

# Fraud Risk Assessment in Audit Planning in Internal Supervision Units: Case Study of Transportation Companies

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**ABSTRACT**

The purpose of this study is to assess the maturity of PT X’s fraud risk management program at the corporate level, compile a fraud risk assessment matrix by identifying possible fraud risk schemes, conduct fraud risk assessments (fraud risk assessment), and compile the Annual Supervision Work Program at the Sub Directorate of Internal Supervision Unit of PT X. This study uses quantitative and qualitative research (mix method) with descriptive research types. Primary data are obtained through observations and interviews with relevant officials to determine the maturity of fraud risk assessments, and secondary data are obtained through policy documents and internal company reports. The results of the study indicate that the maturity level of PT X’s fraud risk management was 9.98 of 45 or 22.2%. The fraud risk assessment identified 38 fraud risk schemes and a residual risk level consisting of 11 low-risk, 11 medium-risk, and 14 high-risk schemes. PT X’s fraud risk assessment resulted in 11 internal supervision activities and 584 days of supervision that must be carried out within one year of supervision at the Head Office and Transbusway SBU.

**Keywords:** *Fraud, Audit Intern, Fraud Risk Management, Fraud Risk Assessment*

**1. INTRODUCTION**

Fraud as a financial crime is in the spotlight of the media and the public, both globally and in Indonesia. Fraud is measured annually by Transparency International in its report called the Corruption Perception Index (CPI). The CPI ranks countries based on a survey of perceptions of corruption in the public sector, including bribery activities for employees or state officials, corruption kickbacks on the procurement of goods and services, misuse of public funds, and the power to combat corruption in the public sector. Table I summarizes Indonesia’s ranking in the CPI report.

**Table I.** Indonesia’s Ranking in the CPI for 2010-2017

Year	CPI Score	Rank
2012	3.2	118 of 174
2013	3.2	114 of 175

2014	3.4	107 of 174
2015	3.6	88 of 167
2016	3.7	90 of 176
2017	3.7	96 of 180

Table I shows that Indonesia’s CPI values for the past eight years have increased, indicating decreasing corruption in Indonesia. This change could motivate for the Indonesian government to intensely eradicate corruption and fraud in Indonesia in both the public and commercial sectors.

In addition to the role of the Indonesian government, the role of businesspeople in minimizing fraud activities represents an effort to increase the value of Indonesia’s CPI. Good businesspeople are not only oriented toward increasing profitability but also are aware of the importance of internal controls to manage every

opportunity and threat that the company will face, both internal and external.

## **2. THEORIES AND LITERATURE REVIEW**

### ***2.1. Internal Audit***

According to The Institute of Internal Auditors (2009), an internal audit is an independent, objective assurance and consulting activity that adds value to and improves an organization's operations. An internal audit assists an organization in accomplishing its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control, and governance processes.

The auditor's role and internal audit activities will develop over time. A measure of the success of an internal audit is not determined by the number of audit findings or the fulfillment of an annual audit plan but, rather, is determined by the benefits that management experiences regarding the existence of internal audit units within the organization. According to James (2000), the approach that can be carried out by the internal audit function to provide added value is to implement risk-based auditing, through which the auditor works with management to identify and assess business risks, focuses on major risks, and does not waste time controlling small risks.

### ***2.2. Fraud***

According to The Institute of Internal Audits (2009), fraud is any illegal action characterized by deception, concealment, or violations of trust and that is committed by individuals or organizations to gain personal and business benefits.

Fraud represents a disgrace of the victim and is something that must be hidden. One fact is that actual and total fraud will never be acknowledged because fraud becomes widely known as a result of reports to the authorities.

One element of the occurrence of fraud is the presence of victims who suffer losses; conversely, parties exist who obtain benefits in the form of money, property, or other economic benefits. The losses suffered by the victims represent the impacts of the fraudulent activities carried out by the perpetrators.

For fraud mode, we believe that the best taxonomy is by the Association of Certified Fraud Examiners and is known as fraud trees (Uniform Occupational Fraud Classification System) (ACFE 2016).

### ***2.2.1. Asset Misappropriation***

These deviations include misuse or theft of company assets. Asset misappropriation is the most easily detected fraud because it is tangible or can be calculated.

### ***2.2.2. Fraudulent Misstatement***

Fraudulent misstatements occur by engineering financial statements to obtain benefits from various parties. Embezzling company assets can also cause the company's financial statements not to be presented in accordance with generally accepted accounting principles and could generate attractive profits (window dressing).

### ***2.2.3. Corruption***

Corruption is the most difficult fraud to detect because it is usually not carried out by one person but involves another party (collusion). Collaboration can be in the form of abuse of authority, bribery, acceptance of illegal gifts (gratuities), and economic exploitation (economic gratuities).

### ***2.2.4. Risk Management***

Risk management activities are the complete responsibility of management, whereas the function of internal auditors is to assure management that risk management activities are running effectively and to control risks up to the limits set by management.

Several reasons underlie the paradigm that the function of risk management should collaborate with the internal audit function.

- To link audit plans and company risk assessments, and to share other work products, which are needed to improve coordination in an effort to ensure that the main risks can be dealt with effectively.
- Certain resources are shared to support efficiency. The resources in question include financial, human, and time resources.
- Each other's competencies, roles, and responsibilities can be improved. A consistent communication infrastructure can be provided.
- Strategic risks should be assessed and monitored. A deeper understanding and treatment focused on overcoming strategic risks can be formed.

### *2.2.5. Fraud Risk Management*

According to Lowers and Associates (2015), fraud risk management (FRM) is an approach used by the organization to develop a fraud prevention and detection program as a whole, in an effort to implement risk management.

FRM is applied to every organization in writing, through responsibilities, and through procedures for implementing effective programs. The Board of Trustees and Directors play a role in setting policies related to reporting on information and the performance of each part. The risk of fraud cannot be eliminated but can be minimized by good supervision and early detection.

#### *2.2.5.1. Principle 1: Fraud Risk Governance*

The Board of Directors sets organizational goals that meet the needs of stakeholders by establishing good corporate governance, a code of ethics that applies to every employee, relationships between internal and external parties of the company, and adequate internal control. An effective corporate governance process is the basis for FRM. The Board of Directors periodically monitors the effectiveness of FRM activities.

#### *2.2.5.2. Principle 2: Fraud Risk Assessment*

Fraud risk assessments are carried out by each company on a regular basis and are tailored to the company's objectives, type of industry, company size, and business complexity. Risk assessment activities can be carried out independently and some must be carried out, such as risk identification, assessing likelihood of occurrence, the significance of assessment, and risk response. Every organization has a defined risk tolerance limit, and fraud risk can be overcome and minimized through risk mitigation activities.

#### *2.2.5.3. Principle 3: Fraud Prevention*

Prevention is the first line of defense in minimizing the risk of fraud. Fraud can be prevented by disseminating information to all company entities, from the lower level to the top, regarding FRM programs, including the types of possible fraud.

#### *2.2.5.4. Principle 4: Fraud Detection*

The detection of fraud focuses on activities and techniques to ensure that fraud has occurred or is occurring. Every organization is vulnerable to fraud, and detection activities are carried out to ensure the effectiveness of a FRM program that shows that fraud prevention activities have worked effectively. Detection activities can only provide evidence that fraud has occurred or is happening but cannot prevent its

occurrence. Detecting fraud requires lower costs than preventing fraud.

#### *2.2.5.5. Principle 5: Fraud Investigation and Corrective Actions*

The internal control system is not able to provide a complete guarantee against fraud. The Board of Directors must ensure that the organization develops a system that is fast, competent, and investigative of potential fraud. Through earlier investigative activities and corrective actions, companies can minimize losses, the impact of legal litigation, and damage to their reputations.

Directors and management must have a policy for evaluating each reported indication of fraud. Individuals assigned to the investigation must have full authority over the data needed and the ability to evaluate and provide recommendations for improvements.

### *2.2.6. Risk-Based Audit Plans*

The audit planning phase is an initial and important step in producing an efficient and effective audit process and results. According to The Institute of Internal Audits' Audit Performance Standards, "The chief audit executive should establish risk-based plans to determine the priorities of the audit internal activity, consistent with the organization's goals."

## **3. RESEARCH METHOD**

This research uses a qualitative descriptive method and a case study approach with a single unit analysis. The data source was primary data and research instruments, such as interviews with the Head of the Internal Audit Unit and the Auditor and related staff, and was directly related to risk evaluation activities related to general audit planning.

### ***3.1. Research Method***

The qualitative descriptive research in Arikunto (2002) attempts to describe and interpret the conditions of existing relationships, growing opinions, ongoing processes, ongoing consequences, or emerging trends.

This research method was chosen because it was based on the objectives to be achieved, namely, to determine the maturity level of FRM and an adequate fraud risk assessment of the audit planning of the Sub Directorate of the Internal Audit Unit. This study also discusses the appropriate risk assessment method for assessing risk in the audit activities at the Internal Audit Unit.

**3.2. Data Collection**

In this study, the data were collected as follows.

**3.2.1. Primary Data**

Primary data, including the company budget work plan (RKAP), the annual oversight work program (PKPT), financial statements, company conditions, and opinion sources, were obtained through interviews with company PT X, the unit of analysis.

**3.2.2. Secondary Data**

To support the argument, researchers also use secondary data, including, for example, developments in the transportation industry, government regulations, and others. The secondary data are accessed through public domains such as websites or socialization on the Internet.

**3.3. Technique Analysis (Research Instrument)**

In this study, qualitative research methods consisted of, among others, two main types.

**3.3.1. Observation**

Data analysis techniques carried out in the study began with observations of the PT X business environment as a whole. These observations were made to determine the existing business processes at the Head Office and the Strategic Business Unit (SBU) of PT X.

**3.3.2. Interview**

Interviews with resource persons were social interactions undertaken to collect valid data and information. In this study, the researchers also conducted interviews with the Head of the Internal Audit Unit and the Auditor and related staff and were directly related to risk evaluation activities in general audit planning.

**3.3.3. Content Analysis**

Researchers analyzed content by critically examining various documents related to the research and checking and analyzing financial statement documents, contract agreements, and interview results from resource persons.

The analytical steps were as follows.

- The maturity level of the FRM program at PT X as a whole was assessed, as well as recommendations for improving maturity. Activities assessed the level of maturity using the FRM Scorecard issued by the ACFE. The assessment was carried out on five FRM

principles and by filling in 265 statements using the following evaluation criteria:

**Table II.** Percentage of Realization of Revenue and BOPO Ratio of SBUS per Semester 2018

Assessment Zone	Score	Information
Red	0	Indicates that areas, factors, or considerations need substantial strengthening and enhancement to bring fraud risk to an acceptable level
Yellow	1	Indicates that areas, factors, or considerations need reinforcement and improvement to reduce fraud risk to an acceptable level
Green	2	Indicates that areas, factors, or strong considerations and the risk of fraud have been reduced, at least to an acceptable minimum level

The assessment for each of the FRM scorecard principles issued by the ACFE is as follows.

- 1) Carry out an assessment of each sub-indicator based on the assessment zone criteria.
- 2) Find the average value of each indicator (points of focus), where each indicator has a maximum value of 9.
- 3) Find the average value of each principle to determine the maturity level of each of the FRM principles, where each principle has a maximum value limit of 9, which is represented by a color in the 1–9 range of values as follows:



- Fraud risks were identified, fraud risk assessments were conducted, and the priority scale of audit activities was determined.
- A report was prepared on the PKPT based on the results of the fraud risk assessment.

**3.4. Research Object**

This research assesses PT X’s overall level of FRM (corporate) and assesses the fraud risk at the PT X Head Office and SBU, which focuses on the community

transportation service industry in DKI Jakarta, namely, Transbusway SBU. The basis for determining that the Transbusway SBU will be used as the research object is as follows.

**Table III.** Percentage of Realization of Revenue and BOPO Ratio of SBUS per Semester I 2018 (In Millions of Rupiah)

	SBU TBW	SBU TJB	SBU Aslog	SBU Pemhar
Revenue	64.933	33.958	1.023	45.142
Cost	62.462	31.232	942	22.067
% of Income	44.76%	23.41%	0.71%	31.12%
BOPO Ratio	96%	91,97%	92,06%	48,88%

Based on Table III, the Transbusway SBU during the first semester of 2018 contributed revenues of Rp.64,933,769,821 or 44.76% of the company’s total revenue. The BOPO ratio of the Transbusway SBU had the highest value among other SBUs, at 96%. Therefore, the Transbusway SBU was chosen as the object of this research.

In addition to the Transbusway SBU, PT X’s Head Office is also the object of this research because it consolidates the company’s reports and is the cost center from which all corporate overhead expenses are issued.

**4. ANALYSIS**

**4.1. Fraud Risk Management of PT X**

Fraud risk assessment begins with calculating the maturity of the FRM activities based on the FRM scorecard issued by the ACFE. The results of the assessment of the average FRM maturity score for PT X are as follows.

**Table IV.** Score Maturity Level of Fraud Risk Management at PT X

No	Prinsip FRM	Indikator	Bobot	Capaian	
				Score	Area
1	Fraud Risk Governance	6	9	1,68	
2	Fraud Risk Assessment	12	9	0,43	
3	Control Activity	8	9	1,60	
4	Fraud Investigation and Corrective Action	5	9	4,69	
5	Fraud Risk Management Monitoring	5	9	1,57	
<b>Total</b>		<b>36</b>	<b>45</b>	<b>9,98</b>	

**4.2. Fraud Risk Assessment of PT X**

Based on the results of the assessment of the maturity of the FRM, FRM at PT X appears to be at the lowest level or in the red area—a score of 2. This score indicates that the company has the potential to experience high risk. When carrying out internal audits, auditors also need to carry out fraud risk assessments during the planning stage of the audit. These assessments can identify audit areas that have the potential for fraud risk, evaluate the effectiveness of internal control activities carried out by the auditee, and ensure the effectiveness of the planned risk mitigation activities.

The compilation of the fraud risk assessment matrix shows that PT X has 38 fraud schemes spread across the PT X Head Office and Transbusway SBU. Of these 38 fraud schemes and an assessment of the effectiveness of existing control activities, the existing residual risk distribution is listed in Table V.

**Table V.** Distribution of PT X Risk Score

Risk Score Auditee	Low Risk	Medium			High Risk	Total
		To Low	Med	To High		
Kantor Pusat	1	6	11	2	2	27
SBU Transbusway	-	-	6	2	2	11
<b>Total</b>	<b>1</b>	<b>6</b>	<b>17</b>	<b>10</b>	<b>4</b>	<b>38</b>

Based on Table V, the results of the fraud risk assessment matrix indicate that, of the 38 fraud schemes identified, 11 are low risk, 11 are medium risk, and 14 are high risk.

The distribution points of the fraud risk scheme based on risk status, which is a combination of the likelihood level and impact (significant), is indicated in Figure 1.

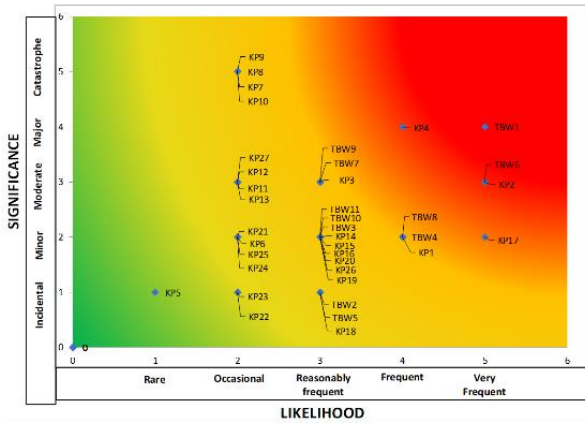


Figure 1. PT X Fraud Risk Map

PT X has four fraudulent schemes in the red zone/area, indicating that the risk status risk is very high and must be followed up with both corrective and preventive actions in the internal control system to avoid recurrence. These risks require the effectiveness of excellent control activities to ensure that the risks are at a level acceptable to management.

Thirty-three fraud risk schemes are in the yellow zone (medium risk) and require that regular and periodic reviews be conducted to ensure that the internal control system runs effectively. One fraud risk scheme is in the green zone (low risk), which requires short monitoring to ensure that the internal control system is effective. The risk in the green zone is noted as not increasing in status.

After understanding the score of each fraud scheme for the two objects of PT X's examination, namely, the Transbusway SBU and Head Office, the ranking of each fraud scheme is based on the value of the risk status to determine the priority when compiling the inspection work program and the number of days of supervision that is appropriate for each fraud scheme. A higher risk status value of the fraud scheme indicates a higher number of supervision days used. This fraud scheme will assist the Internal Audit Unit in determining the number of supervision days required for each fraud scheme that has been identified and compiled by the PKPT. (The Fraud Risk Ranking is included in Appendix 1.)

### 4.3. Planning Audit Program

Audit planning is the first step for the PT X Internal Audit Unit to ensure that the entire audit process runs well and assists the President Director in assessing the level of effectiveness of the company's internal control system. The calculation of the number of supervision days at PT X's Internal Supervision Unit is as follows.

Table VI. Supervision Day Calculation

	Day/People
Total Year Day	365
Total Saturday - Sunday / Year	(98)
National Holidays	(26)
Leave Day	(12)
Permit (2% Total Day)	(7)
<b>Number of working days /Year</b>	<b>222</b>
Training / Competency Improvement	(26)
<b>Number of Supervision Days / People</b>	<b>196</b>
Number of auditors	4
<b>Available Supervision Days (OH)</b>	<b>784</b>

Table IV shows that the number of days of supervision available to prepare the Annual Supervision Work Program of the Sub Directorate of the PT X Internal Supervision Unit for one year is 196 days per person or 784 days with four junior auditors. Such staffing is needed to carry out internal supervision assignments that are divided into two groups of two people each. The supervision day is the maximum supervision day that can be carried out by the PT X Internal Supervisory Unit when conducting surveillance activities for one year at both the PT X Head Office and all SBUs.

Based on the fraud risk assessment matrix that has been prepared and the supervision days set for each fraud risk scheme, each scheme is grouped into several audit activities. Each identified fraud scheme is used as the basis of the object of examination and determination. The scope of the inspection is the Head Office and Transbusway SBU of PT X.

Table VII. Classification of Fraud Risk Schemes, Audit Work, and Supervision Programs of Head Office

No	Audit Activities	Fraud Schemes (Objects & Scope of Examination)	HP (OH)
1	Review of Financial Statements	KP1 Unreasonable journaling - crediting bus maintenance expenses to increase net income	22
		KP3 Backdating agreement which affects revenue recognition	14
		KP1 Use of company credit cards intended for the personal needs of the Directors	12
		KP27 Adding new accounts is not in accordance with the applicable Accounting Policies	2
		KP18 Accrual Expenses and Amortization Estimates are not in accordance with the General Ledger Costs of the previous period	2
		KP24 The Adjusting Journal Paragraph is not based on the Search Working Paper for Transaction Accounts	2
		KP25 Financial statements are not supported by sufficient documents	2
Supervision Day for Financial Review Activity			58
2	Examination of Company Assets	KP8 Minutes of reconciliation results Fixed assets are incomplete and accurate	14
		KP9 The minutes of the inspection of the assets to be written off are incomplete and accurate	14
Day of Supervision of Company Asset Inspection Activities			28
3	Financial Compliance Audit	KP2 The use of cash in all financial transactions so that it must often go to the Bank to withdraw money, the parties concerned charge the cost of travel to the bank (Transport Fee)	18
		KP17 The Bank Reconciliation Report is not made based on the Daily Account and Cash / Bank Reports	16
		KP7 Insurance applications for fixed assets are incomplete and accurate	14
		KP19 List of Age of Receivables and Debt is not in accordance with supporting documents	10
		KP20 Reconciliation report VAT Input & Output is not in accordance with the total value of tax invoices (PPN Input & Output VAT in one tax return)	6
		KP6 Tax invoices are not based on billing invoices	2
		KP22 Errors in recapitulating Income Tax 23.26.4 (2) which are deducted by other parties.	2
		KP23 Mistake in calculating PPh 23.25.4 (2) debt, because of incorrect tax rates.	2
		KP5 Manipulation of income bills to get a new credit agreement	2
		Supervision Day for Financial Compliance Audit Activities	
4	Audit Pengadaan Barang & Jasa Tahunan	KP10 The procurement of goods & services is not in accordance with RKAP, the company's (fictitious)	16
		KP11 The cooperation contract is not in accordance with the documents resulting from the selection of the Work Partner by Head of Information Technology & Procurement Center (fictitious)	10
		KP12 PO is not in accordance with the Contracts and documents resulting from the selection of the Work Partner	10
Day of Supervision of Annual Goods & Services Procurement Audit Activities			36
5	HR Compliance Audit	KP13 Salaries, wages and compensation for other employees are not correctly and accurately recorded, updated employee data and basic salary determination is not based on the Decree of the Board of Directors	10
		KP14 The application for a Official Travel Letter is fictitious or unknown and approved by the direct supervisor	8
		KP15 Official Travel Letters are not in accordance with SPPD Requests and Unit Cost Calculation Service travel input is inaccurate	8
		KP16 The nominal in the Check is not in accordance with the Request for Payment, Proof of Cash / Extr Bank and supporting documents	8
		KP21 The nominal amount on the Payroll is not the same as the General Ledger Salary Expenses	2
Day of Supervision of HR Compliance Audit Activities			36



**Table VIII.** Classification of Fraud Risk Schemes, Audit Work, and Supervision Programs of Transbusway SBU

No	Audit Activities	Fraud scheme (Objects & Scope of Examination)	HP (OH)
1	Financial Compliance	TBW1 Provision of non-salary benefits	30
		TBW6 Operational Vehicles SBU that are not recorded as fixed assets	18
		TBW7 The embezzlement of money recorded as Money for Accountability in the SBU Operational Area which is used for the personal interests of the management involved	14
		TBW3 Expenditures for the assistance of the Director's personal car repayments	10
		TBW5 Expenditures for the SBU Director's personal needs	2
		TBW2 Expenditures for transport costs for the KAP audit team in the framework of preparing audit financial reports	2
		<b>Financial Compliance Activity Monitoring Day</b>	
2	Performance Audit	TBW9 Leakage on manipulation of purchases of solar bus bills	14
		TBW4 Net recording of revenue from busway operations	12
		TBW8 Bribery / gratification to PT. TJ as a partner in the kilometer verification process	10
		TBW10 Cannibalism uses IT equipment (CCTV, LEDs, Voice Announcers) to keep the bus operating	10
		TBW11 Recognition of income that is not properly recorded and complete - The value of the kilometer of income in the financial statements is different from the value of the mileage and income on the Official Report of Handover (BASTP)	6
		<b>Performance Audit Day Monitoring Day</b>	

Based on Table VIII, the 38 fraud schemes identified are grouped into five types of internal supervision activities that will be carried out at the PT X Head Office and the two types of internal supervision activities that will be carried out at the Transbusway SBU. The number of days of supervision for each internal supervision activity represents an accumulation of the days of oversight of fraud schemes. The seven types of internal supervision activities are the top priority for the Internal Audit Unit regarding conducting supervision.

When preparing for the Annual Supervision Work Program, considering the frequency of the implementation of each internal supervision activity for one year is also necessary, such that the total number of supervision days for the supervision activities of the Internal Audit Unit will be known for the next year. Determining the basis for the frequency of implementation of each supervision activity depends on the objectives/key performance indicators to be achieved by the company.

The Annual Supervision Work Program for internal supervision activities at PT X's Head Office and Transbusway SBU and as a whole are as follows.

**Table IX.** Annual Supervision Work Program PT X— Implementation of Internal Oversight Activities

No	Main tasks	Key Performance Indicator	Supervision Activities	Unit	Auditor	Total HP		
I	Implementation of Internal Supervision	a. Reliable Financial Reports	1. Review of Annual Financial Statements	Report	2	58		
			2. Review of Quarterly Financial Statements	Report	2	58		
			3. Review of Quarter II Financial Statements	Report	2	58		
			4. Review of Quarter III Financial Statements	Report	2	58		
								<b>232</b>
		b. Increased Compliance with Company Laws and Regulations	1. Financial Compliance Audit – Head Office	Report	2	72		
			2. Financial Compliance Audit SBU Transbusway	Report	2	76		
			3. SDM Compliance Audit	Report	2	36		
								<b>184</b>
		c. Increased Efficiency and Effectiveness of Business Processes	1. Performance Audit SBU Transbusway Semester I	Report	2	52		
			2. Performance Audit SBU Transbusway Semester I	Report	2	52		
								<b>104</b>
		d. Asset Performance & Security Monitoring	1. Company Asset Audit	Report	2	28		
			2. Annual Goods & Services Procurement Audit	Report	2	36		
								<b>64</b>
		<b>Total Day of Supervision (HP) Implementation of Internal Supervision</b>						<b>584</b>

The monitoring days available for one year of audit activities was 784, and 584 days of supervision were used for the Head Office's internal supervision and Transbusway SBU activities. Therefore, 200 days of supervision were remaining. These remaining days of

supervision are used to conduct audits of other SBUs by taking into account the results of risk identification. Moreover, if the results of the supervision are still insufficient, PT X should increase the number of auditor personnel or schedule audits during the annual supervisory work program the following year.

**5. CONCLUSIONS**

Based on the results of the research and analysis in this study, the following conclusions are reached.

1. The maturity value of the PT X Risk Management Fraud program, at a total of 9.98 or 22.2% of the total maturity level needed, depends on its position in the zone/red area, which reflects the maturity level of a well-implemented FRM program and that companies face a high risk of fraud.
2. Fraud involving the Head Office and Transbusway SBU of PT X accounted for 38 risks that might occur, with the residual risk consisting of 11 low-risk, 11 moderate-risk, and 14 high-risk schemes.
3. A fraud-imposed risk assessment is required for the Internal Audit Unit Sub Directorate to prepare the Annual Work Plan, with a total of 784 supervision days available for monitoring and supervision and 584 days of supervision for 11 internal supervision activities at the Head Office and Transbusway SBU.

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