

THE EFFECT OF INVESTIGATIVE AUDIT ON FRAUD PREVENTION THROUGH PROFESSIONAL COMPETENCE AND PRUDENCE AS AN INTERVENING VARIABLE



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ABSTRACT

This study aims to determine the influence of investigative audit variables on fraud prevention with professional competence and prudence as intervening. The research method used in the study is a quantitative research method with primary data which is from questionnaire data measured using a Likert scale. This research was conducted at the Financial and Development Supervisory Agency, BPKP Representative of North Sumatra Province. The population in this study is all auditor employees as many as 32 people in BPKP North Sumatra Province. The sample collection method uses Saturated Samples with the criteria of an auditor of BPKP North Sumatra Province so that the number of samples obtained is 32 samples. The results of this study stated that: First, the results of regression analysis showed that investigative audits had a positive and significant effect on professional competence and prudence. That is, Ha₂ is accepted. Second, the results of regression analysis show that investigative audits have a positive and significant effect on fraud prevention. That is, Ha₄ is accepted. Third, the results of regression analysis show that professional competence and prudence have a positive and significant effect on fraud prevention. That is, Ha₅ is accepted. Fourth, the results of regression analysis show that professional Competence and Prudence mediate investigative audits against fraud prevention. That is, Ha₇ is accepted.

1. INTRODUCTION

Financial audits are designed to ensure that financial statements are not affected by material errors. This audit also provides confidence in management's accountability for the company's assets. BPKP in June 2019 has set a target for public financial accountability in realizing Indonesia Golden 2045. State Finance and Public Finance must be quality and accountable institutions.

State financial management must change following the development of the industrial era 4.0. Financial management must be Principal Based, which makes estimates that must be accounted for. Some of the conditions that must be considered are a high level of compliance, a relationship based on trust, an accountability mechanism that cannot be manipulated, a balance between supervision and enforcement, an understanding of regulatory principles, and a constructive dialogue between regulators and regulated parties. Risk control is also important in managing state finances.

Investigative audits are a hope for law enforcement officials and BPKP to prevent and expose fraudulent practices. There are Laws and Guidelines for Assignment of Investigation that regulate this examination. Fraud investigations involve systematic analysis to find the truth. Investigative auditing requires expertise and experience in auditing and law in a broad and in-depth manner.

An auditor must carry out the procedures set forth in planning, implementation, reporting, and follow-up of the audit. The performance of BPKP North Sumatra in 2018 was very satisfactory, with 14 out of 18 Key Performance Indicators exceeding the target. However, the challenges in 2019 are still tough and the spirit must be maintained to achieve the targets that have been set.

In conclusion, financial and investigative audits are essential in ensuring public financial accountability. The country's financial management must change following the development of industry 4.0. Auditors must have the necessary expertise and experience in conducting investigative audits. The performance of BPKP North Sumatra in 2018 has been satisfactory, but the challenges in 2019 are still heavy. Fraud audits and investigations are important steps in maintaining the integrity of public finances. In the findings of the March 2018 BPKP case, there were findings that many cases were found in government institutions, including SOEs.

Supervision of the security of state assets is carried out together with Law Enforcement Officers (APH), namely the Police, Prosecutor's Office and the KPK and Non-APH with the aim of contributing to efforts to save state finances through investigative audits and audits of the calculation of state financial losses (PKKN). From the results of the audit, the potential to save state finances amounted to Rp27,541,394,017.00 which most of the modes of violation of corruption crimes (TPK) occurred in the procurement of goods and services so that they were summed up with the following data:

Table 1. Results of the 2018 North Sumatra Representative BPKP Investigation

No.	Description	Rp
1.	Investigative Audit	11,604,692,261,00.-
2.	Audit of State Financial Loss Calculation	15.936.701.756,00.
	Sum	27.541394.017,00.-

Source: *bpkp.go.id*, 2019

This study focuses on the influence of investigative audits and professional competence and prudence on fraud prevention in BPKP Representatives of North Sumatra Province. The problem found is that auditor activities are not optimal, causing deviations and weak professional Competence and Prudence scores. The research uses agency theory to improve individuals' ability to assess the environment and make accurate decisions. The results of the BPKP audit show a significant potential for saving state finances. Therefore, investigative audits are important in preventing fraud.

2. LITERATURE REVIEW and HYPOTHESIS

2.1. Cheating Prevention

Fraud is a condition that may be found by the auditor when conducting an audit. In the examination, the auditor may encounter various findings and forms that occur in the field. With these findings, the auditor will also look at the various ways carried out by the perpetrators in committing fraud and who are the perpetrators who are possible to commit fraud. Preventing the occurrence or not of fraud is one of the auditor's responsibilities in an assertion although it is not the auditor's responsibility absolutely. The definition of cheating according to experts is:

Fraud can be termed as fraud that contains the meaning of an irregularity and unlawful act (*illegal act*), which is done deliberately for a specific purpose such as deceiving or giving a misleading image (*mislead*) to other parties, which are done by people both from inside and outside the organization. (Karyono, 2013). Fraud is a series of unnatural and illegal actions that are deliberately carried out for m.enipu, fraud is carried out by individuals to get money. (Sawyer, 2006). Cheating is anything that can be cleverly used to gain profit by covering up the truth, deception, cunning, or deception and other dishonest ways. (Halim, 2015).

Several definitions of fraud according to experts can be concluded that fraud is an unlawful act committed by people from inside or outside the organization with the intention of obtaining personal or group benefits that will directly harm others.



Figure. 1 Fraud Triangle

According to SAS 99 (AU 316) quoted by Amin Widjaja Tunggal, there are three factors for a person to commit fraud known as *the fraud triangle*, namely *First*, Pressure. Economic pressure is one of the factors that encourages a person to dare to commit fraud. This factor comes from the individual perpetrator where he feels that the pressure of life is so heavy that the perpetrator is forced to cheat for his personal gain. This usually happens because the welfare guarantee offered by the company or organization where he works is less or the lifestyle is all luxurious so that the perpetrator constantly feels inadequate. But the pressure can also come from the environment in which he works. Such as: an unpleasant work environment, employees feel treated fairly, there is an unfair acceptance process. *Second*, Opportunity. It is a factor that comes entirely from outside the individual, namely from the organization as a victim of fraud. The opportunity to cheat is always present in every position. With the position he has, the perpetrator feels that he has the opportunity to take advantage. Coupled with the inadequate control system of the organization. *Third*, *Rationalization*. The perpetrator felt that he had a strong reason that became the basis for justifying what he did. As well as influencing other parties to agree to what he is doing".

Meanwhile, according to the audit standards quoted by Hery, there are three conditions that can cause fraud, including: *First*, incentives or pressure, management and employees have incentives, encouragement, or pressure to commit fraud. *Second*, opportunities, circumstances that provide opportunities or opportunities for management and employees to commit fraud. *Third*, Behavior or justification for actions, a behavior or character that makes management or employees commit dishonest actions, or an environment that makes them act dishonestly and justify the dishonest act".

Fraud prevention is an integrated effort that can suppress the factors that cause fraud. The goal is to eliminate or minimize the causes of fraud. Fraud prevention is also a system and procedure designed to prevent and prevent fraud. Auditors conduct investigations to identify fraud prevention by systematically searching, finding, and gathering evidence. This effort is expected to reduce the level of fraud and maintain the independence and professionalism of auditors. Efforts to prevent fraud need to be improved and intensified by upholding public trust.

2.2. Fraud Prevention

The Center for Education and Training of the Financial and Development Supervisory Agency or commonly known as the BPKP Education and Training Center is as follows: *Prevention*, to minimize the chance of fraud and to prevent fraud in all lines of the organization; *Deterrence*, warding off potential perpetrators and even actions for trial and error, reducing pressure on employees; *Disruption*, making it difficult for fraudsters to move as far as possible and minimizing the reasons for justifying fraudulent acts committed, *Identification*, identifying high-risk activities and weaknesses in control, as well as to minimize the reasons or justifications for fraudulent acts committed; *Civil action Protection*, making appropriate demands and imposing sanctions for fraudulent acts to the perpetrators.

The fraud prevention methods according to the BPKP Education and Training Center are as follows build a good internal control structure. that is, internal control consists of 5 (five) interrelated components, namely: a) The control environment determines the pattern of an organization, affecting the awareness of control of its people. b) Control *activities* are the policies of procedures that help ensure that management directives are implemented. c) Information and communication is the identification, capture, and exchange of information in a form of time that allows people to carry out their responsibilities. d) Monitoring is the process of determining the quality of internal control performance at all times. Monitoring includes the determination of timely design and control operations and the taking of corrective actions.

Effective control activities. In making control activities effective, the auditor must carry out the following things: a) Performance Review is a control activity that includes a review of actual performance compared to previous budgets, forecasts, or performance periods, linking a set of data that differs from operations or finances to each other, along with an analysis of relationships and actions of investigation and improvement; and review of the functional performance or activities of a credit manager on the company's branch report on loan approval and collection. b) Information processing, namely various controls are carried out to check the accuracy, completeness, and authorization of transactions. Two broad groupings of information system control activities are general control and *application control*. c) Physical control is a physical control activity that includes the physical security of assets, adequate protection of facilities that are protected from access to assets and records; authorization for access to computer programs and data files; and periodic calculations and comparisons with the amounts listed in the controller's records. d) Separation of Duties is the imposition of responsibility on different persons to give authorization, record transactions, organize asset storage aimed at reducing opportunities for a person in a good position to commit fraud and at the same time hide mistakes and irregularities in carrying out their duties under normal circumstances.

Improve organizational culture. In improving organizational culture, it consists of the following: a) *Fairness* is to protect the interests of minority shareholders and other *stakeholders* from transaction manipulation that is contrary to applicable regulations. b) Transparency Disclosure is for related stakeholders to see and understand the process of decision-making/management of a company. In this case, it is also related to the company's obligation to disclose material information to public shareholders and the government in a correct, accurate, orderly and timely manner. c) *Accountability* is to create an effective supervision system based on the distribution and balance of power among members of the board of directors, commissioners, shareholders and supervisors. This also concerns the process of accountability of the company's management for the decisions made and the performance achieved. d) Responsibility is that the company has the responsibility to comply with applicable laws and regulations/regulations, including being responsive to the environment in which the company is located. e) Morality is management and all individuals in the company are obliged to uphold morality, in

this principle contains elements of honesty, social sensitivity and individual responsibility. f) *Reliability* is that the management/manager of the company is required to have competence and professionalism in the management of the Company. g) Commitment is that the management/manager of the company is required to have a full commitment to always increase the value of the company, and work to optimize the value of its shareholders (*duty of loyalty*) and reduce the company's risk.

Streamline internal audit functions. Some things that must be considered by the management so that the internal audit function can effectively assist the management in carrying out its responsibilities by providing analysis, assessment, suggestions and comments regarding the activities it inspects are: a) The internal audit department must have an independent position in the company's organization in the sense that it must not be involved in the company's operational activities and be responsible to or report its activities to the top management. b) The internal audit of the department must have a description of duties in writing, so that each auditor clearly knows what his duties, authorities and responsibilities are.

Fraud prevention can be assisted by an auditor who will conduct an investigation. Therefore, a figure who has adequate abilities is needed to prevent fraud from occurring. In the prevention of fraud, an investigation is also carried out so that the case can be traced and obtain reliable audit results. The Audit Board (BPK) and the Financial and Development Supervisory Agency (BPKP) are independent institutions that play a role in supervising and investigating the financial situation of government and private agencies. This variable consists of several indicators, including:

1) Cheating Discovery Requirements

- a) The requirements for fraud discovery are criteria, namely various sources, standards, measures or expectations in the evaluation.
- b) The condition for the discovery of fraud is a condition, namely various tangible evidence found by the internal auditor.
- c) The condition for the discovery of fraud is the cause, which is the reason stated for the difference between the expected condition and the actual condition

2) Scope of Auditing Fraud

- a) The scope of a fraud audit includes certain restrictions in conducting an audit, namely the level of materiality where a fraud is still considered material qualitatively and does not become a problem with some amount of money involved.
- b) The scope of the fraud audit is certain limitations in conducting an audit, namely the cost for the cost of the management must analyze the overall cost situation of the benefits of the expansion of the audit and the measures taken to prevent fraud in the future.

3) The auditing approach, which is carried out so that internal audits can easily evaluate or assess the information obtained, including threat analysis, preliminary surveys, internal audits

2.3. Investigative Audit

Investigative audit is a different form of audit from ordinary audit. This audit uses a combination of audit science in economics and laws and regulations. Investigative audits are known as investigative audits. In Indonesia, investigative audits have been used since 2001 in the BLBI case involving Samandikun Hartono and Kaharudin Ongko. The investigative audit was carried out by the prosecutor's office as an investigator and investigative auditor from the BPK. The purpose of an investigative audit is to uncover fraud by fulfilling justice and seeking the truth. This audit is carried out through the process of testing, collecting, and evaluating evidence relevant to fraudulent acts. In conducting investigative audits, auditors need to have great investigative skills and competencies. The main purpose of an investigative audit is to identify and prevent fraud or crime.

Investigative can simply be defined as an effort to prove and generally the proof will end up in the court and the applicable legal provisions. An auditor who has the ability (*skill*) in an investigation is expected to be able to determine the truth of a problem through the process of testing, collecting and evaluating evidence relevant to fraudulent acts that will later be revealed. This variable consists of several indicators, including:

1. Physical Examination (*physical examination*). Physical examination is evidence obtained through physical examination or through calculation by the auditor of the Company assets. For example, cash, securities, supplies
2. Request confirmation. Requesting confirmation is evidence obtained through affirmation from a third party in response to a request for information related to management assertion and audit objectives. Generally, auditors prefer written confirmation because it is easy to *review* by audit supervisors and provides reliability support
3. Checking the documentation. Examining documents is an examination or investigation by an auditor of the client's documents and records to support the information that has been presented. Documentation is widely used as audit evidence due to its relatively low cost and on many occasions being the only available and feasible audit evidence
4. Analytical Review (*analytical review*). Analytical review by using comparisons and relationships to assess whether Account Balance or other data seems reasonable. For example, the auditor compares the total salary burden with the number of employees to indicate whether there are improper salary payments.
5. Request an Oral or Written Explanation from the Auditor. Requesting an explanation orally or in writing from the auditor is an effort to obtain information orally or in writing from the client that is evidence of response to questions from the auditor
6. Recount. Recalculation is a test of the accuracy of the client's calculation results.

2.4. Professional Competence and Caution

Competence in a professional context refers to the abilities, knowledge, and skills required by a professional in carrying out his or her duties. A competent professional has a deep understanding of the field, is able to apply such knowledge and skills well, and continues to develop himself in accordance with the latest developments in practice, legislation, and techniques. Professional prudence requires a professional to carry out his duties carefully, thoroughly, and responsibly. This includes fulfilling professional responsibilities with competence and diligence, as well as maintaining the knowledge and skills necessary to provide quality professional services to clients or employers.

In professional practice, professional competence and prudence are essential to ensure that clients or employers benefit from competent professional services and are in line with the latest developments.

This variable consists of several indicators, including:

1. Relevant auditing standards and accounting principles
2. Mastering the audit techniques and methods necessary to carry out the auditor's duties
3. Attend training or professional development programs to improve competence as an auditor
4. Apply audit knowledge and skills in daily work practices
5. How careful to collect and analyze audit evidence
6. Paying attention to detail and maintaining accuracy in auditor work.

2.5. Hypothesis

H1: Does investigative audit have any effect on fraud prevention?

H2: Does investigative audit affect Professional Competence and Prudence?

H3: Does Professional Competence and Prudence affect fraud prevention?

H4: Does investigative audit have an effect on fraud prevention through Professional Competence and Prudence?

3. METHODS

This research is a type of quantitative research that emphasizes testing theories through the measurement of research variables with numbers and data analysis with statistical procedures. Quantitative research can be interpreted as a research method used to research a specific population or sample. Based on the characteristics of the research problem, it is classified into descriptive research which is a study of problems in the form of current facts of a population.

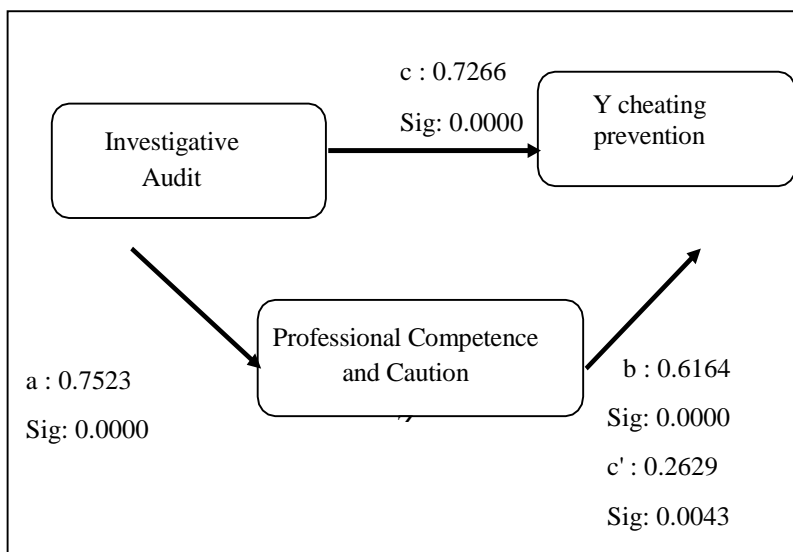
This study is a correlational research involving auditors of BPKP Representative of North Sumatra Province. This study focuses on the relationship between investigative audit variables and fraud prevention, with professional competence and prudence as moderation variables. This research was conducted at the BPKP office of North Sumatra Province and used a saturated sampling method, with 32 auditors as a sample. Primary data was obtained through a questionnaire

filled out by auditors. This research aims to obtain relevant information in solving problems related to fraud prevention.

4. RESULTS

Based on the results of the survey on the questionnaire which was divided from 38 samples and returned only 32 questionnaires. So the ratio is: $32/38 \times 100\% = 84.21\%$ and according to the author, it is still feasible to continue the research with the following analysis results:

1. Causal Step *Strategy* (The Effect of Investigative Audit on Fraud Prevention Mediated by Professional Competence and Prudence as *Intervening Variables*).



Source: SPSS Data Processing (2024)

Figure 2. Casual Step Strategy

Y (Fraud prevention) = a + β Investigative audit + β Professional competence and prudence

Three regression equations that must be estimated in the *Causal Step* method are as follows:

1. Simple regression equation of the intervening variables of Professional Competence and Prudence (Z) on the independent variable of Investigative Audit (X2). The results of the analysis found evidence that the investigative audit was significant to the Competence and Prudence of professionals with a significance value of $0.0000 < \alpha = 0.05$ and a regression coefficient (a) = 0.7523.
2. Simple regression equation of the dependent variable Fraud prevention (Y) on the independent variable Investigative audit (X2). The results of the analysis found evidence that the investigative audit was significant to the Prevention of

fraud with a significance value of $0.0000 < \alpha = 0.05$ and a regression coefficient (c) = 0.7266.

3. Multiple regression equations of the dependent variable Fraud prevention (Y) on the Investigative Audit variable (X2) and the intervening variable Professional Competence and Prudence (Z). The results of the analysis found that the investigative audit was significant to the prevention of fraud, after controlling the Competence and Prudence of professionals with a significance value of $0.0000 < \alpha = 0.05$ and a regression coefficient (b) = 0.6164. Furthermore, it was found that the direct effect of c' was 0.2629 which was smaller than c = 0.7266. The effect of the independent variable of Investigative audit on the dependent variable of Fraud prevention was reduced and significant $0.0000 > \alpha = 0.05$ after controlling the intervening variables of professional competence and prudence. It can be concluded that this model is included in "partial mediation" or mediation, where the variable of Investigative Audit is able to directly affect the variable of Prevention of fraud or indirectly by involving the intervening variables of Professional Competence and Prudence, or it can be said that Professional Competence and Prudence mediates the relationship between Investigative Audit and Prevention of Fraud.

Sobel Test Testing

1. The Effect of Investigative Audit on Fraud Prevention with Professional Competence and Prudence as Intervening Variables
 - a. Coefficient between the independent variable of Investigative audit and the intervening variable of Professional competence and prudence (A)

Table 2. Investigative Audit Coefficients on Professional Competence and Prudence

Type	Coefficients
Audit investigative	0,7523

Source: SPSS Data Processing (2024)

- b. Coefficient between the intervening variables of Professional Competence and Prudence and the dependent variable of Cheating prevention (B)

Table 3. Competence Coefficients and Precautionary Factors of professionals towards Fraud Prevention

Type	Coefficients
Professional Competence and Caution	0,6164

c. Error standard from A

Table 4. Investigative Audit Error Standards on Professional Competence and Prudence

Type	Coefficients
Audit investigative	0,1074

d. Error standard of B

Table 5. Professional Competency and Prudential Competency and Prudential Error Standards for Fraud Prevention

Type	Coefficients
Professional Competence and Caution	0,0862

Results of analysis with *Sobel Test Calculator For The Signification of Mediation Kris Preacher*: The results of the analysis with Sobel Test show a statistical value (*z value*) for the influence of the professional Competence and Prudence variables as an intervening variable between the variables of Investigative Audit and Fraud Prevention. *Sobel Test Statistics* with a number of 5.00391329 and *One-tailed Probablitiy* with a number of 0.000000028 were significant in the *Two-tailed probability* with a number of 0.000000056. Since the *z-value* > 1.96 or the *p-value* < $\alpha = 0.05$, it can be concluded that the *inductive effect* is significant. In line with the previous findings using the *causal step strategy*, the mediation hypothesis is supported.

Influence Calculation**1) Direct Effect (DE)**

- The influence of the variables of Professional Competence and Prudence on the Prevention of cheating = $(Z \rightarrow Y) = 0.555$. The direct effect between the variables of Professional Competence and Prudence on the Prevention of cheating was 0.555.
- The influence of the variable Investigative Audit on Fraud Prevention = $(X2 \rightarrow Y) = 0.242$. Direct effect between investagtic audit variables on fraud prevention worth 0.242

2) Indirect Effect (IE)

- The influence of the variable of Investigative Audit on the Prevention of Fraud through Professional Competence and Prudence as an intervening variable $(X \rightarrow Z \rightarrow Y) = (0.642 \times 0.555) = 0.356$. The indirect influence of investigative audit on fraud prevention mediated by professional competence and prudence as an intervening variable is 0.356.

3) Total Effect

The influence of the variable of Investigative Audit on the Prevention of Fraud through Professional Competence and Prudence as an *intervening* variable $(X \rightarrow Z \rightarrow Y) = (0.642 + 0.555) = 1.197$. The total influence between the variables of Investigative Audit on Fraud Prevention through Professional Competence and Prudence as the intervening variable is 1,197.

Table 6. Recapitulation of Research Results

No.	Hypothesis	Research Results
1.	H1 = Investigative audits have an effect and significance on professional Competence and Prudence.	Investigative audits have a positive and significant effect on professional Competence and Prudence.
2.	H2 = Investigative audits have an effect and are significant on professional Competence and Prudence.	Investigative audits have a positive and significant effect on fraud prevention.
3.	H3 = Professional competence and prudence have an effect and are significant on the prevention of fraud.	Professional competence and prudence have a positive and significant effect on fraud prevention.
4.	H4 = Investigative audit has an effect on the prevention of fraud through professional competence and prudence	Professional competence and prudence mediating investigative audits towards fraud prevention

5. DISCUSSION

From the results of the study in this study, obtaining the t-value of the t-calculated $> t$ table ($2.933 > 2.02809$) and the significance value of $0.006 < 0.05$, it can be concluded that the hypothesis states that the results of the variable of Investigative Audit have an influence and significance on professional Competence and Prudence. This means that the second hypothesis is acceptable, this explains that an investigative audit is a type of audit that is conducted to reveal fraud, misappropriation, or illegal actions in an organization. These audits involve gathering evidence, analyzing data, and interviewing to identify violations and reveal the truth. The influence of investigative audits on professional competence and prudence can be seen from several points of view

Investigative audits require specialized skills and knowledge in collecting and analyzing evidence. In this process, auditors can develop their competence in identifying signs of fraud, analyzing data carefully, and taking appropriate action.

Investigative audits can be a valuable experience that enhances auditors' ability to deal with complex and challenging situations.

Investigative audits involve disclosing fraud or violations of the law that can have serious consequences for the organization and the individuals involved. In conducting these audits, auditors must be very careful in collecting and interpreting evidence, as well as reporting their findings accurately and objectively. Investigative audits can increase the professional prudence of auditors in carrying out their duties.

The results of this study, obtained a t-value calculated $> t$ table ($5.512 > 2.02619$) and a significance value of $0.000 < 0.05$, so it can be concluded that the hypothesis states that the results of the variable of Investigative Audit have an influence and significance on the prevention of fraud. This means that the fourth hypothesis is acceptable. This is in accordance with the research, Ranty Sapitri, "The Effect of Investigative Audit on the Prevention of Fraud in the State Electricity Company in the Pekanbaru Area". shows that investigative audits have a positive and significant effect on fraud prevention.

The results of the research in this study, obtained a t-value calculated $> t$ table ($6.419 > 2.02809$) and a significance value of $0.000 < 0.05$, so it can be concluded that the hypothesis states that the results of the professional Competence and Prudence variable have an influence and significance on the prevention of fraud in various professions, including in the field of accounting and auditing.

Professional Competence Professional competence refers to the knowledge, skills, and abilities possessed by a professional in carrying out his duties. In the context of investigative auditing, the auditor's professional competence is essential to identify and prevent fraud. Competent auditors have a deep understanding of applicable accounting principles, regulations, and auditing standards. They also have strong analytical skills to detect indications of fraud in financial statements.

Professional prudence refers to a careful, conscientious, and prudent attitude and action in carrying out professional duties. In investigative audits, professional caution is essential to ensure that all relevant evidence and information is carefully collected and that nothing is missed. Careful auditors will carefully examine every transaction and document related to the investigation case to avoid any errors or fraud that may occur.

The results of the analysis with *the test questionnaire* showed a statistical value (*z value*) for the influence of the professional Competence and Prudence variable as an intervening variable between the Investigative Audit and Fraud Prevention variables of 5.00391329 and significant in *the Two-tailed probability* with a figure of 0.00000056. Since *the z-value* > 1.96 or *the p-value* $< \alpha = 0.05$, it can be concluded that *the indirect-effect* is significant. In line with the previous findings using *the causal step strategy*, the mediation hypothesis is supported.

Investigative audits require a high level of competence from auditors. Competent auditors have the necessary knowledge and skills to identify indications of fraud, analyze evidence, and uncover unethical or unlawful practices. By having good competence, auditors can conduct more effective and accurate inspections, thereby improving their ability to prevent fraud.

Professional prudence is a necessary attitude and behavior in conducting investigative audits. Auditors must be careful in gathering and analyzing evidence, as well as in compiling audit reports. Professional prudence helps auditors to avoid biases, errors, or manipulations that can reduce the effectiveness of investigative audits. With professional prudence, auditors can prevent fraud more effectively.

6. CONCLUSION and LIMITATION

This study aims to examine the influence of investigative audit on fraud prevention through professional competence and prudence as an intervening variable.

1. Based on the results of regression analysis, it was shown that investigative audits had a positive and significant effect on professional competence and prudence. That is, Ha2 is accepted.
2. Based on the results of regression analysis, it is shown that investigative audits have a positive and significant effect on fraud prevention. That is, Ha4 is accepted.
3. Based on the results of regression analysis, it was shown that professional Competence and Prudence had a positive and significant effect on fraud prevention. That is, Ha5 is accepted.
4. Based on the results of regression analysis, it was shown that professional Competence and Prudence mediated investigative audits against fraud prevention. That is, Ha7 is accepted.

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