

The Influence of Whistleblowing System Implementation and Human Resource Competence on Fraud Prevention in the Inspectorate Office of Polewali Mandar Regency

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Abstract

This study aims to analyze the influence of whistleblowing system implementation and human resource competence on fraud prevention efforts at the Inspectorate Office of Polewali Mandar Regency. In this context, Human Resource (HR) competence is viewed as a primary pillar in establishing accountable and transparent financial governance. Using a quantitative research design, primary data were collected through questionnaires from the entire population of 37 auditors at the research site; therefore, a total sampling (saturation sampling) technique was employed. The data were analyzed using multiple linear regression to test the significance of the variables' effects both individually (partially) and collectively (simultaneously). This study examines how individual capacity—encompassing knowledge, skills, and professional behavior—can strengthen internal oversight systems to minimize fraudulent practices. The findings confirm that, partially, the implementation of the whistleblowing system provides a positive and significant contribution to mitigating fraud risks. Similarly, human resource competence is proven to have a positive and significant effect on fraud prevention efforts. When tested simultaneously, both variables have a significant impact on preventing fraud. These results imply the necessity of optimizing reporting systems and strengthening HR capacity through continuous competency development as a core organizational strategy.

Keywords: Whistleblowing System, Human Resource Competence, Fraud Prevention

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INTRODUCTION

As an internal government supervisory body, the Inspectorate plays a critical role in safeguarding bureaucratic integrity and accountability. In accordance with Permen PANRB No. 1 Tahun 2012, this institution carries out strategic functions, including legal compliance oversight, deviation mitigation, and enforcement of organizational ethics. These responsibilities position the Inspectorate as a key pillar in realizing good governance. The primary focus of this supervisory function is the prevention of fraud, defined as deliberate manipulative actions committed by internal or external parties to distort financial reporting (Widodo, 2020).

To minimize the risk of fraudulent practices, comprehensive preventive measures are required, one of which is the implementation of a Whistleblowing

System (WBS). The WBS serves as a crucial instrument for reporting unethical behavior that may harm the organization, while also functioning as a key mechanism for maintaining integrity and accountability (Gajah, M.S., 2024). However, the effectiveness of this system largely depends on the quality of the individuals operating within it. As emphasized by BPKP (2019), fraud prevention requires competent and high-integrity human resources. In the context of public sector supervision, human resource competence represents a fundamental capability encompassing knowledge, experience, and relevant expertise that must be possessed by Government Internal Supervisory Apparatus (APIP). This is essential to ensure that supervisory functions within the Inspectorate operate effectively, accurately, and in a targeted manner (Rahmanda & Yuniarti, 2019; Rahmat et al., 2023).

Human resource competence extends beyond intellectual capacity, incorporating continuous experience and training in safeguarding financial reporting to ensure it remains transparent and free from fraudulent elements (Roviyanti, 2021). Therefore, the synergy between a credible reporting system (Whistleblowing System) and high-quality human resources (HR competence) constitutes two fundamental forces in minimizing opportunities for fraud.

The Inspectorate of Polewali Mandar Regency has implemented a Whistleblowing System since 2020. Structurally, this regional apparatus holds a strategic responsibility to assist the Governor in directing and supervising the implementation of governmental affairs and institutional functions across regional agencies.

Based on preliminary observations at the Inspectorate of Polewali Mandar Regency, it was found that although the Whistleblowing System has been implemented as an early fraud detection instrument, its optimization still faces significant challenges. The main issues lie in the low level of awareness and willingness among employees to report indications of fraud. In addition, the current human resource competence remains largely limited to compliance and performance evaluation aspects, lacking depth in forensic audit capabilities required to detect and handle fraud cases more effectively. Based on these phenomena, this study aims to analyze the extent to which the effectiveness of the Whistleblowing System and the strengthening of human resource competence contribute to fraud prevention efforts..

Research Method

This study employs a quantitative research design using a survey method as the primary strategy for collecting data. Given that the population at the Inspectorate Office of Polewali Mandar Regency is relatively small, consisting of 37 personnel, a saturated sampling (census) technique was applied, whereby all members of the population were included as respondents.

Data were collected using a structured questionnaire with a five-point Likert scale (1-5). In this study, the whistleblowing system (X1) and human resource competence

(X2) are treated as independent variables, while fraud prevention (Y) is positioned as the dependent variable.

The data were analyzed using multiple linear regression to examine both the partial and simultaneous effects of the independent variables on the dependent variable. Prior to hypothesis testing, data quality was assessed through validity and reliability tests. In addition, classical assumption tests were conducted, including tests of normality, multicollinearity, and heteroscedasticity. All data processing and statistical analyses were performed using IBM SPSS Statistics 25.

RESULTS AND DISCUSSION

Based on the results of the validity and reliability tests, all research instruments were confirmed to be valid and reliable. Furthermore, the classical assumption tests indicate that the data are normally distributed, free from multicollinearity, and do not exhibit heteroscedasticity. The detailed discussion is presented as follows:

Data Quality and Classical Assumptions

All variables in this study demonstrate strong reliability. This is evidenced by high Cronbach's Alpha values, namely 0.828 for the Whistleblowing System, 0.799 for Human Resource Competence, and 0.942 for Fraud Prevention.

The data also meet the requirements of classical assumption testing. The residuals are normally distributed, as indicated by an Asymp. Sig. value of 0.200 (> 0.05). In addition, the regression model is free from multicollinearity, with Variance Inflation Factor (VIF) values of 1.015 (< 10) for both independent variables. No symptoms of heteroscedasticity were detected, confirming that the regression model is statistically appropriate for further analysis.

Partial Effect of Whistleblowing System Implementation

The implementation of the Whistleblowing System has a positive and statistically significant effect on fraud prevention. This finding is supported by the t-test results, which show a t-value of 2.881 with a significance level of 0.007 (< 0.05). This indicates that an effective whistleblowing mechanism enhances the organization's ability to detect and prevent fraudulent activities.

Partial Effect of Human Resource Competence

Human Resource Competence also has a positive and statistically significant effect on fraud prevention. This is demonstrated by a t-value of 5.694 with a significance level of 0.000 (< 0.05).

Moreover, based on the Standardized Coefficients Beta, Human Resource Competence (0.644) is identified as the most dominant variable influencing fraud prevention compared to the Whistleblowing System (0.326). This suggests that the capability, knowledge, and expertise of personnel play a more substantial role in strengthening fraud prevention mechanisms.

Simultaneous Effect (F-Test)

Simultaneously, the Whistleblowing System and Human Resource Competence have a positive and significant effect on fraud prevention at the Inspectorate Office of Polewali Mandar Regency.

The ANOVA test results show an F-value of 22.656 with a significance level of 0.000 (< 0.05), indicating that both independent variables collectively contribute significantly to explaining variations in fraud prevention.

Coefficient of Determination

The coefficient of determination analysis shows that the two independent variables jointly explain 54.6% of the variance in fraud prevention. This is reflected in the Adjusted R Square value of 0.546. The remaining 45.4% is influenced by other variables not included in this research model.

Discussion

The findings of this study reinforce the results of Lianto and Purnamasari (2020), which highlight the significant contribution of whistleblowing systems and human resource competence in enhancing fraud prevention effectiveness.

From the perspective of Fraud Triangle Theory, the existence of a whistleblowing system serves as an effective mechanism to reduce opportunities and limit rationalization for fraudulent behavior. At the same time, competent human resources play a crucial role in strengthening early detection and prevention mechanisms through their analytical and investigative capabilities.

Furthermore, these findings are consistent with Signaling Theory, where the integration of a reliable reporting system and highly competent personnel sends a strong signal to both internal and external stakeholders regarding the organization's commitment to combating fraud. This signal enhances organizational credibility and reinforces trust in governance practices.

CONCLUSION

The findings of this study indicate that the implementation of the Whistleblowing System (WBS) has a significant effect on fraud prevention at the Inspectorate Office of Polewali Mandar Regency. The effectiveness of this system—supported by extensive socialization, assurance of whistleblower anonymity, and credible follow-up mechanisms—strengthens the organization's internal control framework. A transparent whistleblowing system not only creates a deterrent effect for potential offenders but also functions as a reliable early detection mechanism to prevent fraud from escalating.

The results also demonstrate that human resource competence has a positive and significant influence on fraud prevention efforts. Personnel equipped with comprehensive knowledge, technical expertise, and strong professional ethics are better able to perform supervisory functions effectively. With adequate competence,

human resources within the Inspectorate can accurately identify and assess risks, enabling more proactive and efficient prevention of potential irregularities.

Furthermore, the study reveals that, simultaneously, the Whistleblowing System and human resource competence exert a strong influence on the effectiveness of fraud prevention. These two variables operate in a complementary manner: the Whistleblowing System serves as an initial channel for reporting suspected violations, while competent human resources are essential for verifying, investigating, and formulating appropriate corrective actions. Without an effective reporting system, hidden fraud may remain undetected; conversely, without competent personnel, reported cases may not be properly handled. Therefore, the integration of a reliable reporting system and high-quality human resource capacity is a critical factor in achieving clean and accountable governance within the Inspectorate.

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