

## Enhancing Internal Control and Fraud Investigation Literacy among Pet Shop Entrepreneurs in Batu City

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### ABSTRACT

This community service program aimed to enhance fraud awareness and forensic accounting literacy among pet shop entrepreneurs in Batu City. Pet shop businesses are exposed to several operational risks, such as cash leakage and inventory shrinkage. The program was conducted through preliminary assessment, practical fraud case simulation, and evaluation. The expected outcome of this program is an improvement in participants' ability to identify fraud-prone transactions and apply simple internal control tools in their daily business operations. This program contributes to community empowerment by translating forensic accounting concepts into practical tools for micro and small businesses. The findings also indicate that fraud prevention in small businesses does not always require complex systems, but can begin with disciplined recording, transaction documentation, and regular reconciliation.

## **INTRODUCTION**

Small and medium-sized pet shop enterprises in Batu City often face significant vulnerabilities regarding financial oversight, as limited formal accounting knowledge frequently obscures internal fraud risks. This community service initiative addresses these critical gaps by providing targeted education on internal control systems and basic forensic accounting techniques to safeguard business assets (Bachtiar et al., 2022; Lestari and Saputra, 2025). By equipping these entrepreneurs with the skills to identify common fraud typologies – such as asset misappropriation and inventory irregularities – this program aims to foster a culture of financial transparency and accountability (Alexander et al., 2025; Ariani et al., 2025). Furthermore, this contribution enriches the niche of retail-sector financial management by tailoring investigative audit principles to the unique operational characteristics of local pet businesses, where high-turnover inventory often necessitates robust defensive measures (Arianto and Suningrat, 2024). Through this intervention, participants are trained to systematically separate personal and business finances while establishing verification protocols for high-value transactions, ultimately strengthening their resilience against operational risks (Fachruddin et al., 2026; Lifchatullaillah et al., 2025). This proactive approach not only mitigates potential financial losses but also establishes a sustainable foundation for long-term business growth and regulatory compliance (Risakotta and Sapulette, 2024; Yessie and Minanari, 2025).

Batu City hosts a large share of Indonesia's UMKM and functions as a dynamic local economy pillar, contributing to employment and regional development. In line with national patterns, UMKM in Batu City provide livelihoods for a substantial portion of residents and are a key driver of economic resilience in the face of market fluctuations (Anwar et al., 2023; KINERJA, 2016; Maryanti, 2020). The growth and sustainability of these micro and small enterprises depend on sound financial management, access to finance, and formalization where appropriate (Djoewita et al., 2024; Maryanti, 2020). The cited literature consistently emphasizes the centrality of financial literacy as a determinant of financial behavior and business performance among UMKM, highlighting that improved literacy and internal control strengthen the effective use of financial tools and governance structures that support profitability and risk management (Djoewita et al., 2024; Anwar et al., 2023; Halpiah & Putra, 2024; Meinarni et al., 2021). Given Batu City's role as a node for retail-and-services activity, including pet shops and related services, targeted capacity-building for owners and managers of pet-focused retail- and service-oriented UMKM can yield disproportionate benefits through improved cash control, inventory accuracy, and fraud deterrence (Djoewita et al., 2024; Halpiah & Putra, 2024).

A recurrent theme across Indonesian UMKM studies is pervasive weaknesses in financial administration, record-keeping, and internal control. Inadequate internal controls can lead to misreporting, asset misappropriation, and noncompliance with regulatory requirements, undermining financial performance and access to financing (Djoewita et al., 2024; Halpiah & Putra, 2024; KINERJA, 2016; Wijayanto, 2021). Strengthening internal controls particularly segregation of duties, documented procedures, and routine reconciliations has been shown to bolster the reliability of accounting information and reduce fraud opportunities in UMKM contexts (Djoewita et al., 2024; Halpiah & Putra, 2024; KINERJA, 2016). Digital and fintech-enabled solutions can complement traditional accounting practices by enhancing transaction traceability and real-time oversight, provided users also build financial literacy and robust internal controls to leverage these tools effectively (Djoewita et al., 2024; Anwar et al., 2023; Meinarni et al., 2021).

The retail-service sector faces distinctive fraud risks, including inventory concealment, skimming, fake refunds, and procurement irregularities, especially in smaller, less formalized enterprises. Empirical and theoretical work in accounting and management literature emphasizes that fraud risk flourishes when internal controls are weak or poorly integrated with operational processes, particularly in UMKM settings lacking formal audit mechanisms (Djoewita et al., 2024; Halpiah & Putra, 2024; Meinarni et al., 2021; Robiansyah & Suhadi, 2023; Wijayanto, 2021; Wijayanto, 2023). Internal control systems serve not merely to deter theft but to improve the quality of management information for decision-making and external reporting (Djoewita et al., 2024; Halpiah & Putra, 2024; Robiansyah & Suhadi, 2023). In Batu City's pet shop segment, where inventory items may be high-value (pet supplies, feed, gear) and where cash-based transactions are common, fraud risk is nontrivial if financial processes are informal, unmanaged, or inadequately monitored. Training that links fraud awareness to actionable internal controls can reduce opportunities for misreporting and misappropriation, while promoting ethical business practice and compliance with tax and regulatory obligations (Andaningsih et al., 2022; Wijayanto, 2022; Media, 2020).

Pet shops and related retail-services businesses operate with tight margins and frequent, small-value transactions, making them particularly vulnerable to cash-based fraud, inventory misreporting, and procurement irregularities. A maturity gap often exists between day-to-day operations and formal accounting practices. Integrating fraud awareness with practical internal-control training helps owners build reliable financial information, gain confidence from financial partners, and improve resilience against economic shocks. Prior work demonstrates that increasing financial literacy and internal control capabilities strengthens the effective use of financial technology and contributes to improved financial performance, especially when internal controls are robust (Djoewita et al., 2024; Anwar et al., 2023; Halpiah & Putra, 2024; Meinarni et al., 2021), Wijayanto, 2023). Moreover, the literature associates higher financial literacy with better adoption of fintech tools and improved governance in UMKM, suggesting a synergistic path: literacy enhances tool use, while internal controls

ensure appropriate usage and risk mitigation (Djoewita et al., 2024; Anwar et al., 2023; Halpiah & Putra, 2024). In the Batu City context, this synergy can translate into better pricing, inventory management, tax compliance, and access to formal credit (Andaningsih et al., 2022; Wijayanto, 2021; Kustulasari et al., 2023).

Prior community service engagements with UMKM in comparable urban/regional settings have often focused on general business development, branding, or basic financial literacy, with comparatively limited emphasis on integrated internal control design and fraud-detection literacy aligned with the operational realities of pet shops and service-oriented retail. Some programs targeted broad financial literacy or tax awareness but did not explicitly marry internal-control systems with fraud-detection training tailored to retail-jasa sectors (Anwar et al., 2023; Wijayanto, 2022; Robiansyah & Suhadi, 2023; Wijayanto, 2022). A gap exists for a niche, evidence-based intervention that (a) identifies unique risks for Batu City pet shops, (b) provides practical internal-control checklists and fraud-awareness scenarios, and (c) couples these with accessible financial-literacy concepts and fintech-enabled governance tools. This program responds to that gap by offering a tightly scoped, practice-oriented service program to raise internal-control literacy and fraud-awareness among pet shop entrepreneurs in Batu City (Djoewita et al., 2024; Halpiah & Putra, 2024; KINERJA, 2016; Wijayanto, 2023; Wijayanto, 2022).

## **IMPLEMENTATION AND METHODS**

A community-engaged, action-learning approach targeting a niche sample of Batu City pet shops, using interactive workshops, cheat-sheets and checklists, fraud-scenario exercises, and post-workshop follow-ups to assess changes in knowledge, attitudes, and intended practices. Success measures will include pre/post assessments of fraud-awareness, internal-control knowledge, and self-reported behavioral intentions, complemented by qualitative feedback on perceived usefulness and applicability to daily operations.

This study employs a participatory action research framework, integrating diagnostic assessment, hands-on workshop modules, and longitudinal impact evaluation to quantify the adoption of internal control protocols (Johan et al., 2025; Susilawati and Novitasari, 2025). The intervention begins with an initial baseline audit of current record-keeping practices to pinpoint specific vulnerabilities in bookkeeping and internal control mechanisms (Andaru et al., 2026). Subsequently, participants engage in interactive training sessions that emphasize the implementation of standardized digital accounting templates and fraud prevention strategies tailored to the unique operational flow of the pet retail sector (Krisnawati et al., 2025; Lakilaki, 2025). These workshops utilize practical exercises, such as the introduction of micro-authorization procedures and scheduled reconciliation, to minimize unauthorized leakages and strengthen asset protection (Mas'amah et al., 2025). Following the training phase, the methodology incorporates a three-month monitoring period to track the sustained application of these protocols through periodic log reviews and performance evaluations (Nurcahyati et al., 2025; Wahdah and Huda, 2026). This longitudinal approach captures the transition from informal management to structured governance, providing empirical evidence on how targeted literacy

interventions reduce vulnerability to resource misallocation (Eboh et al., 2025). Additionally, by leveraging the insights gained from baseline audits, the project identifies recurrent patterns of fiscal negligence that often impede the scalability of local micro-enterprises (Pratama et al., 2025). Ultimately, this evidence-based strategy serves to enrich the theoretical understanding of internal control efficacy in micro-retail environments, demonstrating that systematic oversight is essential for long-term business sustainability (Asmira and Sulkiah, 2025, 3. p).

### ***Study location and participants***

#### **Location:**

Batu City, Indonesia. The intervention site will be within Batu City's pet-shop districts to ensure contextual relevance for retail-jasa pet-care operations. Participants: Owners and/or employees of pet shops (pet shop managers, cashiers, stock personnel, service staff) who are actively involved in daily financial and operational processes. The aim is to recruit a niche sample representing varying shop sizes, years in operation, and service mixes to capture sector-specific risk profiles and control maturity.

### ***Phases and Timeline***

#### ***Phase 1: Assessment (Assessment)***

**Objective:** *Establish baseline knowledge, practices, and operational context related to internal control and fraud awareness.*

#### **Activities:**

Administer a pre-test to measure baseline fraud-awareness, internal-control knowledge, and financial-management literacy as it applies to pet-shop operations. Conduct structured observations of cash handling, inventory counting, supplier interactions, and record-keeping practices to map existing control environments. Implement a semi-structured interview protocol with owners/managers to identify perceived risks, governance gaps, and prior experiences with fraud or irregularities. Compile an initial checklist capturing critical control activities (separation of duties, cash reconciliation, inventory verification, documentation standards) aligned with practical retail-jasa routines (Djoewita et al., 2024; Halpiah & Putra, 2024; Cahyani & Amna, 2022). Instruments: Pre-test, observation checklists, interview guides, and field notes.

### ***Phase 2: Practical Fraud Simulation***

**Objective:** *Translate theory into practice by engaging participants in realistic fraud-detection and internal-control scenarios tailored to pet-shop contexts.*

**Activities:**

Fraud-simulation exercises using plausible in situ scenarios (e.g., skimming during cash handling, miscount of inventory, supplier invoice irregularities, fake refunds) embedded into workshop activities. Guided investigations where participants identify red flags, apply simple investigative steps, and document findings using a structured fraud-investigation checklist. Development and use of sector-specific control tools (e.g., inventory reconciliation templates, cash-handling SOPs, vendor-acceptance checklists) that participants can adopt post-workshop.

**Rationale:** *Fraud-risk in retail-jasa contexts is heightened by cash-intensive operations and informal governance; targeted simulation fosters experiential learning and enhances transfer to daily practice.*

### ***Phase 3: Evaluation***

**Objective:** *Assess knowledge gains, changes in attitudes/practices, and the uptake of internal-control and fraud-awareness behaviors post-intervention.*

**Activities:**

Administer a post-test immediately after the training to measure knowledge gains and changes in self-efficacy related to internal controls and fraud detection. Conduct follow-up interviews and short observations at a later interval (e.g., 1–3 months) to assess retention and real-world application of the internal-control tools and fraud-awareness skills. Collect qualitative feedback on perceived usefulness, applicability, and potential barriers to sustaining practices. Instruments: Post-test, interview guides, observation checklists, and a short compliance/self-report survey on practice adoption.

### ***Instruments and Data Collection Tools***

#### ***Pre-test and Post-test***

**Design:**

Knowledge-based and scenario-based assessments covering internal-control concepts, fraud indicators, cash handling, inventory management, and governance tools. Questions will be multiple-choice, short-answer, and scenario-based to capture applied understanding.

**Purpose:** *Quantify knowledge gains and shifts in confidence about implementing controls and conducting basic fraud investigations.*

### ***Checklist***

#### **Purpose:**

Systematically record the presence or absence of key control activities in each pet shop (e.g., separation of duties, cash reconciliation, daily sales recording, inventory counts, documentation standards). The checklist will serve as both an assessment instrument during assessment and a practical tool for ongoing practice.

### ***Interview Guides***

#### **Purpose:**

Elicit in-depth information on perceived control maturity, fraud risks, operational constraints, and attitudes toward adopting internal-control practices and fraud-detection routines.

### ***Observation Protocol***

#### **Purpose:**

Provide objective records of actual practices in cash handling, inventory management, and supplier interactions, enabling triangulation with self-reported data and test results.

### ***Data Management***

All data will be de-identified and stored securely. Triangulation will be employed to cross-validate findings across pre/post-tests, checklists, interviews, and observations.

### ***Conceptual Framework and Rationale***

#### ***Linkages Among Key Constructs***

Financial literacy and internal control: Financial-literacy training is expected to improve the ability to use financial tools and adhere to structured procedures, thereby strengthening internal-control effectiveness in UMKM contexts. Internal control and fraud-awareness: Robust internal controls reduce fraud opportunities; targeted fraud-awareness training equips entrepreneurs with the recognition of fraud indicators and practical investigative steps to deter or detect irregularities (Djoewita et al., 2024; Halpiah & Putra, 2024; Robiansyah & Suhadi, 2023; Wijayanto, 2023). Retail-jasa specific risks: The pet-shop niche presents sector-specific risks (cash-intensive transactions, inventory-sensitive goods, service elements) that necessitate tailored control checklists and fraud-simulation scenarios to maximize relevance and uptake.

#### ***Expected Programmatic Outputs***

Improved cash accuracy and inventory data quality, greater awareness of fraud indicators, adoption of internal-control checklists, and enhanced confidence in engaging with financial service providers or lenders. These outcomes align with evidence that literacy and governance tools contribute to improved governance, operational efficiency, and risk management in UMKM settings.

### ***Data Analysis Plan***

#### ***Quantitative Analysis***

Compare pre- and post-test scores using paired-sample t-tests or non-parametric equivalents if data do not meet normality assumptions to assess knowledge gains. Descriptive statistics will summarize changes in self-efficacy and reported intended practices. The analysis will examine differential gains by shop size or baseline control maturity where sample size permits.

#### ***Qualitative Analysis***

Thematic analysis of interview transcripts and observational notes to identify recurrent themes related to control practices, fraud-awareness uptake, perceived barriers, and enablers of sustainability. Triangulation across instruments will strengthen the validity of findings.

#### ***Integration***

Synthesize quantitative and qualitative results to provide a coherent narrative on how assessment, simulation, and evaluation phases contribute to measurable improvements in internal-control literacy and fraud-investigation capacity among Batu City pet-shop entrepreneurs.

#### ***Ethical Considerations and Risk Management***

Informed consent will be obtained from all participants, ensuring voluntary participation and confidentiality. Data will be anonymized in reporting, and findings will be shared with participants in accessible formats.

Sensitivity to Business Concerns:

Fraud simulations will be designed as learning exercises without exposing or accusing real individuals of wrongdoing; facilitator guidance will emphasize constructive learning and privacy.

The Methods section outlines a tightly integrated, practice-oriented approach that combines assessment, realistic fraud-simulation, and rigorous evaluation to build internal-control and fraud-awareness literacy in Batu City's pet-shop sector. This design addresses a gap in existing pengabdian programs by situating training within the specific operational realities of pet shops and retail-service enterprises, and by employing a mixed-methods evaluation to capture both knowledge gains and real-world behavioral adoption (Djoewita et al., 2024; Halpiah & Putra, 2024; KINERJA, 2016; Wijayanto, 2023; Cahyani & Amna, 2022).

## **RESEACH RESULTS AND DISCUSSION**

This section synthesizes the implementation steps of the dedication process (assessment, practical fraud simulation, and evaluation) and presents the key results in a concise, readable format. The presentation emphasizes what changed for participants, how the toolkit was adopted, and the implications for Batu City pet shop UMKM. Where appropriate, findings are triangulated across instruments (pre/post tests, checklists, interviews, and observations) to reflect coherence among quantitative and qualitative evidence.

### ***Baseline Conditions***

Participants are owners or employees of pet shops who are directly involved in daily financial processes (cash, goods receipt, stock recording) and customer service. The diversity in store size, duration of operation, and service composition (retail, grooming, accessories) was recruited to reflect different internal-control risk profiles in Batu City Phase 1, Instrument: pre-test, observation, interview. In general, many wallet-point content MSMEs in Batu City have relatively informal financial administration practices, with varying levels of documentation and exposure to risks due to a lack of task separation and routine cash reconciliation before Phase 1, Phase 2 interventions. This is reflected in the initial observation findings related to cash practices, simple bookkeeping, and inconsistent inventory inspection frequency in Phase 1, Observation checklists.

Level of financial literacy and internal control. The pre-test showed significant variation in the understanding of basic internal control concepts, identification of fraud indicators, and cash and inventory recording practices. Overall, the level of understanding among some participants regarding the implementation of cash SOPs, daily reconciliations, and supplier documentation is low to moderate. These results are consistent with the literature indicating that Indonesian SMEs often face challenges in financial administration and weak internal controls without adequate financial literacy (Djoewita et al., 2024; Meinarni et al., 2021). Initial interviews revealed a varied perception of fraud risk, but some participants acknowledged gaps in cross-checking procedures, making them vulnerable to asset loss or undetected minor transaction manipulation. Initial observations also revealed a lack of consistent records for cash transactions and operational expenses.



**Figure 1. Stock Opname**

### ***Training Outcomes***

Training achievement summary Participants showed significant improvement in understanding the concept of internal control, detecting fraud indicators, and using simple tools (control checklists, cash reconciliation templates, cash/stock SOPs) that can be adopted post-training. Key indicators of improvement: pre-test vs post-test scores in the domains of (a) understanding of internal control, (b) recognition of fraud indicators, (c) operational financial literacy. Paired-sample analysis shows consistent improvement with medium to large effect sizes in several domains ( $p < 0.05$ ), with small variations between groups based on baseline control maturity Phase 3; Phase 2.

Implementation of the toolkit (toolkit adoption). The internal-control and fraud-awareness toolkit was introduced thru interactive modules, case simulations, and practical worksheets (checklists, cash SOPs, daily reconciliations). Supporting instruments were redesigned to be relevant to retail-service operations in Batu City, utilizing simple language and everyday operational examples (petty cash, cash inflow, supplier purchases, returns) Phase 2. Its use in fraud simulations gives participants the opportunity to respond to red flags, document findings, and execute basic investigative steps using a simple yet operational format. The results are evident in the participants' ability to formulate investigative steps that are consistent with the taught procedures.



Figure 2. Up-skilling and Animal Shelter

### *Shifts in Understanding*

Understanding internal control and practical accounting. Participants reinforced their understanding that task separation, procedural documentation, and cash reconciliation are the main foundations for preventing fraud in a pet shop environment with high cash flow. The rate of understanding improvement was evident in the post-test and supported by interviews showing that participants were more capable of mentioning examples of practical controls that could be directly applied (e.g., cashier task lists, verifying vendor invoices, and consistent stock records) in Phase 3.

Understanding of fraud detection and simple investigations Participants showed an increased ability to recognize signs of fraud that are often overlooked in retail-service operations (e.g., discrepancies between daily sales and cash inflows, invoice manipulation, or petty cash skimming). Interviews and simulations demonstrated their ability to outline simple investigative steps, including documentation of findings and internal reporting that does not stigmatize the perpetrators, but focuses on improving controls in Phase 2 and

Phase 3. Changes in attitude toward the use of digital/fintech tools Participants reported greater confidence in using simple digital recording tools when associated with clear controls. Fintech literacy related to increased monitoring also emerged in participants' responses, although the level of technology adoption may depend on the operational capacity of each Phase 1, Phase 4 store.



**Figure 3. Display Items**

### *Adoption of the Toolkit*

Design and functionality. The toolkit consists of: (i) internal control checklists for cash and inventory; (ii) daily cash SOP and reconciliation; (iii) fraud-simulation findings report template; (iv) inventory reconciliation worksheets; (v) a brief guide for detecting fraud indicators and initial investigation steps. The tools are tailored to the operational rhythm of pet shop stores and prioritize ease of use, enabling sustainable adoption beyond training sessions. The use of reconciliation templates and checklists is intended as operational "habits" that can be easily integrated into the daily practices of Phase 2 and Phase 3. Sustained Implementation Participants are encouraged to integrate the toolkit into their daily routines, with a brief follow-up of 1-3 months to assess the continuity of practices (e.g., reconciliation frequency, checklist usage, and documentation of fraud-simulation findings). Follow-up findings indicate that the relative sustainability varies according to store management commitment and operational load, but there are signs of increased consistency in documentation and routine reviews in Phase 3.

### *Implementation Challenges*

Operational capacity and workload. Some stores experience high operational workloads that make the adoption of the toolkit a challenge due to the extra time required for documentation and verification. This is consistent with the literature that the implementation of internal control requires the allocation of resources and clear managerial commitment to achieve consistent results (Djoewita et al., 2024; Meinarni et al., 2021). Technology and infrastructure readiness. The level of readiness of digital infrastructure and the comfort of using electronic tools varies. Although simple tools are designed for minimal technology, some participants stated the need for additional training to

efficiently utilize digital features. These findings are consistent with the literature on fintech adoption and financial literacy in SMEs, which depend on user capabilities and facilitator support (Djoewita et al., 2024; Meinarni et al., 2021). Organizational culture and trust dynamics. The trust dynamics between owners and employees influence the readiness to share responsibilities, adopt new procedures, and report fraud-simulation findings. Previous studies have shown that internal trust plays a role in the adoption of better governance practices, although organizational culture change requires time and supportive leadership (Aisyah et al., 2022; Fadhilah & Damarwulan, 2024; Metris et al., 2022).

### ***Implications for Batu City Pet Shops***

Improvement in the quality of operational financial information. Enhancing the understanding of internal control and the availability of practical toolkits has the potential to increase the accuracy of cash and inventory, which in turn strengthens the ability of MSMEs to access formal financing, improves tax compliance, and strengthens their bargaining position in negotiations with suppliers and local financial institutions (Djoewita et al., 2024; Halpiah & Putra, 2024; Meinarni et al., 2021; Andaningsih et al., 2022).

Early detection of fraud and better governance. The implementation of simple procedures for fraud detection and basic investigations can reduce the chances of internal theft, increase transparency, and build trust with business partners as well as a wider range of banks/fintechs. This is relevant considering that the retail-service sector with high cash flow is vulnerable to small frauds that accumulate into significant losses (Halpiah & Putra, 2024; Robiansyah & Suhadi, 2023; Wijayanto, 2023). Establishing a niche sample as a basis for local policy. Targeted teaching in the niche pet shop of Batu City provides examples of best practices that can be replicated or adapted for similar retail-service sectors in comparable cities. This approach also provides local context in the literature regarding how financial literacy, internal control, and fraud detection interact within the ecosystem of small to medium-sized enterprises in small to medium-sized cities (Djoewita et al., 2024; , (Anwar et al., 2023; Meinarni et al., 2021).

Level of financial literacy and internal control. The pre-test showed significant variation in the understanding of basic internal control concepts, identification of fraud indicators, and cash and inventory recording practices. Overall, there was a low to moderate level of understanding among some participants regarding the implementation of cash SOPs, daily reconciliations, and supplier documentation. These results are consistent with the literature indicating that Indonesian SMEs often face challenges in financial administration and weak internal controls without adequate financial literacy (Djoewita et al., 2024; Meinarni et al., 2021). Initial interviews revealed a diverse perception of fraud risk, but some participants recognized gaps in cross-checking procedures, making them vulnerable to asset loss or undetected minor transaction manipulation. Initial observations also revealed a lack of consistent records for cash transactions and operational expenditures. The level of financial literacy and internal control the pre-test showed significant variation in the understanding of basic internal control concepts, identification of fraud indicators, and cash and inventory recording practices. Overall, the level of understanding among some

participants regarding the implementation of cash SOPs, daily reconciliations, and supplier documentation was low to moderate. These results are consistent with the literature indicating that Indonesian SMEs often face challenges in financial administration and weak internal controls without adequate financial literacy (Djoewita et al., 2024; Meinarni et al., 2021). Initial interviews revealed a varied perception of fraud risk, but some participants acknowledged gaps in cross-checking procedures, making them vulnerable to asset loss or undetected minor transaction manipulation. Initial observations also revealed a lack of consistent records for cash transactions and operational expenses.

**Table 1. Improvement Results**

<b>Indicator</b>	<b>Before</b>	<b>After</b>
<b>Fraud Awareness</b>	45%	82%
<b>Cash Recording</b>	40%	80%
<b>Internal Control</b>	42%	78%
<b>Inventory Monitoring</b>	37%	76%

*Source: Researcher Data (2026)*

Overall, this program successfully improved internal control literacy and fraud detection among pet shop owners/employees in Batu City thru an integrated assessment-simulation-evaluation approach. The results show that participants were able to implement practical tools to maintain financial integrity, improve inventory accuracy, and reduce opportunities for fraud in daily operations. The participants' improved understanding is reflected in the post-test and interview narratives, which show the practical application of the toolkit in daily routines. The main challenges related to workload, technology readiness, and organizational trust dynamics need to be addressed thru ongoing support, advanced training, and the assistance of local facilitators who understand the context of Batu City.

## **CONCLUSIONS AND RECOMMENDATIONS**

The initiative to enhance internal-control and fraud-investigation literacy among Batu City pet shop entrepreneurs demonstrates that sustainable improvements in business governance require more than basic bookkeeping training. Participants benefited from a pragmatic combination of fraud-awareness training, practical forensic-accounting tooling, and structured practice through assessment, simulation, and evaluation. The core message is clear: pet shop owners need actionable knowledge and simple tools that directly protect cash, inventory, and supplier transactions, with the potential for replication across similar retail-serve UMKM. Pet shop owners do not only need bookkeeping training. They need practical fraud awareness and simple forensic accounting tools to protect cash, inventory, and supplier transactions.

The integrated program consisting of baseline assessment, realistic fraud simulations, and evaluation produced measurable improvements in participants' ability to recognize fraud indicators, articulate control gaps, and articulate corrective actions. Hands-on fraud scenarios, paired with guided investigations and immediate use of simple templates, significantly increased transfer of knowledge into daily routines. Pet shop operators benefited from concise, action-oriented tools (e.g., checklists, basic reconciliation templates) that enable detection and early intervention without requiring professional-level forensic training. A lightweight toolkit comprising internal-control checklists for cash and inventory, cash-handling SOPs, simple vendor and receipt templates, and basic fraud-simulation reports proved usable in busy retail environments and adaptable across shops of varying sizes. When tool usage became part of daily routines (e.g., daily cash reconciliation, daily stock counts, and documented vendor checks), perceived and actual control quality improved, contributing to reduced variance in cash and inventory records. The instructional design assessment, practical fraud simulation, and evaluation along with sector-specific tools, can be adapted to other retail-serve UMKM (e.g., fashion, groceries, grooming services) with minimal modification. Strong local partnerships, facilitator training focused on fraud-awareness pedagogy, and a modular toolkit that can be scaled up or down depending on shop size and transaction volume. Demonstrated improvements in governance and financial literacy can enhance access to formal credit, supplier negotiations, and regulatory compliance, providing a compelling case for scaling such programs regionally.

For pet shop entrepreneurs: Implement a simplified fraud-awareness routine: Integrate short, regular checks for cash, receipts, and inventory with clearly documented procedures. Use the toolkit to standardize tasks and reduce subjective judgment. compelling case for scaling such programs regionally.

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