

Systematic Literature Review: The Role Of Internal Audit On Accounting Fraud In Indonesia 2020/2025 Period

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Abstract

This study aims to analyze the role of internal audit in preventing accounting fraud in Indonesian organizations during the period 2020–2025. Using the Systematic Literature Review (SLR) method, this research examines 10 national journal articles indexed by SINTA that discuss internal audit, internal control, and fraud prevention. Thematic analysis was employed to identify repeated patterns across studies. The findings show that internal audit plays a significant role in detecting and preventing fraud through monitoring activities, strengthening internal control systems, and supporting good corporate governance. Auditor competence and independence are identified as essential determinants of audit effectiveness. The study also highlights the growing importance of technology-based audits (digital audit) in enhancing fraud detection. This review contributes to providing a comprehensive understanding of recent developments in internal audit practices in Indonesia.

Keywords: Internal Audit, Fraud Prevention, Internal Control, Fraud, Systematic Literature Review, Corporate Governance

INTRODUCTION

Fraud within an organization is a serious issue that can lead to financial losses, reputational damage, and a decline in stakeholder trust. Many studies show that fraud may occur through financial statement manipulation, asset misuse, or violations of internal procedures. Therefore, organizations require effective monitoring and prevention mechanisms.

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IJEBIR, Volume 04 Issue 06, 2025



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One of the main mechanisms used by companies and organizations is internal audit. The internal audit function is not merely an end-of-year examiner, but also a tool to detect, prevent, and reduce the risk of fraud through internal controls, risk evaluation, and continuous monitoring of implemented policies and procedures.

Internal audit provides independent assurance to management that the internal control system operates as designed, that operational and financial activities are conducted in accordance with policies, and that potential fraud risks can be identified early. Thus, internal audit plays an essential role in maintaining organizational accountability, transparency, and integrity.

In addition, internal audit must be supported by adequate internal controls — such as segregation of duties, authorization, periodic reconciliation, and internal monitoring — to ensure its effectiveness.

As a concrete example, an article in JAAKFE UNTAN discusses “Implementation of Internal Control against Fraud in Foundations” which shows that effective internal control can contribute to reducing the risk of fraud and increasing the accountability of non-profit organizations.

RESEARCH METHOD

1. Type of Research

a. This study employs a qualitative method using the Systematic Literature Review (SLR) approach.

b. This method aims to identify, evaluate, and synthesize previous research findings that discuss the role of internal audit in fraud prevention within companies in Indonesia.

2. Data Sources and Selection Criteria

The data used in this study were obtained from scientific journal articles accessed through accredited portals, namely:

- a. SINTA (Science and Technology Index)
- b. Google Scholar (scholar.google.com)

Inclusion Criteria:

- a. Articles published between 2020–2025
- b. Articles indexed in SINTA (S1–S6)
- c. Articles focusing on internal audit, internal control, and accounting fraud prevention
- d. Full-text articles available in Indonesian or English
- e. Articles with clear methodologies and research results



Exclusion Criteria:

- a. Articles without full-text access (abstract only)
- b. Opinion pieces, news articles, or editorials without research basis
- c. Duplicate articles from the same publication

3. Data Collection Techniques

Data collection was carried out systematically through the following stages:

Keyword Identification:

“Internal Audit”, “Fraud Prevention”, “Pencegahan Kecurangan”, “Internal Control”, and “Good Corporate Governance”.

Literature Search:

Conducted through SINTA, Google Scholar, and university journal portals using combinations of the identified keywords.

Article Selection:

From the initial search ($\pm 10,000$ articles), filtering was performed based on relevance, publication year, and indexation.

A final set of 10 main journal articles met the criteria.

Data Extraction:

The extracted data included:

- a. Author(s) and publication year
- b. Research title and objectives
- c. Research methodology
- d. Key findings
- e. Conclusions and implications

4. Data Analysis Technique

Data were analyzed using a thematic analysis approach, with the following steps:

- a. Initial Coding: Identifying key themes in each article, such as internal audit, internal control effectiveness, and fraud prevention.
- b. Categorization: Grouping research findings based on thematic similarities and variables.
- c. Synthesis: Drawing conclusions from the various studies to identify patterns and relationships between internal audit and fraud prevention.

This analysis process follows the PRISMA model (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) to ensure that the review is systematic, transparent, and scientifically accountable.



5. Data Validity

To maintain the validity and reliability of the research findings:

- Each article was re-verified through the official SINTA portal.
- Articles failing to meet methodological standards were excluded.
- The synthesized findings were compared with theoretical frameworks such as the Fraud Triangle (Cressey, 1953) and Internal Audit Standards (IIA, 2017).

6. Final Output

The outputs generated from this method include:

- Literature mapping on the relationship between internal audit and fraud prevention
- Analysis of research trends (years, methods, and main topics)
- Synthesis of findings to formulate conclusions and recommendations for future studies

Part 1: Search flow and article selection

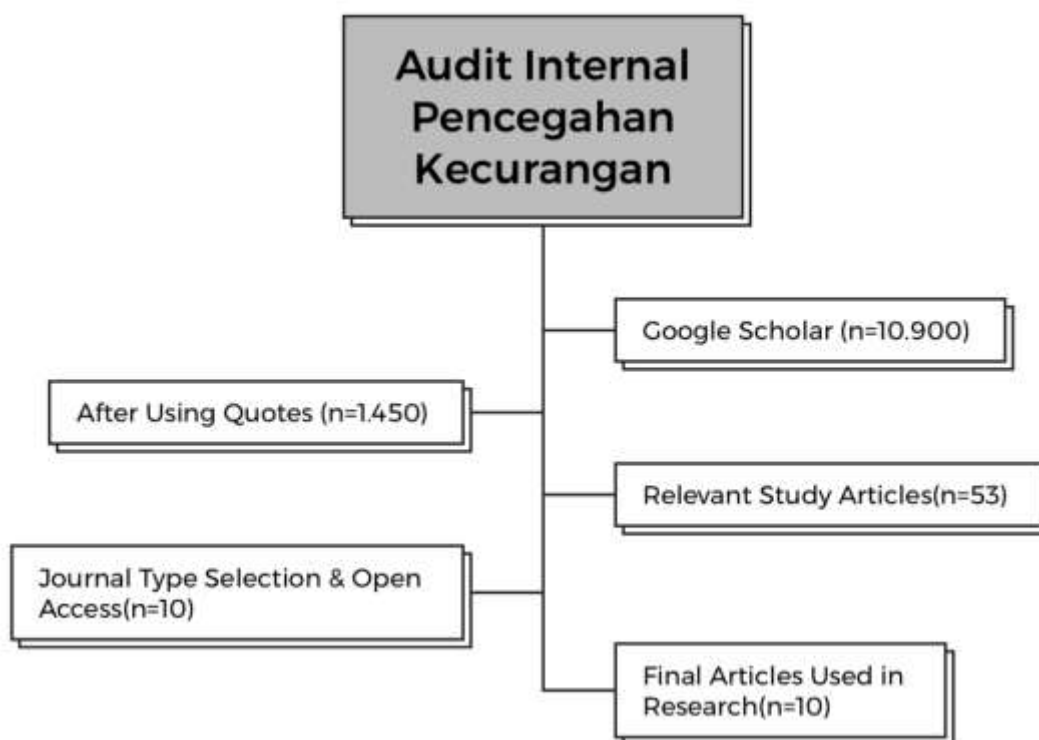


Table 1: List of articles used in the literature review

No	Journal Name	Write	Terindek	Focus	Year
1	JAAKFE (Jurnal Audit dan Akuntansi Fakultas Ekonomi)	Nining Purwati, Dwi Rahmawati	SINTA 5	internal audit,internal control and fraud prevention	2023
2	Dialektika: Jurnal Ekonomi dan Ilmu Sosial	Ahmad Fauzi, Rina Wulandari	Sinta 4	internal audit and its impact on business Performance and Ethics	2022
3	JURAKUN (Jurnal Akuntansi dan Keuangan)	Nur Aisyah	SINTA 3	The influence of internal audit on fraud prevention in the public sector	2023
4	Economina: Jurnal Ekonomi, Manajemen, dan Akuntansi	Rofi'ah, Siti Rahmah	SINTA 5	Audit internal, pengendalian internal, dan fraud prevention	2023
5	JMMR (Jurnal Mediasi Manajemen dan Riset)	Andi Saputra, Dewi Kartika	SINTA 3	Internal audit and management control in organizations	2024
6	JIGE (Jurnal Ilmu Manajemen dan Ekonomi)	Nurul Hidayati	SINTA 5	Internal control and financial audit	2023
7	ER (Economic Review)	Rachmad Suryana, Dwi Astuti	SINTA 4	Internal audit and auditor professional ethics	2023
8	Jurnal Profit	Lailatul Kamila	SINTA 5	The role of internal audit in the effectiveness of financial control	2023

9	JATS (Jurnal Akuntansi, Teknologi, dan Sains)	I Made Suardana, Putu Lestari Andi Saputra, Dewi Kartika	SINTA 5	Internal audit, governance, and accounting information systems	2024
10	JIAKES (Jurnal Ilmiah Akuntansi dan Ekonomi Syariah)	Fajar Hidayat	SINTA 4	Audit internal dan good corporate governance	2024

RESULTS AND DISCUSSION

Research Findings

Based on a review of 10 SINTA-indexed journals published between 2022 and 2024, several recurring research patterns were identified:

1. Internal audit has a significant influence on preventing accounting fraud.

Most studies (Purwati & Rahmawati, 2023; Fauzi & Wulandari, 2022; Aisyah, 2023) show that the more effective the internal audit function is, the lower the level of fraud occurring within an organization or company.

2. Internal control serves as an important mediating variable.

Studies by Rofi'ah & Rahmah (2023) and Saputra & Kartika (2024) demonstrate that internal audit not only prevents fraud directly but also strengthens the internal control system that serves as the foundation of fraud prevention.

3. Auditor competence and independence strongly determine audit effectiveness.

Research by Lailatul Kamila (2023) and Fajar Hidayat (2024) emphasizes that without strong competence and professional ethics, internal auditors face difficulties in detecting financial manipulation practices.

4. Internal audit supports the implementation of Good Corporate Governance (GCG).

Studies by Nurul Hidayati (2023) and Suryana & Astuti (2023) confirm that the internal audit function contributes to transparency, accountability, and the creation of an anti-fraud organizational culture.

5. Technology and organizational environment have a moderate influence.



Several journals (Suardana & Lestari, 2024; Kamila, 2023) indicate that the effectiveness of internal audit increases when supported by integrated accounting information systems and strong top management commitment.

DISCUSSION

a. Internal Audit as a Fraud Prevention Mechanism

Internal audit functions as the first line of defense in identifying potential fraud. Internal auditors conduct tests on procedural compliance, the reliability of financial reports, and the effectiveness of internal controls.

Findings from the JAAKFE and Economina journals confirm that an active internal audit function can reduce the risk of irregularities, particularly in public sector organizations and higher education institutions.

b. Internal Control as a Preventive Bridge

Internal audit strengthens the internal control system (ICS) by providing improvement recommendations and continuously evaluating business processes.

This aligns with the Fraud Triangle theory — pressure, opportunity, and rationalization can be minimized when internal controls operate effectively.

c. Competency of Internal Auditors

Most studies highlight that the competence, integrity, and objectivity of internal auditors are key determinants of successful audits. Experienced auditors are better able to detect early signs of fraud, both in financial and non-financial transactions.

These findings reinforce the internal audit standards set by the Institute of Internal Auditors (IIA), which emphasize independence and professional judgment.

d. Internal Audit in the Context of Good Corporate Governance (GCG)

Internal audit supports the implementation of GCG principles, particularly transparency and accountability.

Research by Hidayati (2023) shows that companies that consistently implement internal auditing tend to have higher levels of regulatory compliance and increased stakeholder trust.

CONCLUSION

Based on a review of ten SINTA-indexed journals discussing the role of internal audit in preventing accounting fraud, several key points can be concluded:



1. Internal audit plays a significant role in preventing accounting fraud.
An effective internal audit function can detect irregularities early, strengthen compliance with company policies, and reduce the risk of financial statement manipulation.
2. The effectiveness of internal audit depends heavily on the internal control system (ICS) and management support.
Internal audit cannot operate optimally without a strong control structure, clear work procedures, and leadership support in following up on audit findings.
3. Competence, independence, and ethics of internal auditors are the main determinants of audit success.
Internal auditors with strong integrity, objectivity, and analytical skills are proven to be more effective in identifying potential fraud and providing improvement recommendations.
4. Internal audit contributes to the enhancement of Good Corporate Governance (GCG). Through monitoring and evaluation functions, internal audit helps organizations improve transparency, accountability, and public trust.
5. Technological developments offer both opportunities and challenges for internal auditors.
The digitalization of auditing can increase efficiency and accuracy but requires new competencies in data analysis and accounting information systems.

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