

## **ABSTRACT**

*Fraud is a legal violation committed by an internal or external party of the organization with the aim of obtaining personal or group benefits, which ultimately harms other parties. To minimize the risk of fraud, quality internal audits and good implementation of Standard Operating Procedures (SOP) are needed. In 2020 and 2022, PT. Tasik Raja faced cases of fraud committed by internal members of the company, which is the focus of this research.*

*This research aims to determine the effect of internal audit quality and the implementation of Standard Operating Procedures (SOP) on fraud prevention at PT Tasik Raja, South Labuhanbatu, North Sumatra, both simultaneously and partially.*

*This type of research is descriptive with a population of all PT employees. Tasik Raja as many as 231 people. The sampling technique used is non-probability sampling with Purposive Sampling. The sample used in the research was 100 respondents taken from employees of PT. Tasik Raja at the level of supervision and above. The data collection technique is by distributing questionnaires. The data analysis method used is multiple regression analysis with the help of IBM SPSS 25.0 software.*

*The research results show that the quality of internal audits and the implementation of Standard Operating Procedures (SOP) at PT. Tasik Raja is in very good criteria. Simultaneous hypothesis testing shows that the quality of internal audit and the implementation of Standard Operating Procedures (SOP) together have a significant effect on fraud prevention. Partially, the test results show that internal audit quality has a positive and significant effect on fraud prevention, as well as the implementation of Standard Operating Procedures (SOP) has a positive and significant effect on fraud prevention.*

*It is hoped that the results of this research will provide useful input for PT Tasik Raja in improving fraud prevention through the quality of internal audits and the implementation of good Standard Operating Procedures (SOP). In addition, this research is expected to be able to contribute to the development of knowledge and increase insight regarding the quality of internal audits, the application of Standard Operating Procedures (SOP), and the prevention of fraud.*

**Keywords:** *Internal Audit Quality, standard operational procedures, fraud prevention*