

THE EFFECT OF IMPLEMENTING GOOD CORPORATE GOVERNANCE PRINCIPLES ON FRAUD PREVENTION

Yuhanis Ladewi, Mizan & Putri Rizki Amalia

*Research Scholar, Faculty of Economics and Business, University of Muhammadiyah Palembang,
South Sumatra, Indonesia*

Received: 11 Apr 2019

Accepted: 22 Apr 2019

Published: 26 Apr 2019

ABSTRACT

The purpose of the study was to determine the magnitude of the influence of the application of the principles of good corporate governance to the prevention of fraud surveys in the BUMN banking sector in the city of Palembang. Data collection methods used in this study were interview techniques, questionnaires, and documentation. The data analysis method used in this study is quantitative and qualitative analysis. The sample in this study was the BUMN Banking Sector in Palembang City with 32 respondents. The results of the study indicate that the principles of good corporate governance (X) have a positive and significant effect on the prevention of fraud (Y). The results of partial tests conducted indicate that the hypothesis proposed the application of the principles of good corporate governance (X) has an effect on prevention of fraud (Y).

KEYWORDS: *Principles of Good Corporate Governance and Prevention of Fraud*