whole.

A. Respondents' Responses to Dimensions of Independence and Objectivity

The following scores of respondents' responses to questions form a dimension of independence and objectivity.

Tabe1 4. Respondents' Response Score to Dimensions of Independence and Objectivity

Item			Respondent Response Score								Total	Skor actual	Skor Ideal
	SE		SR		KK		HTP		TIP				
	F	%	F	%	F	%	F	%	F	%			
1	16	53,	9	30	3	10,	2	6,	0	0,0	30	129	150
2	4	13,	7	23	6	20,	12	40	1	3,3	30	91	150
3	14	46,	10	33	3	10,	2	6,	1	3,3	30	124	150
Total												344	450
Percentage												76,4%	
Category												Good	

Based on table 4. above, it is seen that the actual score obtained from the 3 questions that make up the dimension of independence and objectivity is 344 with an ideal score of 450 and a percentage value of 76.4% and belongs to the good category (Interval 68.1% - 84.0%, Umi). So it can be concluded that internal auditors in strategic industrial SOEs have independence and objectivity that are classified as good. When viewed from each question:

1. For question number 1, it is known that most of the respondents, as many as 53.3% answered, strongly agreed that the current status of the organization supports the creation of internal auditor independence that is separate from the activities examined, while at least of the respondents answered

Respondents' Responses to Fraud Detection Variables

Fraud short variable consists of questions divided into four dimensions; namely, dimensions detect embezzlement of company revenue, detect misuse of tangible Asset, detect theft of inventory and other Assets and dimensions detect fictitious payments, each dimension has 1 - 9 questions. The following Respondent Responses form a dimension of detecting embezzlement of company revenue.

Table 5 shows the score of respondents' responses to 2 questions that form the dimensions of Detecting Corporate Revenue Embezzlement

Table 5. Respondents' Response Score to Dimensions detecting Corporate Revenue Embezzlement

No Item	Respondent Response Score						Total	Skor Aktual	Skor Ideal
	SE	SR	KK	H		TP			

	F	%	F %	F	%	F	%	F	%			
16	4	13	11 36,7	12	40	3	10	0	0,	30	106	150
17	4	13	12 40,0	5	16	3	10	6	20	30	95	150
Total											**201**	**300**
Percentage											**67,0%**	
Category											quite good	

Based on table 5, it can be seen that the actual score obtained comes from 2 questions that form the dimension of detecting embezzlement of company revenue is 201 with an ideal score of 300 and a percentage value of 67% and belongs to the category quite well (Interval 52.1% - 68.0%, Umi). So the conclusion is that the Internal Auditor working on the Strategic Industry SOE is quite good.

Respondents' Responses to The Quality of Financial Statements

The quality variables of financial statements in this study have relevant dimensions, reliable dimensions, comparable dimensions, and understandable dimensions. To find out the respondents' responses to the quality of financial statements can be seen from the collection of data through questionnaires. The statements in the questionnaire on the quality of financial statements consist of 4 parts, namely:

1. 5 item statement regarding relevant dimensions.
2. 3 item statement regarding reliable dimensions.
3. 3 statement items regarding comparable dimensions and
4. Two items statement regarding dimensions can be understood.

The average assessment score of respondents to each dimension on the quality variable of financial statements can be concluded by the following description:

Table 6. Recapitulation of Respondents' Average Assessment Score regarding The Quality of Financial Statements

No	Description	Average Score
1	Relevant	91,8 %
2	Reliable	85,9 %
3	Comparable	85,9 %
4	Understandable	88,9 %
	Grand Mean	88,12 %

Source: Data Processing

This shows that in table 6. the grand mean respondents' assessment score on the quality of financial statements was 88.12% at intervals between 68.01 % - 84 % and was in the excellent category. Based on the data, it was concluded that the quality of financial statements in strategic industrial SOEs had been implemented very well with the fulfillment of the four components of the quality of financial statements. The distribution of entities is based on the quality of financial statements.

5. Conclusions and suggestions

Conclusion

1. Internal Auditors in strategic industrial SOEs have a relatively good professionalism attitude; this is demonstrated by the percentage value obtained by 77%.
2. Internal Auditors in strategic industrial SOEs are able to detect fraud quite well; this is demonstrated by the percentage value obtained of 60.9%.
3. Internal control is able to explain the variable quality of financial statements' weaknesses caused by the lack of maximum authority of information data that is all accessed by the public.
4. The influence of internal auditors is significant by 65.1% on fraud detection in strategic industrial SOEs, while the rest as much as 100%-65.1% = 34.9% there are influences from other variables that are not studied.

Suggestions

Share Science Development

A. Researchers can further expand the research on a larger scope because this research is only conducted on state-owned enterprises.

B. Development for other research includes other factors that can affect the attitude of auditors and fraud.

Troubleshooting

The Company (SOE) requires its Internal Auditors to participate in audit training and certification programs, such as Qualified Internal Auditor (QIA) or other internationally certified training such as CIA (Certified Internal Auditor) and ALSO CFE (Certf fled Fraud Examiner) in order to improve the quality of professionalism of internal auditors, so as to reduce the risk of fraud assets misappropriation.

Based on the results of the study that internal auditors were able to explain the quality of financial statements with good categories but still carried out an increase in fraud.

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