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The Influence of Internal Audit Effectiveness, Top Management Supervision, Accounting Information Technology, to Prevent Fraud in Financial Reports of Palm Oil Plantation Companies in Remote Areas as a Moderating Variable: Survey of Palm Oil Plantation Companies in Indonesia

Rendy Karya Saputra[1], Nurul Hidayah[2]

[1,2]Faculty of Economics and Business, Mercu Buana University, Indonesia

ABSTRACT

The purpose of this research is to test and analyze the differences in the influence of Internal Audit Effectiveness, Top Management Supervision, and Accounting Information Technology on the Prevention of Fraud in Financial Reports of Palm Oil Plantation Companies in Indonesia with Remote Area as a Moderating Variable. The population of this research is the Accounting, Finance & Internal Audit Department in Palm Oil Plantation companies in Indonesia. The data collection method is by distributing questionnaires to respondents. In this research, the data sample used the Simple Random Sampling Method. The data processing technique used is Structural Equation Modeling (SEM) using SmartPLS 3.0 software. The results of this research show that:

1. There is no influence of Internal Audit Effectiveness on the Prevention of Financial Report Fraud in Palm Oil Plantation Companies in Indonesia.
2. There is an influence of Top Management Supervision on the Prevention of Financial Report Fraud in Palm Oil Plantation Companies in Indonesia.
3. There is an influence of Accounting Information Technology on Financial Report Prevention in Palm Oil Plantation Companies in Indonesia.
4. There is no influence on the effectiveness of Internal Audit with Remote Area as a moderation on preventing financial statement fraud in palm oil plantation companies in Indonesia.
5. There is a moderating effect of Top Management Supervision with Remote Areas on the Prevention of Financial Report Fraud in Palm Oil Plantation Companies in Indonesia.
6. There is no influence of Remote Area Accounting Information Technology as a moderation in preventing financial statement fraud in palm oil plantation companies in Indonesia. It is hoped that this research can be a reference for further research and can make a contribution to Palm Oil Plantation companies in Indonesia, in order to create internal control policies in their operational

activities related to Internal Audit Effectiveness, Top Management Supervision and Accounting Information Technology.

Keywords: Internal Audit Effectiveness, Top Management Supervision, Accounting Information Technology, Remote Areas, and Financial Report Fraud.

1. INTRODUCTION

If you look at the last 2 decades, namely (2002-2022), oil palm oil in Indonesia has experienced a very significant increase, this shows that there is quite a large interest in companies and the community or farmers in developing and cultivating oil palm plantations. Palm Oil Plantation Companies carry out most of their business activities in remote areas on the islands of Kalimantan, Sumatra, Sulawesi and Papua, which are far from the Head Office in Jakarta, which has a fairly high risk of fraud occurring in financial reports in remote area locations. Fraud is carried out to deceive shareholders, investors, banks, tax offices and other parties who depend on financial information. Therefore, usually in fraudulent companies, financial reports are prepared in such a way as to suit the purpose of the fraud perpetrator, namely to deceive users of the financial statements. Financial statement fraud is occupational fraud. According to the theory of "The Fraud Tree" in the Association of Certified Fraud Examiners(ACFE, 2020), fraud is divided into three types, namely corruption, misappropriation of assets, and financial statement fraud. Therefore, Internal Audit Effectiveness, Top Management Supervision and Accounting Information Technology have a significant role in this matter.

2. LITERATURE REVIEW

2.1. Stakeholder Theory

Stakeholder theory means that a company is an entity that operates not only for its own interests, but is also obliged to provide benefits to its stakeholders. Stakeholders need reports, especially financial reports from company management as a basis for making decisions. Financial reports can reflect the company's past performance, as well as serve as a basis for interested parties. According to their characteristics, stakeholders can be divided into 2, namely Primary Stakeholders and Secondary Stakeholders. Primary stakeholders are investors, consumers, employees and suppliers, where if these groups do not exist, the company will not be able to survive to continue its business. Meanwhile, those included in Secondary Stakeholders are the government and society. Secondary stakeholders are those who influence or are influenced by the company, but they are not directly related to company transactions(Clarkson, 1995).

2.2. Agency Theory

In agency theory, shareholders delegate the management of a company to their agents, namely management. Company management here has more information about the company than shareholders. This is usually called information asymmetry. Management and shareholders certainly have different and conflicting interests. This is what is called agency conflict. Management is more interested in the company's profits, while principals are more concerned with the compensation they receive. This information asymmetry is often exploited by management to achieve its desires. Agency Theory accGovindrajan (2011)is a relationship or contact between the principal (Owner) and the agent (Management). Financial statement fraud related to agency theory can occur in several ways, for

example: 1) Information manipulation. Managers or agents can manipulate financial information to make company performance look better than it actually is, with the aim of obtaining higher incentives or bonuses. 2) Skimming. Agents can skim, that is, take cash from a company without recording it in financial reports to avoid taxes or for personal interests. 3) Risk Avoidance or Concealment. The agent may avoid or hide significant risk information from the principal to avoid response or pressure from interested parties. 4) Conflict of Interest. Agents can be involved in transactions or activities that conflict with the interests of the company or principal, for example carrying out transactions that are detrimental to the company but benefit themselves.

2.3. Fraud Theory

According to Cressey (1953), there are at least 3 things that can cause fraud, namely pressure, opportunity and rationalization, then this is also called the fraud triangle. In Wolfe & Hermanson's research(2004)developing the fraud triangle by adding 1 more element, namely capability, which became known as the fraud diamond. Then after several years, in Horwath's research(2011)found that a fraud by a fraud perpetrator is not only carried out by someone in a pressured situation, but someone who has the authority and ability will have the potential to commit fraud, so that the fraud perpetrator can transform into a more predatory one, namely a 'predator'. From these findings, there are 2 elements that cause fraud, namely, Competence and Arrogance. From these 2 elements, fraud develops into a fraud pentagon. Competence means the ability of employees to disobey the company's internal control, use various means to hide fraud, this situation is carried out solely for their personal interests. Arrogance means an attitude of superiority over a person's authority and believing that internal control will have no effect on him. Fraud pentagon in Horwath research(2011)This is not the same as the fraud triangle coined by Cressey (1953), predators are a form of fraud by fraudsters, predators do not need pressure and rationalization to commit fraud, but all they need is opportunity. A person who has the ability and authority in a company will usually have an arrogant attitude and lack of empathy for other people. With this ego, this will form a behavior that does not want to compromise and always looks for ways or strategies that have been implemented.(Dorminey et al., 2012). A predator will be good at getting around anti-fraud organizations and auditors, so that the focus of this predator is only to get the opportunity to commit fraud(Dorminey et al., 2012). The existence of pressure, rationalization, competence, arrogance and opportunity which allegedly can arise in palm oil plantation industry business units which have business areas located quite far from the head office or located in remote areas, this can cause a lack of Top Management and Internal supervision. Company audits increase the opportunity for fraud perpetrators in remote area units to commit fraud. Therefore, companies with business units in remote areas, such as oil palm plantations, are a type of business with a fairly high level of fraud risk.

2.4. Internal Audit Effectiveness

International Internal Auditor (2012) stated that internal audit effectiveness is the level and quality of achieving a goal when internal audit activities are carried out. Dittenhofer(2001)states that the effectiveness of internal audit can contribute to each auditee in particular and the organization in general. According to Mihret(2007)Audit effectiveness means a dynamic process resulting from the influence of each interplaying factor, and internal audit effectiveness means the extent to which the internal audit department meets its objectives.

H1: The effectiveness of Internal Audit influences the prevention of financial statement fraud

2.5. Top Management Supervision

Terry & Mulyawan(2016)interpreting the term monitoring is determining what has been achieved, evaluating, implementing corrective action if necessary and ensuring results are in accordance with the plan. Dimensions and indicators of top management support according to Komala(2012)are 1) Authority, namely management provides support for any information needed. 2) Participation, namely management supports and participates in the selection of hardware and software, system implementation, system maintenance and solving problems related to the company's information system. 3) Commitment, namely management provides support in planning sustainable system development. Vijayakumar(2009)states that for top management support, several dimensions used are 1) Planning, namely determining the objectives of using the information system, 2) Organizing, namely collecting, allocating and coordinating available resources, 3) Leading, namely motivating, building and communicating with existing human resources. 4) Controlling, namely comparing performance results with previously planned performance. Pathirage & Rajapaksha(2012)mentions dimensions and indicators that are in line with Vijayakumar(2009)namely: 1) The planning process, which consists of an overview of the company's objectives, information system needs and selection of human resources. 2) The organizational dimension, there is involvement in the selection of information system technology and human resource support and training. 3) Direction dimension, management must be able to provide support in the process of improving and solving problems in the information system. 4) Supervision dimension, management provides support in the evaluation. Through the dimensions used in the studies above, the dimensions of top management support used in this research are the dimensions of planning, organizing, directing and supervising.

H2: Top Management supervision influences the prevention of financial statement fraud

2.6. Accounting Information Technology

According to Delone & Mclean(2003), quality information technology must have criteria, namely: 1) Easy to use, 2) Reliable, 3) Flexible, 4) Integration, and 5) Quality data results. Several indicators are signs of quality information produced by a system, namely complete, easy to understand, personal, relevant and safe. Murhada and Giap (2011) stated that the quality of information produced by an information system depends on several things, namely 1) Timely, 2) Right content, 3) Right on target, 4) Relevance, 5) Easy access, and 6) Complete. According to Laudon(2017), an information system that produces quality information, the criteria are 1) Accurate, 2) Integration, 3) Consistent, 4) Complete, 5) Valid, 6) Timely, and 7) Ease of access, if this cannot be fulfilled then a decision is made will be difficult to do. In this research, the dimensions of Accounting Information Technology used are: 1) Timely, because information must reach the user on time or must not be late. Because delays in information will reduce the value of the information (Murhada & Giap, 2011). 2) Accurate. Accurate information comes from accuracy in measuring and recording existing facts (Hartono, 2013). 3) Relevant. Information must be in accordance with what the user needs, otherwise the information will be useless (Murhada & Giap, 2011). 4) Complete. Information will have a higher value if it is presented in full, because the information is piecemeal, especially if the information is not arranged systematically, then of course it will not have much meaning (Hartono, 2013). 5) Clarity. According to Laudon(2017), information becomes quality if it can present important data so that the information can be useful for its users.

H3: Top Management supervision influences the prevention of financial statement fraud

2.7. Financial Statement Fraud

In developing conditions and tight competition, a company will not always produce performance that meets expectations. On the other hand, to grow, develop and survive in running its business, company management may need additional funds from investors(Surenggono, 2018). This fact sometimes causes management to commit fraud to cover up poor performance, in order to obtain refinancing from both investors and creditors. Apart from having the motive to obtain credit or fresh funds and cover up poor performance, financial statement fraud also has the aim of maintaining stock prices.(Zabihollah Rezaee & Richard Riley, 2002). According to the Handbook of Corporate Fraud by Bologna, written by Jack and Robert (1993), the indicators used in accounting financial report fraud research are: 1) Tendency to manipulate, falsify or change accounting records, 2) Tendency to make misstatements or omission of transaction events or significant information from financial reports, 3) Tendency to intentionally misapply accounting principles, 4) Tendency to misstate financial reports which results in asset theft and results in the entity having to spend money for goods or services that never existed, 5) The tendency to misstate financial statements resulting in improper treatment of assets accompanied by fictitious document attachments. According toAmin & Oktris (2023)Fraud prevention measures are important for organizations because fraud can harm the organization both in terms of its resources and the organization's image. Apart from that, according toAmin & Oktris (2023), that there are three elements to prevent and detect fraud, namely: 1) A culture of honesty and high ethics; 2) Management's responsibility to evaluate fraud risks; and 3) Supervision of the Audit Committee.

2.8. Remote area

According to the Collins Dictionary, remote area means a location that is far from urban areas where people usually live, and is usually difficult to reach. Based on the Fraud theory expressed by Wolfe & Hermanson(2004)explained that fraud is triggered by pressure, opportunity, rationalization and capability factors. The location of business processes in remote areas will increase the risk of fraud, one of which is because the opportunity is very large when far from supervision from Top Management and the effectiveness of Internal Audit is reduced.

According to Morelli's research(1999), a remote area work center is an independent organizational unit belonging to a company, but physically separate from the parent company. The relocation of such units is made possible by the separation of functions in modern organizations and by the possibility of integrating shared facilities, such as databases, through information technology. The advantage of such relocation is the possibility of reducing office costs at the head office, which is usually located in the city center area, and reducing travel distances for employees.

H4: Remote Area can moderate the influence of Internal Audit Effectiveness on Financial Report Fraud Prevention

H5: Remote Area can moderate the influence of Top Management Supervision on Financial Report Fraud Prevention

H6: Remote Area can moderate the influence of Accounting Information Technology on Financial Report Fraud Prevention

3. METHOD

3.1. Population and Sample

In this research, the population chosen was the Accounting, Finance & Internal Audit Department in 60

Palm Oil Plantation Companies in Indonesia. This palm oil plantation is a company that has a remote area that is far from its head office.

3.2. Data collection technique

The data collection techniques used are: 1) Primary data. Primary data collection is carried out by taking data directly from oil palm plantation companies in Indonesia, the aim is to obtain accurate data. Data obtained through interviews, observation and distributing questionnaires. 2) Secondary data. Collect supporting data related to research, obtained from company literature, company history, company profiles related to research variables. This research questionnaire contains biodata and specific job data of respondents related to research, which is used to describe respondents and statements/questions which are prepared based on indicators for each variable, namely Internal Audit Effectiveness, Top Management Supervision and Accounting Information Technology with remote area moderation on prevention. financial statement fraud.

3.3. Data Processing Techniques

In this research, the data analysis method used is Multiple Regression Analysis or multiple linear regression model which has an Ordinary Least Square (OLS) basis and moderated regression with a significance level (a) of 5%. Test the moderating variable using residual testing. Data processing in the research was carried out using Smart Partial Least Square software version 3 (SmartPLS-3). According to Sanchez(2013), Partial Least Square which consists of an Outer Model or external relationship model and an Inner Model or internal structural relationship. This relationship can be interpreted as 2 linear equations, namely a measurement model which makes 1 relationship between latent modifiers and a group of explanatory modifiers and a structural model, namely the relationship between latent modifiers. Then, along with the structural model and measurement model, the path model in PLS is divided into 3 groups of relationships, namely: 1) Inner model which provides specifications of the relationship between latent variables, 2) Outer model which provides specifications of the relationship between latent variables and their indicators or manifests and, 3) weight relation which can measure latent variables.

4. RESULTS AND DISCUSSION

The number of questionnaires distributed online was 100 questionnaires. The number of questionnaires answered by respondents both online was 98 questionnaires or 98% and all of them were used as sample data.

4.1. Data analysis

Based on the results of the questionnaire that has been collected, the respondent profile in terms of gender, education, company, location of work and the ERP software used is presented in the diagram below:

Table 4.1 Data Analysis

No	Deskripsi	Data Responden	%
1	Jenis kelamin Responden	Men	72
		Woman	28
2	Tingkat Pendidikan Responden	SMA	4
		D3 (Diploma-3)	7
		D4 (Diploma-4)	2
		S1 (Sarjana)	87
		S2 (Magister)	0
		S3 (Doktoral)	0
3	Lokasi Penempatan Kerja	Pulau Jawa	55
		Sumatera	13
		Kalimantan	31
		Sulawesi	1
4	Jenis Lokasi Kerja	Head office	55
		Remote Area office	45
5	*Software Office* yang dipakai	Microsoft Office	96
		WPS Office	4
6	*Software ERP* yang dipakai	SAP	92
		Pinfosys	1
		Accurate	4
		Microsoft Dynamics	2
		lain-lain	1

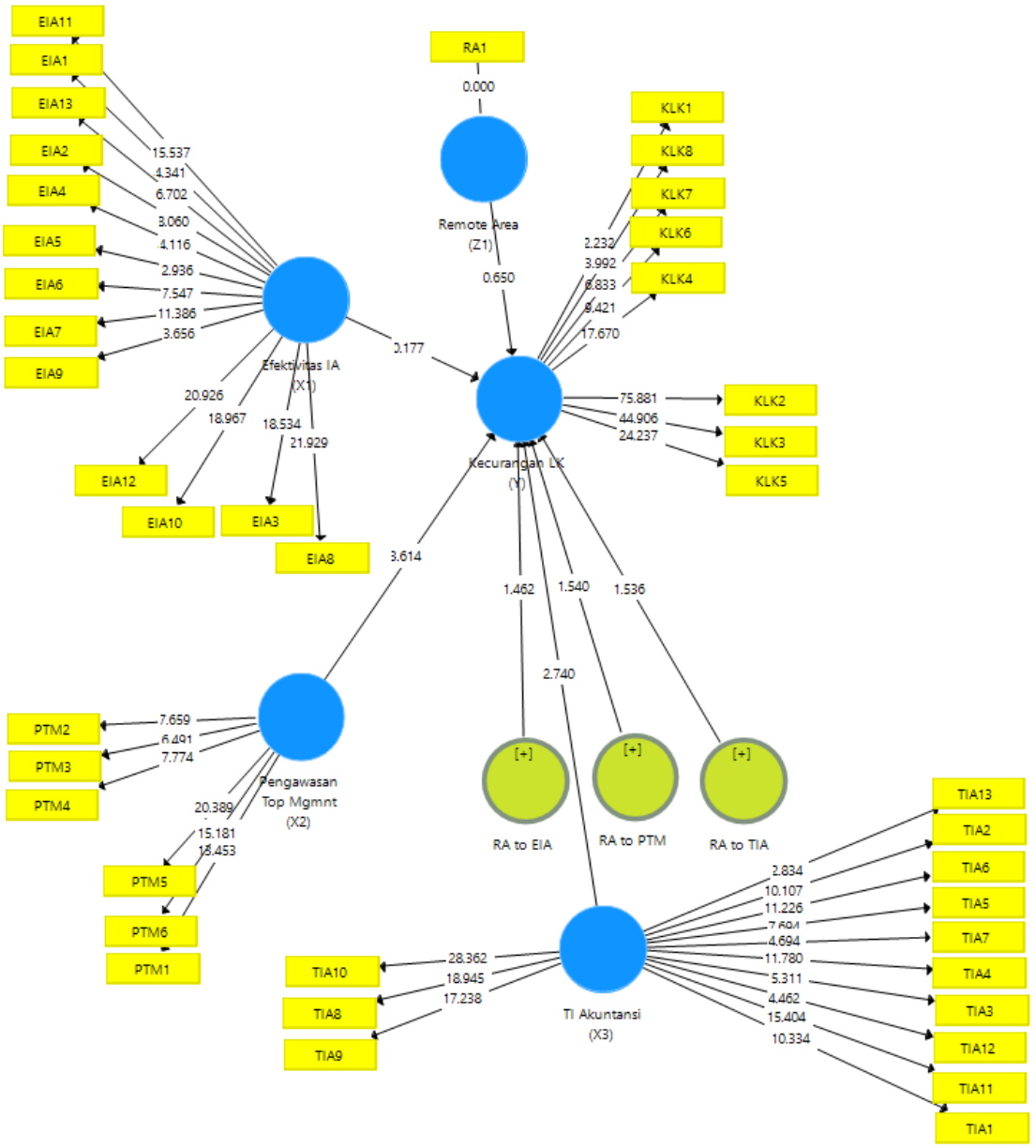
4.2. Validity Test andReliability

Validity testing and reliability testing using SmartPLS 3 for Windows software. By using the "Construct Reliability and Validity" analysis calculation feature in the software. The validity test results show that the 40 questions of the questionnaire are valid, because the calculated r is greater than the r table. (r count>r table). With the Cronbach instrument alpha results of 0.898 to 1.000 or all variables showing a coefficient greater than 0.6, this shows that the questionnaire design is reliable.

Table 4.2 Construct Reliability & Validity

No	Variabel	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
1	Remote Area (Z1)	1.000	1.000	1.000	1.000
2	Remote Area (Z1) to Teknologi Informasi Akuntansi (X3)	1.000	1.000	1.000	1.000
3	Remote Area (Z1) to Pengawasan Top Manajemen (X2)	1.000	1.000	1.000	1.000
4	Remote Area (Z1) to Efektivitas Internal Audit (X1)	1.000	1.000	1.000	1.000
5	Efektivitas Internal Audit (X1)	0.939	0.950	0.947	0.582
6	Teknologi Informasi Akuntansi (X3)	0.939	0.945	0.946	0.576
7	Kecurangan Laporan Keuangan (Y)	0.902	0.910	0.923	0.604
8	Pengawasan Top Manajemen (X2)	0.853	0.871	0.892	0.586

Figure 4.2 Path Modeling with coefficients



Based on the output in table 4.2, the factor loading has met convergent validity, namely the indicator value Tstatistics is above 1.96 so the indicators are declared valid.

The discriminant validity test is carried out to prove whether the indicators in a construct have the largest loading factor on the construct it forms, compared to the loading factor on other constructs. According to the output data in table 4.2 above, the cross loading value shows that there is sufficient discriminant validity, this is shown in the correlation value of the indicator with the construct being higher than the correlation value of the indicator with other constructs.

4.3. Hypothesis test

After processing the data using SmartPLS-3 software, the path coefficient results were obtained as follows:

Table 4.3 Results of Path Coefficients

No	Variabel	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistic (|O/STDEV|)	P Values
1	Efektivitas Internal Audit (X1) --> Kecurangan Laporan Keuangan (Y)	-0.115	-0.103	0.133	0.869	0.193
2	Pengawasan Top Manajemen (X2) --> Kecurangan Laporan Keuangan (Y)	0.722	0.715	0.101	7.167	0.000
3	Teknologi Informasi Akuntansi (X3) --> Kecurangan Laporan Keuangan (Y)	0.280	0.289	0.098	2.850	0.002
4	Remote Area (Z1) --> Kecurangan Laporan Keuangan (Y)	0.035	0.031	0.062	0.566	0.286
5	Remote Area (Z1) to Efektivitas Internal Audit (X1) --> Kecurangan Laporan Keuangan (Y)	-0.211	-0.178	0.141	1.495	0.068
6	Remote Area (Z1) to Pengawasan Top Manajemen (X2) --> Kecurangan Laporan Keuangan (Y)	0.170	0.166	0.089	1.920	0.028
7	Remote Area (Z1) to Teknologi Informasi Akuntansi (X3) --> Kecurangan Laporan Keuangan (Y)	0.080	0.050	0.091	0.883	0.189

It can be seen in table 4.3 above, the dimensions of the variables Top Management Supervision (X2), Accounting Information Technology (X3) and the Remote Area Moderation Variable (Z) on Top Management Supervision (X2) have Tstatistics values greater than 1.965 (P values in color green) so that these variables are able to measure each construct, or have a significant effect.

Meanwhile, the Internal Audit Effectiveness variable (X1) and the Remote Area Moderation Variable (Z) on Top Management Supervision (X1), on Accounting Information Technology (X3) and on Financial Report Fraud (Y) have Tstatistics values below 1.965 (P values red) or has no significant effect.

5. CONCLUSION

5.1. The Internal Audit Effectiveness variable (X1) has no significant effect on preventing Financial Report Fraud (Y)

The effectiveness of Internal Audit does not have a significant effect on preventing financial report fraud. This research is different from the research results from Suyanto's research(2022), Siringo-ringo(2020)and Zakaria & Nawawi(2013)who found that Internal Audit Effectiveness has a positive effect on preventing Financial Report Fraud. Meanwhile, according to Cristina(2009)states that the added value delivered by internal audit is becoming more important, internal audit is becoming more interested in finding the most relevant methods for measuring and evaluating its effectiveness and efficiency.

Based on the Internal Audit Professional Standards (SPAI), in the book written by Hiro (2006) there are 10 indicators of internal audit effectiveness, namely:

1. *Reasonable and meaningful findings and recommendations*. The appropriateness and significance of the findings of the examination and recommendations
2. *Auditee's response and feedback.*Response and feedback from the audited object.
3. *Professionalism of auditors.*Professionalism of auditors.
4. Criteria for auditor professionalism(independence, integrity, thoroughness, appearance, attitude and behavior of the auditor, ability and ability of the auditor, communication and obtaining good responses from the auditee and top management, education and expertise of the auditor.
2. *Absence of surprise.*Early warning.
3. *Cost effectiveness of the internal audit department.*Savings on inspection costs.
4. *Development of people*. Development of auditor personnel.
5. *Operating management's feedback.*Feedback from operational management.
6. *Number of requests for audit work.*Increased number of requests for inspections.
7. Achieved inspection program.

This is in accordance with the Internal Audit Effectiveness indicators in the questionnaire, namely:

a. Question number 6 in Internal Audit Effectiveness is "Internal auditors are free from Management influence." More than 8% of respondents' answers were Undecided, and another 4% answered Disagree.
b. Question number 8 "Internal auditors have good abilities in realizing Good Corporate Governance." More than 15% of respondents' answers were Undecided, and another 11% answered Disagree.
c. Then question number 13 "The company provides opportunities for education and training in each staff's field of work." More than 30% of respondents' answers were Undecided, and another 1% answered Disagree.

5.2. Significant influence of Top Management Supervision Variable (X2) on preventing Financial Report Fraud (Y)

Supervision from top management has a major influence on preventing fraud in financial reports. This is in line with the results of research from Deliana(2018), and in accordance with what Sondag Siagian (2007) stated in his book "Functions of Management", stated that supervision will run well if the basic processes of supervision are known and adhered to, these basic processes are:

1. Standardof the work results have been determined
2. The results of the work are measurable
3. Any deviations that may occur are corrected

This is in accordance with the Top Management Supervision indicators in the questionnaire, namely:

a. Question number 3 in Top Management Supervision is "Leadership takes corrective steps towards irregularities, misuse and waste among employees." More than 70% of respondents' answers were Agree, and 28% answered Strongly Agree.
b. Question number 4 in Top Management Supervision is "Leadership gives sanctions to staff who make mistakes such as arriving late, tasks not being completed on time." More than 54% of respondents' answers were Agree, and 20% answered Strongly Agree.
c. Question number 5 in Top Management Supervision is "Leadership gives a warning to staff who are absent without reason." More than 50% of respondents' answers were Agree, and 26% answered Strongly Agree.

5.3. The significant influence of the Accounting Information Technology variable (X3) on preventing financial statement fraud (Y)

The Accounting Information Technology variable has a significant influence in preventing financial report fraud. This is in accordance with previous research from Florida(2022), and in accordance with the dimensions proposed by previous researchers from Stepen P. Robins (2007) and Tjhai Fung Jen (2002), namely consisting of dimensions of ability whose indicators include:

1. *Knowledge.*Have skills in operating computer programs (accounting information system applications).
2. *Abilities.*Ability to operate accounting information systems.
3. *Skills.*Has a specialty in using accounting information systems.

This is in accordance with the Accounting Information Technology indicators in the questionnaire, namely:

a. Question number 1 in Accounting Information Technology is "I am able to operate the system in the

department I work in." More than 62% of respondents' answers were Agree, and 37% answered Strongly Agree.

b. Question number 2 is "I often run information system applications (software) on routine work." More than 71% of respondents' answers were Agree, and 27% answered Strongly Agree.
c. Then question number 3 is "I am skilled at running system applications related to my work duties." More than 64% of respondents' answers were Agree, and 28% answered Strongly Agree.

Also in accordance with the performance measurement of Accounting Information Systems (Content & Usage Dimensions) proposed by previous researchers from Stepen P. Robins (2007) and Tjhai Fung Jen(2002)whose indicators include:

1. *Accuracy.*Accurate data processing.
2. *Format.*The system has an attractive appearance and is easy for users.
3. *Ease of use*. Efficient and easy to use.
4. *Time lines.*Has a recording of the user's operational time.
5. High level of system usage.
6. Availability of users to operate the system.

This is in accordance with the Accounting Information Technology indicators in the questionnaire, namely:

a. Question number 6 in Accounting Information Technology is "The system application that I use, the results are accurate." More than 62% of respondents' answers were Agree, and another 22% answered Strongly Agree.
b. Question number 7 is "The appearance of the system application is attractive (pleasant to look at) making it easier to operate." More than 62% of respondents' answers were Agree, and another 22% answered strongly agree.
c. Then question number 8 is "The system application used is practical and more efficient." More than 60% of respondents' answers were Agree, and another 24% answered Strongly Agree.

5.4. The significant influence of the Remote Area Moderation Variable (Z) in Top Management Supervision (X2) on the Prevention of Financial Statement Fraud (Y)

The Top Management Supervision Variable (X2) influences the prevention of financial reports with remote area (Z) as a moderating variable, this is caused by:

1. The availability of sophisticated information systems can assist in monitoring and preventing potential fraud in financial reporting. However, in remote areas where technological infrastructure may be limited, use of these systems may be more difficult or impossible, which may reduce the effectiveness of surveillance.
2. Effective communication between top level management and branches/branches in remote areas is very important in supervision. If communications are hampered by factors such as geographic distance, poor communications infrastructure, or cultural differences, then monitoring can become more difficult and the risk of fraud prevention increases.
3. In remote areas, the availability of human and technical resources to carry out effective monitoring may be limited. This can hinder a company's ability to implement strong internal controls and conduct regular audits.
4. An organizational culture that prioritizes honesty, transparency and accountability can strengthen internal monitoring of fraud prevention. However, in remote areas where local culture may be

different, building this culture can be more difficult.

5. Characteristics of businesses in remote areas, such as risks related to logistics or political instability, may influence the level of fraud prevention required. Monitoring must be tailored to this unique business context.

With the moderating variable remote area, the factors above will have a greater or lesser influence depending on how far the impact of the presence of a remote area has on monitoring and preventing fraud.

6. CONCLUSIONS AND RECOMMENDATIONS

Based on the results of this research it can be concluded that:

1. The effectiveness of Internal Audit has no effect on Fraud Prevention in the Financial Reports of Palm Oil Plantation Companies. This is shown in the results of Path Coefficients analysis with SmartPLS-3 software on respondents' answers which show a Tstatistic of 0.869 or smaller than 1.965.
2. Top Management Supervision influences the Prevention of Fraud in the Financial Reports of Palm Oil Plantation Companies. This is shown in the results of Path Coefficients analysis with SmartPLS-3 software on respondents' answers which show a Tstatistic of 7.167 or greater than 1.965.
3. Accounting Information Technology influences Fraud in the Financial Reports of Palm Oil Plantation Companies. This is shown in the results of Path Coefficients analysis with SmartPLS-3 software on respondents' answers which show a Tstatistic of 2.850 or greater than 1.965.
4. Remote Area Palm Oil Plantation Companies have no influence or are unable to moderate the relationship between Internal Audit Effectiveness and Fraud in Financial Reports. This is shown in the results of Path Coefficients analysis with SmartPLS-3 software on respondents' answers which show a Tstatistic of 1.495 or smaller than 1.965.
5. Remote Area Palm Oil Plantation Companies influence or are able to moderate the relationship between Top Management Supervision and Fraud in Financial Reports. This is shown in the results of Path Coefficients analysis with SmartPLS-3 software on respondents' answers which show a Tstatistic of 1.920 or smaller than 1.965 or if using probability, the P value is 0.028 or p is smaller than 0.05, so the hypothesis (Ha) acceptable.
6. Remote Area Palm Oil Plantation Companies have no influence or are unable to moderate the relationship between Accounting Information Technology and Fraud in Financial Reports. This is shown in the results of Path Coefficients analysis with SmartPLS-3 software on respondents' answers which show a Tstatistic of 0.883 or smaller than 1.965.

Suggestions that can be given by researchers include that companies need to increase their concern about the effectiveness of Internal Audit regarding activities in their companies, this is in accordance with the discussion of the weak indicators of internal audit effectiveness which are reviewed in the results of this thesis research. This is shown in the results of the Coefficients analysis for each indicator with SmartPLS-3 software in the respondents' answers which shows a Tstatistic of 0.869 or smaller than 1.965.

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