UNIVERSITI TEKNOLOGI MARA

DETERMINANTS OF FRAUD INCIDENTS AND COPING MECHANISMS FOR VILLAGE FUND SYSTEM IN INDONESIA

KHOIRUL FUAD

PhD

March 2026

UNIVERSITI TEKNOLOGI MARA

DETERMINANTS OF FRAUD INCIDENTS AND COPING MECHANISMS FOR VILLAGE FUND SYSTEM IN INDONESIA

KHOIRUL FUAD

Thesis submitted in fulfilment
of the requirements for the degree of
Doctor of Philosophy
(Financial Criminology)

Accounting Research Institute

March 2026

CONFIRMATION BY PANEL OF EXAMINERS

I certify that a Panel of Examiners has met on 30 October 2025 to conduct the final examination of Khoirul Fuad on his Doctors of Philosophy thesis entitled "Determinants of Fraud Incidents and Coping Mechanisms for Village Fund System in Indonesia" in accordance with Universiti Teknologi MARA Act 1976 (Akta 173). The Panel of Examiners recommends that the student be awarded the relevant degree. The Panel of Examiners was as follows:

Corina Joseph, PhD
Professor
Faculty of Accountancy
Universiti Teknologi MARA
(Chairman)

Intan Salwani Mohamed, PhD
Senior Lecturer
Faculty of Accountancy
Universiti Teknologi MARA
(Internal Examiner)

Milen Baltov, PhD
Professor
Faculty of Business Studies
Burgas Free University
(External Examiner)

PROFESSOR DR HJH ZURAEDA IBRAHIM
Dean
Institute of Postgraduates Studies
Universiti Teknologi MARA

Date: 26 March 2026

AUTHOR'S DECLARATION

I declare that the work in this thesis was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Post Graduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

Name of Student	Khoirul Fuad
Student ID. No.	2021421012
Programme	Doctor of Philosophy (Financial Criminology) AR952
Faculty	Accounting Research Institute
Thesis Title	Determinants of Fraud Incidents and Coping Mechanisms for Village Fund System in Indonesia
Signature of Student	
Date	March 2026

ABSTRACT

This study examines the factors contributing to fraud incidents and the coping mechanisms employed to manage village funds within Indonesia's Village Fund System *(Siskeudes)*. It was raised due to the increasing number of cases of village fund misuse reported by Indonesia Corruption Watch, which reveal persistent issues of integrity and accountability in local financial governance. Drawing on the Fraud Diamond Theory, which comprises four core dimensions (pressure, opportunity, rationalization, and capability), this study integrated spiritual work ethic (SWE) as a moderating variable. Further, it examined coping mechanisms as behavioral responses to fraud risk in the digitized public finance environment. A quantitative research design was adopted, utilizing Structural Equation Modeling - Partial Least Squares (SEM-PLS) through SmartPLS version 3. Data were collected from village officials across 29 districts in Central Java Province, Indonesia, using a purposive sampling approach that involved directly engaging *Siskeudes* operators and fund managers as respondents. Of the 500 questionnaires distributed, 427 were eligible for further analysis. The findings showed that the four dimensions of the Fraud Diamond (pressure, opportunity, rationalization, and capability) have a positive and significant influence on the occurrence of fraud within the *Siskeudes* system. However, the moderating role of spiritual work ethics revealed a more complex pattern of interaction. Furthermore, spirituality significantly weakens the association between rationalization and fraudulent behavior, indicating that individuals with a stronger sense of spiritual ethics are less inclined to justify unethical actions on moral grounds. In contrast, spirituality can strengthen the relationship between capability and fraud, indicating a moral licensing effect where individuals with greater skills and confidence may misuse their abilities when institutional control and supervision are insufficient. The moderating effects of spirituality on the relationships between pressure and opportunity and fraud were not statistically significant, implying that spiritual values cannot always counter external pressures or situational opportunities that may encourage fraud incidents. These results imply that spirituality plays a crucial yet selective role in mitigating tendencies towards fraud. While it suppresses moral rationalization, it does not fully constrain the misuse of capabilities in weak-governance contexts. This study further highlights that effective coping mechanisms, such as reinforcing personal integrity, cultivating an ethical organizational culture, and strengthening transparency, are vital strategies in reducing the risk of fraud in rural financial management. Theoretically, this study extends the Fraud Diamond framework by incorporating spirituality as a contextual factor in public financial governance. In practice, it helps policymakers and system developers enhance ethics-based training, strengthen internal controls, and optimize technology-driven accountability systems to promote more transparent and responsible village fund management.

ACKNOWLEDGEMENT

Praise be to Allah, the Lord of the Universe, whose boundless mercy and grace encompass all His creation. May peace and blessings be upon the Prophet Muhammad, the noble messenger and guiding light for all humanity. With profound humility and gratitude, I thank Allah for His immeasurable blessings, guidance, and strength so that this dissertation is well completed.

I would like to express my highest gratitude to my supervisor, Dr. Farah Aida Ahmad Nadzri, for her unwavering guidance and invaluable insights throughout this study. I also extend my sincere thanks to my co-supervisor, Assoc. Prof. Dr. Sharina Tajul Urus, whose meticulous suggestions and constructive feedback have greatly strengthened this thesis.

I thank Universitas Islam Sultan Agung, Semarang, Indonesia, and the Faculty of Economics and Business for the support. My appreciation also extends to all participating village officials, the Provincial Department of Community Empowerment, Village Affairs, Population, and Civil Registration of Central Java, and the village facilitators for their assistance during the data collection process. Special thanks to Mr. Imran, Ms. Evi, and Ms. Isna Fitriani, Village Facilitators in Central Java Province, Indonesia, for their assistance in distributing the research questionnaires.

My deepest gratitude belongs to my beloved wife, Retno Tri Handayani, and our daughters, Alzeena Zayna Maulida and Zara Maliha Ashalina. Their unwavering patience, love, and support have been my source of strength in completing my PhD.

I also express heartfelt appreciation to my parents, my late father, H. Jamasri, and my mother, Hj. Kusriyati and to my in-laws, my late father-in-law, H. Mustamin, and my mother-in-law, Hj. Rukmi. Their prayers, support, and sacrifices have strengthened me at every stage of this academic degree.

My sincere thanks go to my colleagues from GOT 5 at the Accounting Research Institute—Satria Tri Nanda, Hendry Setiawan, Ahmad Rudi Yulianto, Devi Permatasari, and Sri Sulistyowati —as well as to all ARI family for their encouragement and cherished companionship.

This achievement is a gift for all, as it was not only the result of my hard work but also supported by their prayers, kindness, and affection. I appreciate Bayu Pramono, Hetty Muniroh, and Indah Syafa'atul Ula for their assistance and time, and to all friends, alumni, brothers, and sisters who support in their own ways.

To all those whose names are not mentioned, whose contributions are not written, and whose kindness may not be reciprocated, you will always be remembered. May Allah always give you blessings and protection.

Once again, I express my most profound appreciation for every prayer, kindness, and support extended to me. May Allah grant each of you His abundant blessings, mercy, and grace.

TABLE OF CONTENTS

		Page
CONFIRMATION BY PANEL OF EXAMINERS		**ii**
AUTHOR'S DECLARATION		**iii**
ABSTRACT		**iv**
ACKNOWLEDGEMENT		**v**
TABLE OF CONTENTS		**vi**
LIST OF TABLES		**xi**
LIST OF FIGURES		**xiv**
LIST OF ABBREVIATIONS		**xv**
CHAPTER 1 INTRODUCTION		**1**
1.1	Introduction	1
1.2	Background of the Study	1
1.3	Problem Statement	8
1.4	Research Objectives	9
1.5	Research Questions	10
1.6	Significance of the Study	10
1.7	Scope of the Study	11
1.8	Limitations of the Study	12
1.9	Chapter Summary	13
CHAPTER 2 LITERATURE REVIEW		**14**
2.1	Introduction	14
2.2	Fraud	14
2.2.1	Definition of Fraud	14
2.2.2	Types of Fraud	15
2.2.3	Fraud Incidents	17
2.2.4	Oversight of Fraud Incidents in Indonesia	20
2.2.5	Fraud Detection by an External Auditor	21
2.3	Village Fund in Indonesia	27

2.3.1 Overview of Village Fund 27
2.3.2 Village Fund System (*Siskeudes*) 31
2.3.3 Fraud in Village Fund 45
2.3.4 Supervision of Village Fund 46
2.4 Fraud Factors 51
2.5 Chapter Summary 54

CHAPTER 3 THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT 55
3.1 Introduction 55
3.2 Theoretical Foundations of Fraud 55
3.2.1 Fraud Diamond 55
3.2.2 Element of Fraud Diamonds 58
3.3 Spiritual Work Ethics 77
3.4 Coping Mechanisms 86
3.4.1 Ethics and Integrity 87
3.4.2 Human Values 88
3.4.3 Organizational Culture 89
3.4.4 Work Environment 93
3.5 Hypothesis Development 96
3.6 Research Framework 109
3.7 Chapter Summary 110

CHAPTER 4 RESEARCH METHODOLOGY 112
4.1 Introduction 112
4.2 Research Design 112
4.3 Population and Sampling Technique 115
4.3.1 Population and Sampling 115
4.3.2 Survey Instrument Design 118
4.3.3 Justification for Survey Questionnaire 121
4.3.4 Pre-testing of Survey Instrument 121
4.3.5 Pilot Study 122
4.3.6 Data Collection Procedures 124
4.4 Measurement of Variables 124

4.4.1 Measurement of Independent Variables 128
4.4.2 Measurement of Moderating Variables 134
4.4.3 Measurement of the Dependent Variable 136
4.5 Element of Coping Mechanism 137
4.6 Data Analysis 138
4.6.1 Preliminary Data Analysis 140
4.6.2 Structural Equation Model Using Partial Least Squares 141
4.6.3 Rationale for the use of PLS-SEM 143
4.6.4 PLS Path Modelling 144
4.6.5 Assessment of the Measurement Model 147
4.6.6 Assessing Structural Model Result 151
4.7 Chapter Summary 154

CHAPTER 5 FINDINGS 156
5.1 Introduction 156
5.2 Response Rate 157
5.3 Common Method Bias 159
5.4 Non-Response Bias 160
5.5 Demographics by Respondent 161
5.5.1 Respondent's Profile 161
5.6 Overview of *Siskeudes* System Usage 163
5.7 Challenges in Using *Siskeudes* 165
5.8 Descriptive Analysis for Item on Variables 166
5.8.1 Pressure 166
5.8.2 Opportunity 167
5.8.3 Rationalization 168
5.8.4 Capability 169
5.8.5 Spiritual Work Ethics 170
5.8.6 Fraud Incidents in the Village Fund System 171
5.9 Partial Least Squares- Structural Equation Modelling (PLS-SEM) 172
5.9.1 Measurement Model Analysis (Stage 1) 173
5.9.2 Measurement Model Analysis (Stage 2) 186
5.9.3 Assessing Structural Model Result 193
5.9.4 Assessment of Path Coefficient 197

5.10 Result on RO 3 and RQ 3 - Element of Coping Mechanism 208
5.11 Chapter Summary 214

CHAPTER 6 DISCUSSION 215
6.1 Introduction 215
6.2 Key Findings 215
6.3 Discussion of RO 1 and RO 2 Findings 216
6.3.1 Discussion of Result RO 1 216
6.3.2 Discussion of Result RO 2 228
6.4 Discussion of RO 3 Findings 244
6.4.1 Analysis of Fraud Event 244
6.4.2 Analysis of Coping Mechanisms 245
6.5 Significant Contribution 252
6.6 Chapter Summary 254

CHAPTER 7 CONCLUSIONS 255
7.1 Introduction 255
7.2 Overall Conclusions 255
7.3 Research Objective 1 257
7.3.1 The Direct Effect of Fraud Determinant on Fraud Incidents in the Village Fund System 258
7.4 Research Objective 2 259
7.4.1 The Moderating Effect of Fraud Determinant on Fraud Incidents in the Village Fund System 259
7.5 Research Objective 3 260
7.5.1 Summary of Coping Mechanism 260
7.6 Contribution 261
7.6.1 Theoretical Implication 261
7.6.2 Practical Implication 262
7.7 Limitation of the Study 263
7.8 Recommendations for Future Research 264
7.9 Chapter Summary 265

REFERENCES 267

APPENDICES 324

AUTHOR'S PROFILE 353

LIST OF TABLES

Tables	Title	Page
Table 2.1	Summary of Fraud	25
Table 2.2	Accomplishments Outcome Village Fund	29
Table 2.3	Summary of Advantages and Challenges of Siskuedes	44
Table 2.4	Supervision of Village Fund Management	47
Table 2.5	Summary of Village Fund in Indonesia	49
Table 3.1	Summary Review of Pressure Literature	61
Table 3.2	Summary Review of Opportunity Literature	66
Table 3.3	Summary Review of Rationalization Literature	70
Table 3.4	Summary Review of Capability Literature	74
Table 3.5	Summary Review of Spiritual Work Ethics Literature	81
Table 3.6	Summary Coping Mechanism Literature	95
Table 3.7	Summary of Hypothesis	111
Table 4.1	Total Number of Villages in Central Java	115
Table 4.2	Structure of the Questionnaire	118
Table 4.3	Variables used in the Recent Research	119
Table 4.4	Reliability Test for Pilot Study	123
Table 4.5	Operational Definition of the Variables	126
Table 4.6	Measurement for Pressure	129
Table 4.7	Measurement for Opportunity	130
Table 4.8	Measurement for Rationalization	132
Table 4.9	Measurement for Capability	134
Table 4.10	Measurement for Spiritual Work Ethic	135
Table 4.11	Measurement for Fraud Incidents in the Village Fund System	137
Table 4.12	Elements of Coping Mechanisms in the Village Fund System	138
Table 4.13	Comparison between CB-SEM and PLS-SEM	142
Table 4.14	Theoretical and Empirical Consideration of the Reflective vs. the Formative Model	148
Table 4.15	Summary of Criteria and Boundaries in the Table	151
Table 4.16	Structural Model Assessment Criteria	154

Table 4.17	Summarizing the Methodology Used	155
Table 5.1	Response Rate by Face-to-Face	158
Table 5.2	Response Rate by Online Distribution Questionnaire	158
Table 5.3	Total Response Rate for Questionnaire Distribution	159
Table 5.4	Harman's Single Factor Test	160
Table 5.5	Independent Sample t-test (offline, n=238 and online, n=189)	161
Table 5.6	Distribution of Respondents	162
Table 5.7	*Siskeudes* System Usage (n=427)	164
Table 5.8	Descriptive Statistics of Pressure Variable	166
Table 5.9	Descriptive Statistics of Opportunity Variable	167
Table 5.10	Descriptive Statistics of the Rationalization Variable	168
Table 5.11	Descriptive Statistic of Capability Variable	169
Table 5.12	Descriptive Statistics of Spiritual Work Ethic Variable	170
Table 5.13	Descriptive Statistics of Fraud Incidents in the Village Fund System Variable	172
Table 5.14	Factor Loading Result: Stage 1	176
Table 5.15	Value of Average Extract Variance for Each Dimension	178
Table 5.16	Value of Average Extract Variance for Each Variable	179
Table 5.17	Internal Consistency and Convergent Validity Result for Each Dimension	180
Table 5.18	Internal Consistency and Convergent Validity Result for Each Construct	181
Table 5.19	Fornel-Larcker Criterion	182
Table 5.20	Cross Loading	183
Table 5.21	Heterotrait - Monotrait Ratio (HTMT)	185
Table 5.22	Indicator Loadings Result: Stage 2	187
Table 5.23	Internal Consistency Reliability Result and Convergent Validity Result	189
Table 5.24	Fornell-Larcker Criterion	190
Table 5.25	Cross loadings	191
Table 5.26	Heterotrait-Monotrait Ratio (HTMT)	192
Table 5.27	Colinearity (VIF) Result	193
Table 5.28	R^2 Value Result	194
Table 5.29	F^2 Value Result	195

Table 5.30	Assessment of Predictive Relevance (Q^2)	196
Table 5.31	Hypothesis Testing Results for Direct Effect	199
Table 5.32	Hypothesis Testing Results for the Moderating Effect	200
Table 5.33	Statistical Significance of the Moderating Effect Results on Pressure	202
Table 5.34	Statistical Significance of the Moderating Effect Results on Opportunity	203
Table 5.35	Statistical Significance of the Moderating Effect Results on the Rationalization	205
Table 5.36	Statistical Significance of the Moderating Effect Results on Capability	207
Table 5.37	Discovery of Fraudulent Events	209
Table 5.38	Fraud Event	210
Table 5.39	Fraud Counter Measures Mechanism	210
Table 5.40	Fraud Coping Mechanism in the Village Fund System	211
Table 6.1	Gaps and Contributions of Research	253

LIST OF FIGURES

Figures	Title	Page
Figure 1.1	The Five Levels of Government in Indonesia	2
Figure 1.2	10 Provinces with the Largest Amount of Village Funds 2022	4
Figure 1.3	Cases of Fraud in Various Sectors	5
Figure 2.1	The Global Fraud Schemes of 2022	17
Figure 2.2	The Asia-Pacific Fraud Schemes of 2022	18
Figure 2.3	Fraud Cases in Indonesia	19
Figure 2.4	Data Entry Menu - Planning Module	35
Figure 2.5	Data Entry Menu - Budgeting Module	37
Figure 2.6	Data Entry Menu - Administration Module	39
Figure 2.7	Data Entry Menu - Bookkeeping Module.	40
Figure 2.8	Data Entry Menu - Report Menu	41
Figure 3.1	Fraud Diamond	56
Figure 3.2	Research Framework	110
Figure 4.1	Data analysis stages	139
Figure 4.2	High-Level Construct Form	146
Figure 5.1	Outer Model PLS Algorithm Stage 1	175
Figure 5.2	Outer Model PLS Algorithm Stage 2	188
Figure 5.3	Structural Model Result	198
Figure 5.4	Simple Slope Analysis on the Moderating Effect of SWE on the Relationship of Pressure and Fraud	202
Figure 5.5	Simple Slope Analysis on the Moderating Effect of SWE on the Relationship between Opportunity and Fraud	204
Figure 5.6	Simple Slope Analysis on the Moderating Effect of SWE on the Relationship between Rationalization and Fraud	206
Figure 5.7	Simple Slope Analysis on the Moderating Effect of SWE on the Relationship of Capability and Fraud	208
Figure 7.1	Results of the Influence of Each Variable and Fraud Coping Mechanism	257

LIST OF ABBREVIATIONS

Abbreviations

ACFE	Association of Certified Fraud Examiners
AMOS	Analysis of Moment Structures
APBD	Regional Revenue and Spending Budget
APBDesa	The Village Budget
APIP	The Government Internal Supervisory Apparatus
APBN	State Budget
ASN	The State Civil Apparatus
AVE	Average Variance Extracted
BLU	Public Service Agency
BPD	The Village Consultative Bodies
BPK	The Supreme Audit Agency
BPKP	The Financial and Development Supervisory Agency
BPS	The Central Statistics Agency
BUMN	State-Owned Enterprise
BUMD	Regionally-Owned Enterprise
CAMAT	Head of Subdistrict
CB-SEM	Covariance-Based Structural Equation Model
CIMA	The Chartered Institute of Management Accountants
CMB	The Common Method Bias
CR	Composite Reliability

HCM	The Hierarchical Component Model
HOC	High-Level Constructs
HTMT	Heterotrait-Monotrait Ratio of Correlations
IAPI	Indonesian Institute of Certified Public Accountants
ICW	Indonesian Corruption Watch
KPK	The Corruption Eradication Commission
LOC	Low-Level Constructs
MTI	Indonesian Transparency Society
MUSDES	Village Deliberations
OCB	Organizational Citizenship Behavior
PAUD	Early Childhood Education
PERDES	Village Regulation
PERKADES	Regulation of the Village Head
PLS-SEM	Partial Least Squares Structural Equation Model
PPATK	The Financial Transaction Reports and Analysis Centre
POSYANDU	Integrated Service Posts
RKP Desa	The Village Government Work Plan
RPJM Desa	The Village Medium-Term Development Plan
RMSE	Root Mean Square Error
SEM	Structural Equation Model
SEM PLS	Structural Equation Modelling Partial Least Squares
SIMDA Desa	Village Fund Management Information System
SISKEUDES	The Village Fund System

SPj	Accountability Letter
SPSS	Statistical Package for the Social Sciences
SWE	Spiritual Work Ethics
TII	Transparency International Indonesia
VIF	Variance Inflation Factor
YLBHI	The Indonesian Legal Aid Foundation

CHAPTER 1
INTRODUCTION

1.1 Introduction

This study aims to examine the determinants of fraud in the village fund system in Indonesia and to explore the coping mechanisms employed to address such incidents. Chapter 1 introduces the study by outlining the background of the issue, followed by the problem statement, research objectives, significance of the study, and its limitations. Chapter 2 presents a comprehensive literature review that covers key concepts, including fraud, contributing factors, spiritual work ethics, and coping mechanisms. Chapter 3 covers the development of research hypotheses, the theoretical framework, and a concluding summary. Chapter 4 outlines the research methodology used in this study. Chapter 5 presents the research findings, while Chapter 6 discusses and interprets the results. Finally, Chapter 7 concludes the thesis with a summary of findings, implications, limitations, and suggestions for future research.

1.2 Background of the Study

Indonesia is an archipelagic country that comprises several levels of government, ranging from the lowest, namely the rural village, to the highest, often referred to as the national level. Hierarchically, the government structure in Indonesia comprises five levels (Evans, 2020): the first level constitutes the national level led by the President, the second level constitutes the Provincial level led by a Governor, the third level constitutes Cities and districts led by a mayor and regency Chief, the fourth level constitutes the Sub-districts led by a Sub-district Head, and the fifth level, namely the Urban suburbs and Rural Villages, is led by a Suburb Head and village head.

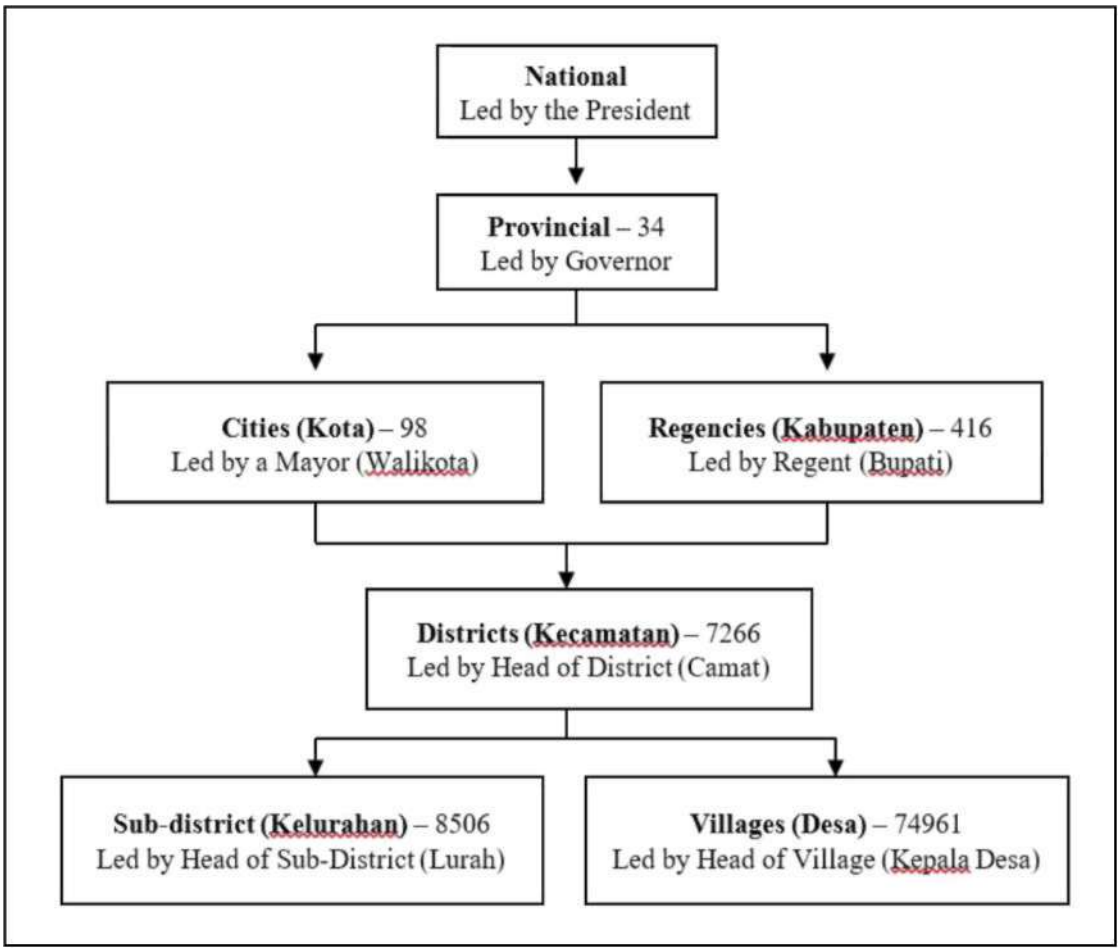


Figure 1.1 The Five Levels of Government in Indonesia

Figure 1.1 depicts the number of government administrative areas and islands throughout Indonesia, which includes a total of 34 provinces, 416 districts, 98 cities, 7,266 districts, 8,506 urban suburbs, and 74,961 rural villages (Adwil, 2022). In distributing and supervising budget allocations as well as addressing community needs, the central government may not be able to manage all functions directly (Law No. 32/2004 Concerning Regional Administration, 2004). Moreover, village-level needs fall under the authority of the village government. To ensure equity, the central government delegates responsibilities to the village government (led by the Village Head and staff), including the management of natural, human, and other resources that support the welfare of the local community (Burhanuddin, 2024).

Village-based development makes a significant contribution to the country's economy because the majority of Indonesians live in villages (Adwil, 2022). As such, village development contributes to reducing poverty and inequality across regions, serving as a spearhead of development and welfare improvement for Indonesian citizens (Anam et al., 2023; Teja, 2015). Based on Law No. 6/2014 on Village (2014), and

Government Regulation No. 8/2016 concerning Village Fund (2016) on village funds source of the State Revenue and Expenditure Budget (*APBN*) after the passage of this law, the village, which had previously been an object of development where it was not involved in all processes, was employed as a subject of development, acting as an executor who chose the course of development and village development independently.

In 2015, all regional leaders in Indonesia were required by the Ministry of Home Affairs to increase their transparency, accountability, and participation in village fund management to comply with *Permendagri* No. 113 of 2014. The Village Fund Management Act was implemented in managing a village fund system by the Ministry of Home Affairs together with the Financial and Development Supervisory Agency (*BPKP*) to develop the village fund system, also known as *Siskeudes* (Irawan, 2018). *Siskeudes* was developed to improve the quality of village financial governance in accordance with the mandate of Regulation No. 6 of 2014 about Villages (BPKP, 2015).

Central Java is one of the provinces in Indonesia that has received the highest amount of village funds from the central government. It is because the province has the most significant number of rural villages in Indonesia; it consists of 29 regencies and six cities, 576 sub-districts, and 8,562 rural villages (Central Bureau of Statistics in Central Java, 2021). Besides, Central Java also received the largest village fund disbursement in Indonesia in 2020 (Dihni, 2022). The following figure shows the amount of village funds that are spread across several regions of Indonesia in billions of IDR:

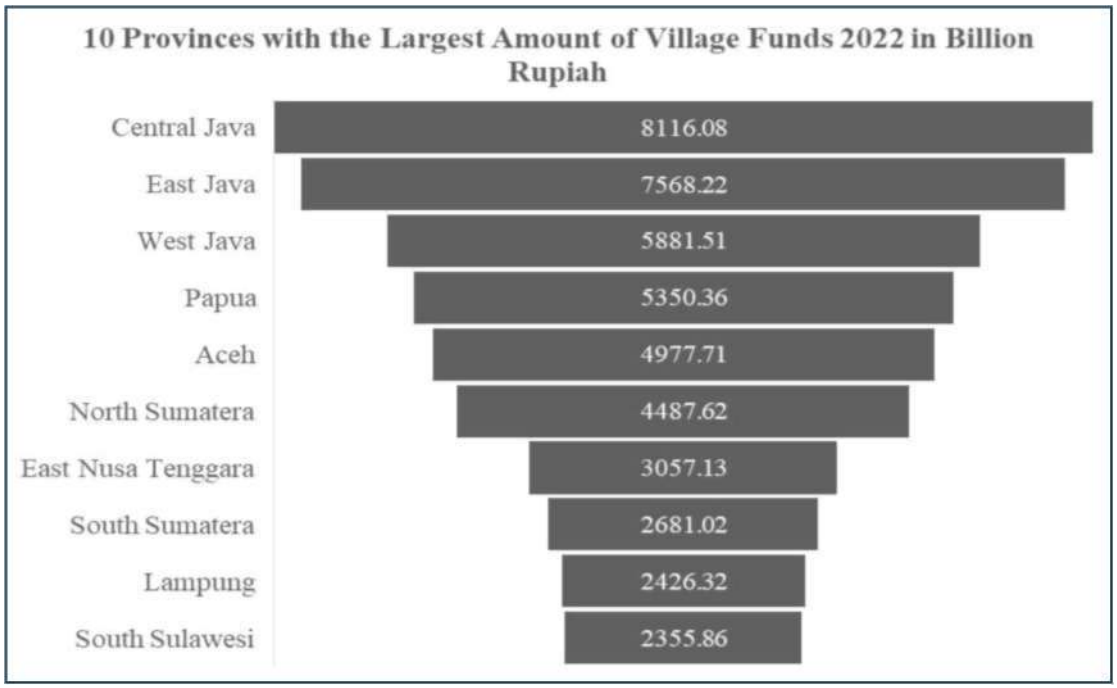


Figure 1.2 10 Provinces with the Largest Amount of Village Funds 2022

Figure 1.2 shows that Central Java province has the largest number of villages in Indonesia and receives the largest allocation of village funds, with a nominal value of IDR 8,116.08 billion (USD 540 million). Accordingly, such a considerable amount must be effectively managed by the province of Central Java. Nonetheless, the amount of village funds disbursed by the government poses a new challenge in terms of its management, aspects of transparency, accountability, honesty, and allocation per its designation, whereby a big job must be carried out by all parties involved, from the central government level to the local government level and especially to the village government level (Djasuli, 2016). According to Indonesia Corruption Watch (2021), the village fund sector recorded the highest number of fraud cases, with 154 reported incidents in 2021, involving potential losses of IDR 233 billion (approximately USD 15.9 million). It marks a significant increase from 17 cases reported in 2015, where the potential losses were IDR 40.1 billion (USD2.7 million) (Dihni, 2022). Figure 1.3 presents data on fraud cases in Indonesia across various sectors in 2021.

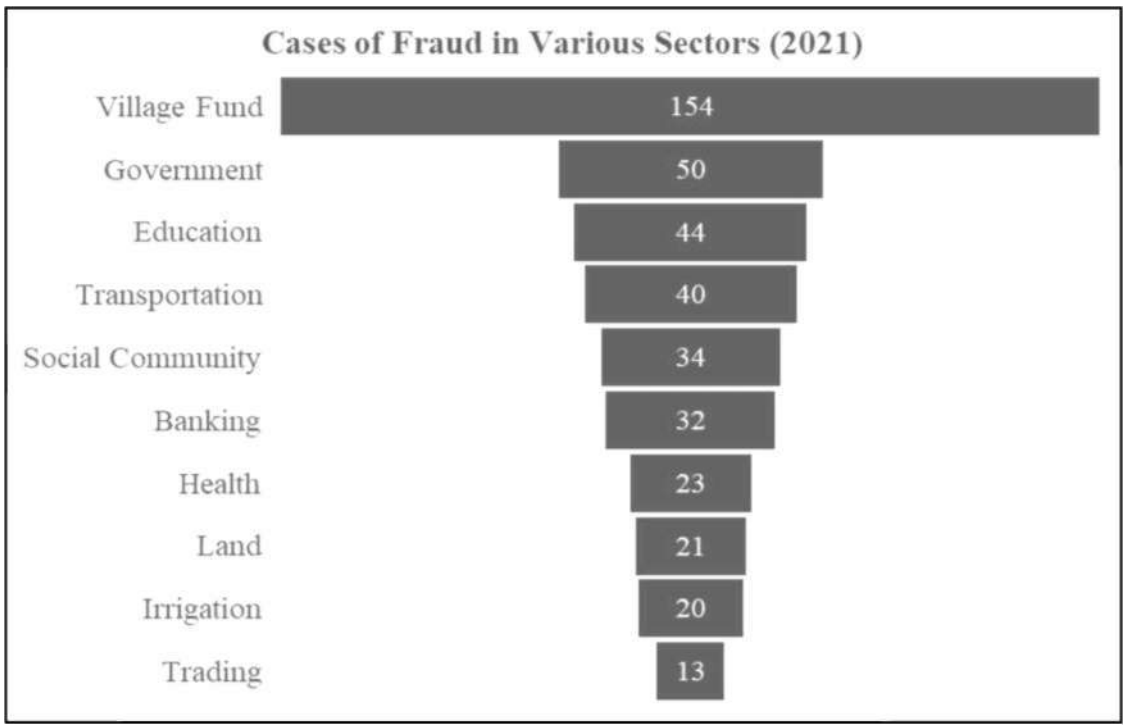


Figure 1.3 Cases of Fraud in Various Sectors

Figure 1.3 shows that the highest number of fraud cases in 2021 occurred in the village fund budget sector, with a value almost 3 times that of the government sector. According to Zakariya (2019), this is a new challenge, such that the significant allocation of village funds disbursed by the central government to the regions has an impact on the number of fraud cases occurring in the sector, which will undoubtedly be one of the obstacles to realizing the goals in the form of a village law. The Central Java province has contributed to the fraud cases about the management of village funds. For instance, as reported by Indonesia Corruption Watch (ICW, 2021), Central Java ranked second in the number of fraud cases involving village funds. It is reflected in 36 cases and 65 suspects, with losses totalling IDR 152.9 billion (USD 10.43 million) (Kumoro, 2019). According to a similar report by ICW (2021), village officials were also implicated in fraud cases in Indonesia (Wijaya, 2021). For example, several cases include the Head of Village in Gemulak, Sayung sub-district in the Demak regency (ICW, 2021), who was responsible for the misappropriation of village funds being used in a money-doubling ritual, with a total loss to the state finances amounting to IDR 600 million (USD 40,190) (Suwandi, 2020). Another fraud case involves the Head of Sindang Jaya and Brebes Regency, who allegedly misappropriated village funds for personal gain and participated in a money-doubling ritual involving IDR 570 million (approximately USD 38,180) (Yunibar, 2019). In September 2021, a case of

misappropriation of village funds was also reported in four villages in the Sukoharjo regency, resulting in a total loss of approximately IDR 170 million (USD 11,387) (BPK, 2021).

In addition, abuse of authority by an individual is also a sign of fraud; it can occur to anybody, anywhere, at any moment, and will undoubtedly result in a loss (Hafis & Yogia, 2017). In this context, since the village head is responsible for the full management of village funds, the situation will likely result in fraud if the control, supervision, and audit systems are not effective (Putra & Rahayu, 2019). Furthermore, the phenomenon of misusing village finances creates anxiety for the community and is often likened to an iceberg phenomenon (Radjak & Nani, 2020). Accordingly, Tuanakotta (2014) argued that although the number of fraud cases in the village fund sector is relatively large, the amount of losses incurred is still relatively small. Various cases of fraud in village funds occur annually for several reasons. For instance, Hilman (2022) argued that village funds should be used for infrastructure development; however, they are diverted to personal interests. Another fraud issue concerns administrative delays in village fund disbursement, which hamper the distribution process. Consequently, the process of planning and implementing the village funds is also disrupted (Mulyanti & Nurdin, 2018). Therefore, Wonar et al. (2018) believed that competence in managing village funds is crucial, mainly due to the longer time required and the awareness needed from the related parties (Wong et al., 2015).

The frequent incidents of fraud involving village funds necessitate measures to minimize their occurrence, so they do not escalate. According to Wahyudi et al. (2019), fraud can be reduced by providing avenues for the public to whistle-blow on fraud by implementing specific detection and a whistleblowing system. Utami et al. (2019) explained the determinants of fraud based on the fraud diamond theory, which highlights four critical elements: pressure, opportunity, rationalization, and capability (Wolfe & Hermanson, 2004; Kassem & Higson, 2012). Pressure denotes the existence of incentives that encourage people to commit fraud. At the same time, opportunity denotes a situation that creates the potential for fraud, rationalization denotes an attitude or character that permits certain parties to commit fraud, and capability refers to the nature and capacity of individuals who play a significant role in enabling fraud.

From a spiritual perspective, fraudulent behaviour is often perpetrated by individuals who lack religiosity and moral values. For example, according to Said et al. (2018), a person's high level of religiosity tends to correlate with a person's low level of

involvement in fraudulent acts. Therefore, while fraud acts can be prevented through some degree of control, system security must also be prioritized so that system users can better understand fraud acts (Yusuf et al., 2020). Based on the prior studies discussed above, fraud can occur at any time and in any place; however, fraud can be reduced by implementing and maintaining proper control systems for computerized systems, embedding religiosity and morality, and enhancing one's personal values (Hayati & Amalia, 2021). In addition to fraud determinants, coping mechanisms are also important. These refer to actions taken to overcome challenges and burdens that may interfere with survival (Maryam, 2017). Coping mechanisms are a very critical platform for mitigating any risk, if not eliminating it (Urus, 2013). A coping mechanism refers to the adaptations an individual makes in response to disruptive events and changes in the work environment (Beaudry & Pinsonneault, 2005). Based on a review of IS, ERP, and organizational change literature, coping mechanisms can be grouped into two categories: problem-focused and emotion-focused (Lazarus & Folkman, 1984).

First, problem-focused coping is aimed at solving problems by modifying environmental pressures, barriers, or resources, or by changing oneself (e.g., acquiring new skills or procedures). Problem-focused coping can be grouped into three types: (1) improvisation (Monteiro et al., 2012; McGann & Lyytinen, 2010; Magni et al., 2010; Gasser, 1986), (2) adaptation (Beaudry & Pinsonneault, 2005), and (3) circumvention (Bendoly & Cotteleer, 2008). Furthermore, emotion-focused coping aims to reduce or manage negative emotional distress; it does not alter the situation itself, but instead changes one's perception of it (p. 150). The two types of emotion-focused coping include (1) endure (Benamati & Lederer, 2001; Fang et al., 2011) and (2) ignore/ disregard (Benamati & Lederer, 2001). In a study of the ERP system, Urus et al. (2011) suggested that coping mechanisms are required to deal with obstacles in the use of ERP systems, which include the use of Feral Information Technology, such as Feral Information Systems, as well as bypassing the ERP system.

Indeed, cases of fraud handling require further investigation. Jayanti and Suardana (2019) argued that organizations possess sufficient human resource expertise to address fraud. Besides, from another viewpoint, Budiarto and Isnaeni (2022) stated that internal auditors are parties that can manage fraud in a business. The Financial Transaction Reports and Analysis Center *(PPATK)* also oversees criminal matters, including fraud (Indonesian Financial Intelligence Unit) (Lukito, 2020). Besides, according to Rivest (2018), whistle-blowers can further assist in reporting fraud and

other criminal activities. Additionally, spirituality is considered a powerful source of comfort and peace in critical situations (Algahtani, 2022). As Andoh et al. (2018) state, SMEs need to adopt coping mechanisms to overcome fraud and maximize their potential. Mazo (2015) suggested that using a computer and praying to God is a coping mechanism that can reduce stress, while Kwahk (2011) asserted that the coping effort mechanism of individuals can be explained in terms of social networks because the more subjective measure of stress is related to crime and deviance (Huck et al., 2012). Thus, investigating both the determinants of fraud and the coping mechanisms employed in the context of *Siskeudes* is essential for enhancing village fund governance in Indonesia.

1.3 Problem Statement

Some previous studies have explored efforts to prevent and reduce fraud in local and global contexts (Glory et al. 2022; Putu et al. 2021; Hamid & Nasih, 2021; Hayati & Amalia, 2021; Rockson, 2019; Latif et al., 2021; Rizvi, 2021). The reality is that cases of village fund embezzlement in Indonesia continue to occur and have even increased significantly year by year. Central Java Province, with the largest number of villages and the highest allocation of village funds, is also one of the provinces with the highest number of cases of village fund fraud, resulting in considerable losses to the state (ICW, 2021; Dihni, 2022). It indicates that various preventive efforts, both institutional and regulatory, have not been fully effective in preventing irregularities.

As a form of technological intervention to improve village fund management, the government launched the Village Fund System (*Siskeudes*) in 2015 through collaboration between the Financial and Development Supervisory Agency (*BPKP*) and the Ministry of Home Affairs (BPKP, 2015). This system is designed to improve transparency, accountability, and efficiency in the management of village funds. However, the implementation of *Siskeudes* in the field faces various challenges, such as limited internet infrastructure, minimal training and competence of village officials, lack of commitment from local governments, and suboptimal system integration (Timor, 2019; Wibowo et al. 2020; Indrianti et al. 2020). These conditions have prevented the system, which was intended to be a preventive tool, from functioning optimally in reducing the risk of fraud.

On the other hand, academic studies that specifically link the factors that cause fraud (fraud determinants) based on the Fraud Diamond theory—namely, pressure, opportunity, rationalization, and capability—to fraud in the context of *Siskeudes* use remain rare. In fact, previous studies have shown that these factors are the main triggers of fraud in various public financial sectors (Nguyen et al., 2022; Padayachee, 2022; Pianezzi & Ashraf, 2022). Understanding how these factors influence the village context is crucial for designing more contextually relevant and effective prevention policies. In addition to these instrumental factors, value and spirituality approaches are also beginning to be considered as potential controls for fraudulent behaviour. Spiritual work ethics, such as religious values, honesty, integrity, and moral responsibility, are believed to be able to suppress individuals' tendency to commit misconduct, especially in public work environments that are prone to moral hazard (Chen & Yang 2012; Afsar & Badir 2017; Triana et al. 2021). However, research on the effectiveness of spiritual work ethic as a moderating variable in village fund management remains inconclusive; further research is needed in the context of digital village systems such as *Siskeudes.*

Not only does this study focus on the causes, but it also examines how parties at the village level manage pressure and the risk of fraud through coping mechanisms. Various obstacles to system implementation, resource constraints, and social and structural pressures require adaptive mechanisms to reduce the likelihood and impact of fraud. Studies on the coping mechanisms employed by local actors in villages remain scarce, even though understanding these mechanisms is crucial to strengthening governance capacity and developing a more responsive, context-based monitoring system. Considering the systemic weaknesses, limitations in previous literature, and the need for a holistic approach to analyzing fraud in the village sector, this study is significant. This study aims to address a scientific gap by empirically analyzing the factors that drive fraud, evaluating the role of spiritual work ethic as a moderating variable, and identifying the coping mechanisms employed by *Siskeudes* system implementers in addressing various challenges related to village fund governance.

1.4 Research Objectives

This study aims to examine the effectiveness of the village fund system *{Siskeudes)* in mitigating fraud in village fund management and the factors that influence it. Specifically, the objectives of this study are as follows:

i) To examine the influence of factors in Fraud Diamond Theory (pressure, opportunity, rationalization, and capability) on fraud incidents in the village fund system.
ii) To examine whether spiritual work ethics moderate the relationship between factors in Fraud Diamond Theory (pressure, opportunity, rationalization, and capability) on fraud incidents in the village fund system.
iii) To identify the fraud-coping mechanisms used in the village fund system.

1.5 Research Questions

To achieve the objectives, the following research questions are formulated:

i) Do fraud determinants (pressure, opportunity, rationalization, and capability) influence fraud incidents in the village fund system?
ii) Do spiritual work ethics moderate the relationship between fraud determinants (pressure, opportunity, rationalization, and capability) and fraud incidents in the village fund system?
iii) What coping mechanisms are used to minimize fraud incidents in the village fund system?

1.6 Significance of the Study

This study is expected to make a significant theoretical and practical contribution to the development of village fund management in Indonesia, particularly through the application of the village fund system (*Siskeudes*). Theoretically, this study analyzes the factors that cause fraud (fraud determinants) using the fraud diamond framework, and examines spiritual work ethics as a moderating variable that may influence this relationship. Additionally, this study examines the coping mechanisms employed by village government officials in addressing the pressures and risks associated with fraud in village fund management. Thus, this study not only broadens the scope of fraud theory in the public sector but also integrates ethical and behavioural perspectives into system-based studies of village finance.

Practically, this study has the potential to provide insights for village officials, such as village heads, village secretaries, treasurers, and other village fund apparatus who are the units of analysis in this study, especially those in Central Java Province who use the *Siskeudes* application in managing the Village Revenue and Expenditure Budget (*APBDesa*). The findings of this study can be used to strengthen internal controls, enhance ethical awareness, and foster a culture of integrity within the village government. In addition, local governments, relevant ministries, and supervisory agencies such as *BPKP* and the Government Internal Supervisory Apparatus (*APIP*) can use the results of this study to inform the development of training, supervision, and capacity-building programs for village officials to prevent fraud.

Furthermore, by identifying challenges in the use of *Siskeudes* and how village officials respond to them, this study contributes to enriching the understanding of coping mechanisms used at the local level. It is important for building a village supervision and governance system that not only relies on technological aspects but also pays attention to the human dimension and ethical values in its implementation. Thus, this study is expected to serve as a starting point for strengthening an integrity-based village fund system and to make a real contribution to the development of clean, competitive, and sustainable village administration.

1.7 Scope of the Study

This study examines the factors influencing fraud in village fund management, employing the Fraud Diamond Theory, which encompasses the elements of pressure, opportunity, rationalization, and capability. In addition, this study also analyzes spiritual work ethics as a moderating variable. It examines the coping mechanisms employed by village officials to adapt to the risk of fraud and challenges associated with the village fund system (*Siskeudes*).

The unit of analysis in this study is the village government apparatus, including the village head, village secretary, village treasurer, and head of financial affairs, who directly use the *Siskeudes* application in managing the Village Revenue and Expenditure Budget (*APBDesa*). This study is located in some villages in Central Java Province, which has extensive village coverage, substantial village funds, and a high level of vulnerability to fraud.

This study is limited to the perceptions, attitudes, and experiences of village officials regarding the factors that contribute to fraud, the spiritual values they adhere to in performing their duties, and the fraud prevention strategies they implement. This study does not include an in-depth technical evaluation of the *Siskeudes* system or formal legal considerations beyond those directly related to the implementation of village fund management.

1.8 Limitations of the Study

This study has several limitations that need to be considered in its formulation:

i) The scope of this study is limited to the perceptions and responses of village government officials in Central Java Province who are directly involved in the use of the village fund system (*Siskeudes*) application. Therefore, the generalizability of the results to other regions may be limited, given variations in village organizational structures, local cultures, and the extent of implementation of the village fund system across regions.

ii) This study was designed using a quantitative approach with a cross-sectional design, which means that data collection was conducted at a specific point in time. With this approach, this study was not intended to trace changes in behaviour or perceptions over time, nor was it designed to test longitudinal causal relationships between the variables studied.

iii) Data collection was conducted through a self-reported questionnaire instrument that relied on direct responses from respondents. Although this approach provides access to personal and contextual information, the use of self-reported data entails risks of perception bias, social desirability bias, and subjective interpretation by respondents, particularly when sensitive topics such as fraud and ethics are involved.

iv) The primary focus of this study is on individual and perceptual factors, such as perceptions of pressure, opportunity, rationalization, and fraud capability, as well as the spiritual ethical values held by respondents. This study does not examine institutional structural factors or the broader legal context that may also influence fraud at the village level.

1.9 Chapter Summary

This chapter provides an overview of the research context by highlighting the rise in fraud cases in village fund management, the strategic position of villages within the fiscal decentralization framework, and the persistence of governance limitations despite the implementation of *Siskeudes* to improve accountability. In addition to presenting the fraud diamond theory as the main conceptual basis, this chapter also introduces spiritual work ethics and coping mechanisms as relevant behavioural factors. The problem formulation, objectives, research questions, and scope of the study are presented to frame the research direction clearly and systematically. The next chapter will provide a more in-depth literature review, covering the concepts and characteristics of fraud in the public sector at the global, national, and local levels. This review will also examine the increasing incidence of fraud in village fund management, which highlights the need for stronger oversight to prevent malpractice. The discussion will also cover the village fund system and the implementation of *Siskeudes*, as well as factors contributing to fraud. This study will serve as a theoretical basis that strengthens the analytical framework and supports the development of research hypotheses.

CHAPTER 2
LITERATURE REVIEW

2.1 Introduction

This chapter presents a literature review of fraud and village fund systems, with particular emphasis on the Indonesian context. Chapter 1 begins with an introduction to the concept of fraud and its theoretical basis in Section 2.2. The primary determinants of fraud are covered in Section 2.3, which describes how village funds were distributed in Indonesia, the Indonesian village fund system, *Siskeudes*, fraud in village funds, and monitoring of village funds. Section 2.4 discusses the fraud factors relevant to this study. This chapter concludes with Section 2.5, which provides a clear literature review of the topics discussed and the current topics to be addressed in the following chapters.

2.2 Fraud

2.2.1 Definition of Fraud

The term "fraud" denotes a strategy executed with the intention of acquiring financial benefit using illicit methods or securing a legal advantage through unlawful means (IAPI, 2023). Dishonest conduct intended to secure personal or collective benefit by unlawful methods is classified as fraud, commonly referred to as cheating by the general populace (Reuters, 2024). Fraud is a prevalent issue within organisations, and its incidence is increasing. Common types of fraud encompass asset theft, fund embezzlement, and corrupt practices, which result in substantial financial losses for organisations (Adriansyah et al., 2022; Kadek & Dewi, 2023; Senapan & Senapan, 2021). Elements such as personal engagement inside the organisation and deficiencies in internal control mechanisms might enable fraudulent activities, including accounting fraud (Alfarago et al., 2023; Riahi-Belkaoui, 2000).

As indicated in the following sections, several other definitions of fraud, obtained from various sources, can be presented in full. *First*, according to the ACFE (2022), fraud is defined as an intentional or planned act to deprive another person of their property (money or assets) through deception, manipulation, or other unfair means,

to obtain unlawful gain for the perpetrator or another party. *Second*, as Albrecht et al. (2008) assert, fraud is the deliberate or negligent presentation of false information on a material matter, resulting in the victim's subsequent loss. *Third*, Auditor (2025) defines fraud as the intentional misrepresentation of information or the omission of material facts by a person to mislead or deceive another party for personal gain. *Fourth*, Cobrief (2025) states that fraud is a deliberate act of deception by an individual or group to obtain an unfair advantage, and usually involves a breach of trust. *Fifth*, International Standards on Auditing (ISA) No. 240 stipulates that fraud is the intentional act of one or more individuals within management, those responsible for governance, employees, or third parties, involving deception to obtain an unfair advantage or to violate the law (Board, 2021). *Sixth*, Agudelo (2025) asserted that all definitions of fraud share four essential elements: intent to deceive, material false statement, knowledge of its falsity, and resulting damage or loss from the deception.

Fraud in corporations and organisations can take several forms, including the manipulation of financial records, the acquisition of assets, the provision of services, and the delivery of financial services. (CaseIQ, 2025) define fraud as a purposeful act executed with the intention of obtaining an advantage using unauthorized and illegal methods. Fraud is defined by Waardenburg et al., (2020) as a legal term characterized by deceit, deception, or trickery. It can be categorized into three types: corruption, misuse of assets, and financial statement fraud. In addition, Sanctionscanner (2025) elucidates that fraud constitutes a deceptive conduct that lacks legitimacy as a commercial operation, regardless of whether it is executed directly or indirectly. Although it may not consistently yield financial profit, it remains classified as a form of fraud.

2.2.2 Types of Fraud

The three stages of fraud are often referred to as the fraud tree, first developed by Albrecht (2008) and later widely recognized by the Association of Certified Fraud Examiners ACFE (2022), a professional organization focused on fraud monitoring, investigation, and prevention. The ACFE is an organization that actively promotes the development of a thorough understanding of the fraud process and provides guidelines and effective methods for detecting and responding to various forms of fraud. The Fraud Tree illustrates the systematic steps that contribute to fraud in an organization or an

individual. Albrecht et al. (2008) developed this model to provide a clear framework for organizations, auditors, and anti-fraud practitioners to identify risks and implement appropriate preventive measures.

1) Asset misappropriation

Asset misappropriation refers to the theft of assets or property belonging to a firm or other organisations (Aprio, 2025). It may also be termed asset misappropriation. Because of their unambiguous nature, such situations are more readily identifiable. Actions indicating the illicit appropriation of assets are often identifiable more rapidly, implying that the worth of the theft may be ascertained with precision (Ghaedi et al., 2021). Consequently, these abnormalities are typically simpler to rectify than other forms of fraud or abuse, which are more challenging to identify.

2) Fraudulent Statements

Fraudulent statements are actions undertaken by employees or officers of a company or government agency to create a stable financial situation (Ratmono et al., 2018). These actions are carried out through financial engineering in the preparation and presentation of financial statements, which aim to provide a more accurate representation of the current financial state of the entity. The purpose of these actions is to increase profits, either through long-term financial gains or by improving the company's reputation with investors, regulators, and the general public. This practice is also referred to as "window dressing," a strategy that presents a more positive view of the financial situation by omitting unfavourable facts (Yanti & Dahruji, 2022).

3) Corruption

This form of fraud is particularly challenging to detect and comprehend due to the collaboration among the involved parties, frequently resulting in bribery and corruption (Zahari & Arshad, 2020). This form of fraud is prevalent in both developing nations and countries with robust legal frameworks, where law enforcement agencies often face challenges in effectively enforcing applicable laws. A deficiency in understanding and awareness of good governance principles within government or the private sector can adversely affect the situation (Dung & Thanh, 2023). It complicates the maintenance of integrity because individuals or groups are hesitant to participate in

illegal activities. The susceptibility to non-transparent practices establishes a significant opportunity for workers to function independently. This form of fraud is frequently challenging to identify, particularly when the individuals involved possess significant power or influence, enabling them to conceal evidence or weaken the systems designed to detect and prevent such fraudulent activities (Umar et al., 2022).

2.2.3 Fraud Incidents

According to the ACFE Indonesia (2022) findings in the 2022 Report to the Nations, a study including 133 countries, identified 2,110 instances of fraud, resulting in a total loss of USD 3.6 billion. According to worldwide fraud schemes, asset theft accounted for 86% of verified cases, resulting in a loss of USD 100,000, while financial statement fraud constituted 9% with a loss of USD 593,000 (ACFE, 2022). Furthermore, the ACFE found that corruption persists as a prevalent scheme throughout all worldwide regions, with registered incidents constituting 10% and total losses amounting to USD 150,000, as seen in Figure 2.1.

Figure 2.1 The Global Fraud Schemes of 2022

Country	Number of cases
American Samoa	2
Australia	38
China	33
Fiji	1
Hong Kong	13
Indonesia	23
Laos	1
Malaysia	25
Micronesia	1
New Zealand	6
Papua New Guinea	3
Philippines	12
Singapore	13
Solomon Islands	1
South Korea	2
Taiwan	3
Thailand	9
Vietnam	8
TOTAL CASES	194

Figure 2.2 The Asia-Pacific Fraud Schemes of 2022

The ACFE documented 11 primary kinds of fraud in the Asia-Pacific region. Figure 2.2 illustrates that the predominant category of fraud is corruption (57%), succeeded by billing (20%), noncash fraud (17%), expense reimbursements (15%), cash on hand (11%), financial statement fraud (11%), payroll fraud (11%), cheque and payment tampering (9%), skimming (9%), cash larceny (6%), and register disbursements (2%). In the Asia-Pacific Region, the most significant recorded fraud cases are in Australia with 38 instances, followed by China with 33 cases, Malaysia with 25 cases, and Indonesia with 23 cases.

Based on another source by Transparansi International (2021), fraud scandals in the world are dominated by the public sector, such as very high corruption scandals, abuse of COVID-19 funds, and efforts to weaken institutional and social supervision. These fraud scandals occurred because these countries have the lowest CPI scores globally: Australia, Austria, El Salvador, Kazakhstan, Lebanon, Mozambique, Russia, Senegal, and Slovenia (CPI, 2021). Data published by PwC also show the emergence of new types of fraud cases globally, including misconduct risk, legal risk, cybercrime,

insider trading, and platform risk; 70% of these fraud types are attributed to the presence of Covid-19 (Rivera et al., 2022).

As reported by Indonesian Corruption Watch (ICW) in 2021, there are several sectors in which fraud occurs, such as in both the private and government sectors, as well as in the infrastructure and non-infrastructure sectors. The sector with the highest number of cases constitutes village funds with 154 cases, followed by the government with 50 cases, and the education sector with 40 cases. The village fund budget sector is the largest contributor to fraud cases in Indonesia, with 154 cases and a potential loss of IDR 233 billion (approximately USD 15 million). The government sector is ranked second with 50 cases, followed by education with 44 cases, transportation with 40 cases, and finally the trade sector with 13 cases (Dihni, 2022). Another survey conducted by the ACFE Chapter Indonesia involving 239 respondents also found that corruption is the largest fraud act in Indonesia, with a percentage of 69.9%. It is followed by the misuse of state and company assets/wealth, with 20.9% and financial statement fraud, with 9.2% (ACFE Indonesia, 2020), as shown in Figure 2.3 below.

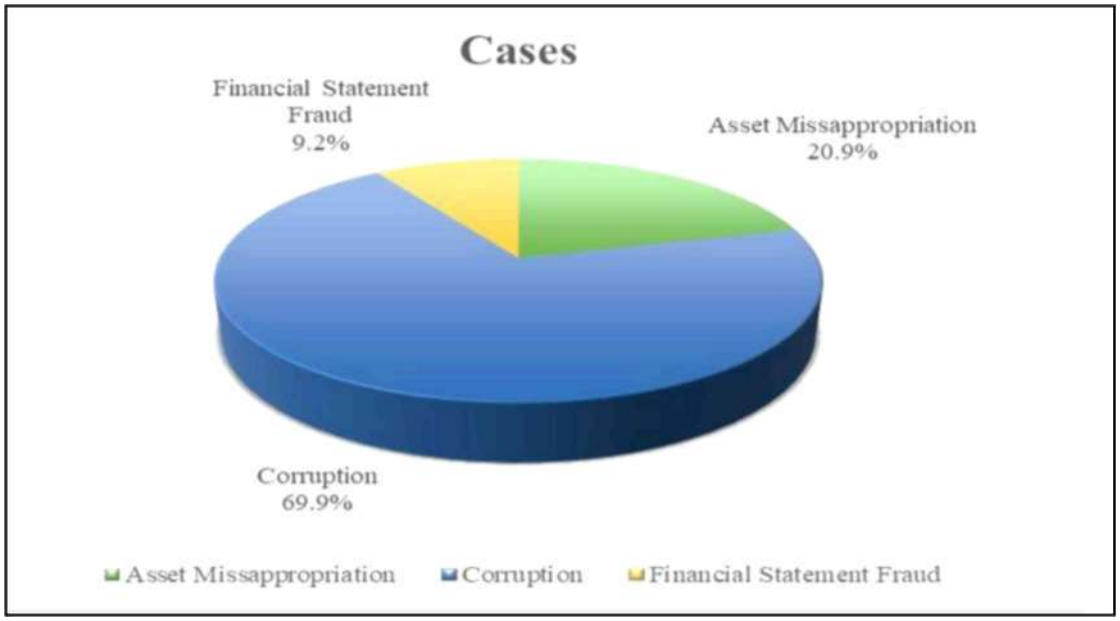


Figure 2.3 Fraud Cases in Indonesia

2.2.4 Oversight of Fraud Incidents in Indonesia

Fraudulent actions have grown common at all levels of government, from national to local. The Indonesian government has taken the effort to fight fraud by establishing independent and professional institutions (Negara, 2020). The sorts of organizations and tasks of these institutions can be discussed in detail as follows:

1) The Financial Transaction Reports and Analysis Center (*PPATK*) is responsible for investigating financial transactions.
2) The Financial and Development Supervisory Agency (*BPKP*) is responsible for monitoring, providing guidance, and coaching on financial and development supervision activities.
3) The Supreme Audit Agency (*BPK*) examines the management and responsibilities of state finances carried out by the central government, regional governments, state institutions, State-Owned Enterprises (*BUMN)*, Public Service Agency (*BLU)*, regional-owned enterprises (*BUMD)*, and so forth.
4) The Inspectorate General is responsible for carrying out supervision of the implementation of tasks within the ministry/province/regency/city.
5) The Ministry of Law and Human Rights has the duty as an independent judiciary to administer courts.
6) The judicial commission has the duty to maintain and uphold the honor and behavior of judges.
7) The Ombudsman of the Republic of Indonesia is responsible for supervising the implementation of public services organized by state administrators and private bodies for certain public services whose funds are sourced from the *APBN*/*APBD*.
8) The Corruption Eradication Commission (*KPK*) is responsible for increasing the efficiency and effectiveness of efforts to eradicate corruption.

Apart from the eight government institutions, there are also non-governmental institutions in Indonesia with exceptional attention to combat fraud (ICW, 2025):

1) The Indonesian Legal Aid Foundation (*YLBHI*) is responsible for advocating and defending the law for the weak and oppressed.

2) Indonesia Corruption Watch (ICW) is a non-profit organization consisting of a group of people who are committed to eradicating corruption through efforts to empower the people to be involved or actively participate in fighting corruption practices.
3) Indonesian Transparency Society *(MTI)* focuses on upholding transparency in all lines of society, from social, political, and economic to defense and security issues.
4) Transparency International Indonesia (Til) aims to promote transparency and accountability in the government and the business sector.

2.2.5 Fraud Detection by an External Auditor

External auditors are crucial in detecting fraud due to their independent evaluation of the fairness of financial statements and their assurance of compliance with relevant accounting standards (Rafly & Handayani, 2025; Harrison, 2018; Wolfe & Hermanson, 2004). External auditors focus on both verifying technical data and cultivating an awareness of potential audit anomalies, including discrepancies in supporting documentation, atypical transaction patterns, and inconsistencies in financial records. The sensitivity is underscored by the professional responsibilities outlined in Auditing Standard 200 IAPI (2023), which highlights the significance of professional scepticism during the audit process.

Auditors are tasked with identifying risk areas vulnerable to fraud, such as financial statement manipulation, asset misappropriation, and other illicit activities. Auditors must take further measures to clarify and verify findings when they encounter documents of questionable validity or data indicating potential irregularities (Dimitrijevic et al., 2020). It may involve obtaining additional evidence, conducting interviews with relevant parties, and conducting a more comprehensive analysis of the organization's internal control systems. External auditors play a crucial role not only in assessing the fairness of financial statements but also in contributing significantly to the organization's fraud control measures (Iskandar et al., 2022). Auditors must identify and recognize early indicators of fraud before the consequences become more extensive and detrimental. Auditors play a crucial role in fostering openness and accountability, particularly in a progressively complex and demanding corporate landscape (Dukic et al., 2023). Furthermore, external auditors are anticipated to offer recommendations for

addressing deficiencies in the company's internal control system. These tips can help firms enhance their anti-fraud measures in the future. External auditors, through their experience and heightened professional accountability, substantially enhance corporate governance and ensure that corporations adhere to the values of honesty and integrity (Mahlangu & Moosa, 2023).

External auditors must possess knowledge and fundamental skills in fraud detection. Several factors and significant aspects must be acknowledged, particularly:

1) Auditor Expertise

Thomas and Indriaty (2023) emphasized that the expertise of auditors significantly affects their ability to detect fraud. It indicates that auditors with extensive experience are better equipped to discern suspicious activities during audits. It suggests that a significant investment in auditor training and development is essential to enhance fraud detection capabilities.

2) Professional Skepticism

The capacity to exercise professional scepticism, that is, the propensity to interrogate and evaluate audit evidence with a critical eye, is of paramount importance in the effective detection of fraud. In their publication, Sipayung et al., (2023) underscore the correlation between anti-fraud awareness, fraud detection procedures, and the role of technology in enhancing these competencies. The cultivation of a culture that fosters professional scepticism within external audit teams has the potential to enhance the detection of fraudulent practices during audits (Downey & Bedard, 2018).

3) Fraud Detection Procedures

Auditors utilize a variety of procedures to detect fraud, including data mining techniques and analytical reviews of financial statements (Mousa, 2022). Elshaar and Sadaoui (2021) describe how the application of cost-sensitive classification techniques enables auditors to manage class imbalances inherent in fraud identification tasks. This phenomenon is indicative of an increasing reliance on technological solutions and advanced computational methodologies for identifying fraudulent indicators.

4) Fraud Triangle Framework

The fraud triangle, consisting of pressure, opportunity, and rationalisation, remains a fundamental framework for understanding and identifying fraud (Cressey, 1953). Cheliatsidou et al. (2021) suggest an international model grounded in this triangle; this methodology aims to aid auditors in contextualising fraud across both

commercial and governmental sectors worldwide. This conceptual framework aids auditors in recognising possible red flags throughout their evaluations.

5) Red Flags and Indicators

Red flags are indicators that suggest the likelihood of fraudulent activity. The proficient detection and analysis of these signs can substantially improve an auditor's capacity to detect fraudulent activity, thereby protecting organisational integrity and resources (Bako et al., 2022). (Rodríguez-Quintero et al. 2021) introduce an innovative methodology that combines process mining with visual analytics for fraud audits, enabling auditors to identify fraud-related trends via extensive data visualisation. Their technique provides a practical approach for detecting abnormalities, underscoring how technology may augment auditors' capacity to find critical red flags efficiently (Rodríguez-Quintero et al., 2021).

6) Impact of Legal Frameworks

Ismail et al. (2021) believed that definitions and legal frameworks for fraud may vary significantly across different legal jurisdictions. It significantly impacts the techniques auditors use to detect fraud and underscores the necessity for auditors to comprehend the relevant legal definitions and ramifications of fraud within the nations in which they perform their audits.

7) Technological Advancements

As technology advances, the techniques used to detect fraudulent activity have undergone significant evolution. The use of artificial intelligence and machine learning methodologies in auditing methods has shown significant promise in the more effective detection of suspected fraudulent actions. In the modern era, technological methods have been recognised as a viable alternative to improve auditors' ability to detect irregularities in financial transactions (Shenoy et al., 2023).

8) The detection of fraud in specialized contexts

Identifying fraud in a specific environment requires a comprehensive understanding of various methodologies tailored to the distinct characteristics of a particular sector or fraud type. Efficient fraud detection in specialised contexts relies on a comprehensive strategy that integrates modern technology with an awareness of environment-specific fraud indicators. Techniques such as data mining, specialised algorithmic analysis for distinct fraud types, and the incorporation of behavioural insights can markedly improve fraud detection efficacy across several industries. As evidenced by subsequent researchers, Fraud detection is crucial in the healthcare sector.

Ikono et al. (2019) underscore the imperative of efficient technology to detect fraud, waste, and abuse in the healthcare industry, asserting that such measures enhance service quality and reduce costs. Nandi et al. (2022) presented a hierarchical behaviour-knowledge space model for credit card fraud detection, aimed at identifying anomalous transaction patterns as a critical component of fraud identification. Additionally, in assessing credit card fraud, Li et al. (2021) provide a comparative examination of fraud detection methodologies employing support vector machines. The research indicates that distinct methodologies, classified as supervised and unsupervised, yield different levels of efficacy in identifying fraudulent activity.

9) Institutional Assistance for Auditors

Institutional assistance for auditors is crucial to enhancing their capacity to identify fraud efficiently. Multiple variables contribute to this, including professional advancement, ethical principles, and organisational culture. Findings from studies such as Arum and Wahyudi (2021) underscore that auditors must possess a high degree of expertise to uphold audit quality, which is directly linked to their capacity to detect fraud. Moreover, ethical training that emphasises an understanding of fraud is crucial for auditors, particularly when assessing narratives during audits (CAQ, 2025). (Hobson et al., 2017) Septian and Febrianti (2022) showed that a stringent supervision structure within organisational culture enhances the capacity of internal auditors to identify fraud. The summarizes of fraud in Table 2.1 below.

Table 2.1
Summary of Fraud

No	Term	Definition of the term	Summary	Sources
	Definition of Fraud	ACFE IAPI ISA 240	• ACFE emphasizes the element of planning. • IAPI emphasizes financial gain. • ISA 240 highlights perpetrators who may come from management, employees, or third parties. All definitions consistently state that fraud is an intentional act that results in loss.	ACFE (2022), IAPI (2023), Auditor (2025), Cobrief (2025), Board (2021), Agudelo (2025).
	Types of Fraud	Asset misappropriation Fraudulent statements Corruption	*Asset misappropriation:* misuse or theft of organizational assets; most common and easiest to detect because it has clear physical evidence. *Fraudulent statements:* manipulation of financial statements, usually through window dressing or number crunching, to make the company look better in order to attract investors or maintain its reputation. *Corruption:* includes bribery, collusion, and abuse of authority; most difficult to detect because it involves collaboration between parties and often occurs in government and the private sector.	Aprio, (2025), Ratmono et al., (2018), Yanti& Dahruji, (2022), Zahari & Arshad, (2020).
	Fraud Incidents	Global fraud schemes Asia Pacific fraud schemes Global scandals (Transparency International) Emerging fraud types (PwC) Fraud incidents in Indonesia	*Global:* ACFE reported 2,110 cases with total losses of USD 3.6 billion; asset misappropriation was the most prevalent (86%), but financial statement fraud resulted in the most significant losses. *Asia Pacific:* Corruption was the most dominant type of fraud (57%), followed by billing and non-cash fraud. Indonesia was among the countries with a significant number of cases. *Global scandals* (TI): Major cases include public sector corruption, misuse of COVID-19 funds, and weak institutional oversight. *New fraud (PwC):* New types of fraud have emerged, such as cybercrime, misconduct risk, insider trading, and platform risk, which increased by 70%) during the pandemic. *Indonesia:* The most significant cases involve village funds (154 cases), followed by the government and education sectors. Corruption is the largest form of fraud (69.9%).	ACFE (2022), Transparansi International, (2021), CPI(2021),ICW (2021), Dihni (2022), ACFE Indonesia, (2022).

No	Term	Definition of the term	Summary	Sources
	Oversight of Fraud Incidents in Indonesia	Government Institutions: PPATK, BPKP, BPK, Inspectorate General, Ministry of Law and Human Rights, Judicial Commission, Ombudsman, KPK Non-Government Institutions: YLBHI, ICW, MTI, Til	The government has several institutions with different functions: PPATK analyzes suspicious financial transactions; BPKP oversees financial management; BPK conducts state financial audits; the Inspectorate oversees ministries/institutions; the Ministry of Law and Human Rights and the Judicial Commission oversee the judicial process; the Ombudsman oversees public services; the KPK handles corruption eradication. Non-governmental institutions such as ICW, YLBHJ, MTI, and Til play a role in social control, advocacy, public education, and the promotion of transparency.	Negara, (2020), ICW (2025)
	Fraud Detection by an External Auditor	Auditor expertise Professional scepticism Fraud detection procedures Fraud triangle framework Red flags & indicators Legal framework impact Technological advancement Detection in specialized contexts	*Auditor expertise:* Experience and technical competence enhance auditors' ability to detect fraud patterns. *Professional scepticism:* Auditors must be critical of audit evidence and not easily believe management's statements. *Detection procedures:* These include data mining, analytical review, and cost-sensitive classification methods to address unbalanced data. *Fraud Triangle:* Fraud is triggered by pressure, opportunity, and rationalization; it helps auditors identify risks. *Red flags:* Includes unusual transactions, inconsistent documents, suspicious cash flow patterns, or changes in employee behaviour. *Legal frameworks:* Differences in the definition of fraud between countries require auditors to understand the local legal context. *Technology:* The use of AI, machine learning, and visual analytics improves the accuracy and speed of fraud detection. *Specific sectors:* In the healthcare and credit card industries, special algorithms such as SVM and behaviour-knowledge models are used.	Rally & Handayani (2025), Thomas and Indriaty (2023), Sipayung et al., (2023), Mousa (2022). Cressey(1953), Rodriguez-Quintero et al.,(2021), Shenoyet al.,(2023),Ikonoetal. (2019),Nandietal. (2022), Li et al. (2021).

2.3 Village Fund in Indonesia

2.3.1 Overview of Village Fund

Village Funds are National Revenue and Spending Budget (*APBN*) funds earmarked for Villages, which are transferred through the district/city Regional Revenue and Spending Budget (*APBD*) and are prioritized for the implementation of development and empowerment of rural communities (Law of the Ministry of Finance No. 146 on Village Fund Allocations, 2023). According to the Village Law, the Village Fund has several purposes, namely;

1) Improving public services in the village
2) Eradicating poverty
3) Promote the village economy
4) Addressing the development gap between villages
5) Strengthening rural communities as development subjects

The primary objective of distributing village funds is to enhance the quality of life and welfare of residents by supporting community development and maintenance. Since the enactment of Law No. 146/2023 on Village Fund Allocations, villages have played a key role in efforts to improve the local economy. Through this law, villages are expected to be the driving force for more equitable infrastructure development and to strengthen active community participation in all stages of development. In addition, the main focus of the implementation of this law is to improve the economic conditions at the local level, which in turn will improve the social and economic welfare of villagers (Permata et al., 2022). By increasing the allocation of village funds, the government aims to create opportunities for village communities to manage their resources independently, thereby contributing to sustainable and equitable development throughout Indonesia.

As a legal document governing land, the Village Law is governed by other, more appropriate regulations. The mechanism for distributing *APBN* village funds is outlined in Government Regulation No. 146/2023, which is the primary regulation governing the use of village funds. This regulation guides local governments so that they can manage local funds effectively, efficiently, and responsibly in accordance with the principles of good financial management (Anjani et al., 2020).

The Regulation of the Minister of Villages, Development of Disadvantaged Regions. Transmigration of the Republic of Indonesia No. 7 of 2023 is being discussed to enhance the effectiveness of utilizing village funds in creating an enabling environment for resident development. This regulation regulates the details of prioritizing the use of village funds, focusing on sectors that have a direct impact on the welfare of residents, such as infrastructure development and improving access to education, health, and the economy (Aryanto & Irawati, 2024).

Regulation of the Minister of Finance of the Republic of Indonesia Number 145 of 2023 provides detailed guidelines for the use of village funds. This regulation aims to ensure efficient and effective data management and its use in accordance with established principles (Sugiri, 2021), to minimize negligence or inequality in budget preparation. The information obtained must be used efficiently and communicated effectively to the public and the government. This regulation is expected to improve the accountability of village fund management, thereby strengthening and focusing the village development process.

Minister of Finance Regulation No. 146 of 2023 delineates the utilisation, distribution, and payout of village funds for the 2024 fiscal year. This law clarifies the allocation of funding for various activities and provides guidance on prioritising budget usage, which must correspond with the requirements and capabilities of the relevant village. This law requires the government to provide clearer guidance for village budget planning. It ensures that the allocation of village funds supports the implementation of relevant development initiatives that benefit the community. The application of this law is expected to improve the efficiency and sustainability of village finances and their influence on local and regional economies. Regional development will become more systematic and aligned with the primary goal of promoting equitable and comprehensive regional growth (Mujiwardhani et al., 2019). The current legislative framework offers significant support to village governments in managing available funds, while also restricting potential exploitation (Nurul & Herliansyah, 2021; Andoh et al., 2018). It facilitates the rapid attainment of predetermined growth targets.

Between 2015 and 2024, the Village Fund significantly contributed to the building of essential facilities that are vital for the survival and advancement of communities across Indonesia (RMOL, 2025). The subsequent table will illustrate the accomplishments derived from the use of village funds in Table 2.2 below:

Table 2.2
Accomplishments Outcome Village Fund

No	Type	Total	Units
1	Village Road	261,877	Kilometres
2	Bridge	1,494,804	Meters
3	Village Market	11,944	Units
4	Village-Owned Enterprises (*BUMDES*)	39,844	Activities
5	Boat Mooring	7,007	Units
6	Reservoir	5,202	Units
7	Irrigation	76,453	Units
8	Sports facilities	27,753	Units
9	Soil retention	237,415	Units
10	Clean water	1,281,168	Units
11	Toilet and bathroom facilities	422,860	Units
12	Village Midwife Outpatient Clinic (*Polindes*)	11.599	Units
13	Drainage	42,846,367	Meter
14	Village Early Childhood Education	64,429	Activities
15	Integrated Health Service Post (*Posyandu*)	60,618	Units
16	Community Wells	58,259	Units

Source: (RMOL, 2025)

The Village Fund is not just a budget allocation. Still, it has become a crucial catalyst in enhancing the quality of village infrastructure, which directly supports economic, social, and community welfare activities. Table 2.2 above shows that one of the notable achievements of the Village Fund is the construction of 261,877 kilometres of village roads, providing better access for villagers, facilitating the transport of agricultural and other products to markets, and accelerating community mobility between regions. The Village Fund has also been used to construct 1,494,804 meters of bridges that connect remote areas, facilitating the flow of goods and services and promoting local economic growth. Additionally, the construction of 11,944 village markets is clear evidence that the Village Fund is being utilized to create new economic hubs that serve as spaces for village communities to interact economically and socially (RMOL, 2025).

The Village Fund also promotes the development of Village-Owned Enterprises (*BUM-Des*) through 39,844 activities designed to increase the economic independence of villages, create new jobs and empower local communities. Boat docks totalling 7,007 units were built to support villages with water potential for both fishing and tourism activities. A Reservoir (5,202 units) and irrigation networks (76,453 units) built through the Village Fund have significantly increased agricultural productivity, ensuring the availability of water for agricultural lands and supporting food security at the local level. Additionally, sports facilities comprising 27,753 units have been provided to support the recreational and sporting activities of village communities, thereby indirectly contributing to improved health and social interaction. In addition to economic infrastructure, the Village Fund is also used to build infrastructure that improves the quality of life for village communities. The construction of 237,415 units of retaining walls, for example, protects land from erosion while maintaining soil stability in landslide-prone areas. The construction of 1,281,168 units of clean water facilities has provided access to clean water for millions of villagers who previously struggled to meet their drinking water and sanitation needs. Sanitation facilities in the form of toilets, totalling 422,860 units, also contributed significantly to improving environmental hygiene and preventing the spread of disease (RMOL, 2025).

Additionally, the construction of 11,599 units of Village Health Service Centers (*Polindes*) is a strategic step to ensure easier and more affordable access to healthcare services for rural communities. A drainage network of 42,846,367 meters was also constructed to reduce the risk of flooding, a common problem in rural areas. Additionally, 64,429 Early Childhood Education (*PAUD*) facilities were provided to support the education of the younger generation in the village. Integrated Service Posts (*Posyandu*), totalling 60,618 units, were built to provide preventive health services and education to the community, particularly mothers and children. Community wells totalling 58,259 units also provide access to groundwater that can be used for various daily needs, both for households and agricultural activities (RMOL, 2025).

The government has changed the distribution mechanism of the Village Fund by simplifying the distribution stages into only two stages (DJPb Kemenkeu, 2021). This step was taken to enhance the efficiency of fund management and expedite its distribution, particularly to villages in remote and hard-to-reach areas. This simplification is expected to streamline the Village Fund distribution process, making

it faster and more targeted. In 2024, Village Fund distribution is likely to peak before April, which is faster than in previous years (DJPb Kemenkeu, 2024).

The government is also increasingly promoting better village governance by optimizing various sources of funding for village development. One important step is to strengthen coordination between the central and regional governments to expedite the submission of village development funding proposals to relevant ministries and agencies (Rasaili et al., 2024). Another priority is to develop and manage an integrated village database so that accurate village data, accessible to all stakeholders, can be used to plan and implement village development programs more effectively (Rasyid & Rahmawati, 2023).

With all these efforts and policies, the Village Fund is expected to be not only a source of funds for physical development but also an effective tool for improving the welfare of rural communities (Lollo et al., 2024). Programs that focus on economic empowerment, poverty alleviation, and improving the quality of life of village people are expected to accelerate the process of village development and promote the achievement of more equitable national development goals.

2.3.2 Village Fund System (*Siskeudes*)

2.3.2.1 Roles of Siskeudes

The implementation of Law No. 6/2014 on Village government marked a significant advancement in enhancing village government and fostering sustainable local development. This rule establishes a legal framework for enhancing village autonomy in resource management and advancing community welfare. The government implemented the Village Fund System Application as a tangible execution of this statute (BPKP, 2023). This instrument seeks to enhance accountability, efficiency, and transparency in the allocation and utilisation of village finances. It is integral to a national policy aimed at mitigating the developmental disparity between urban and rural regions. The concept was established in May 2015 and has been included in other regional economic governance initiatives around Indonesia.

An exemplary instance of this system's application is in the Mamasa District, a region marked by a deficiency of amenities and infrastructure. Despite the multiple hurdles faced, the initial results of the implementation process in this region suggest

promising advancements. The Financial and Development Supervisory Agency (BPKP, 2018) reports that the introduction of the Village Fund System Application in the Mamasa district has improved village financial governance and fostered active community participation in development projects. This method demonstrates that, with the right mechanisms and community engagement, even resource-constrained areas can achieve significant progress. The increased community trust in village administrations due to the system's openness lays the foundation for more extensive and sustained development (Pratama et al., 2021). The extensive success of this technology necessitates enhancement in numerous critical areas. It includes consistent oversight of program execution, education for village leaders, and proactive engagement of local populations. The example of the Mamasa district not only emphasises the possibility of new village administration models but also shows the necessity of ongoing investment in infrastructure and capacity development. These measures are crucial to ensure the long-term benefits of the village fund program in promoting fair and sustainable development across Indonesia (Sigiro et al., 2022).

The establishment of the village fund system (*Siskeudes*) began with a survey conducted by *BPKP* at the end of 2014, which found significant diversity in the conditions of villages throughout Indonesia. Some villages still face challenges due to a lack of basic facilities, such as access to electricity, while others have made significant progress through the use of internet-based technology. However, the majority of villages still face significant obstacles: a shortage of qualified human resources (HR) in the field of village fund management. This constraint is reflected in the fact that a large number of villages have not prepared annual planning documents, which serve as the basis for village development programs and activities during the fiscal year, known as the Village Government Work Plan (*RKP Desa*). In addition, villages also lack regular fund management procedures and have not prepared financial reports in accordance with regulations. Furthermore, evaluations of the Village Revenue and Expenditure Budget (*APBDesa*) are often hindered by the lack of capacity among district officials and adequate human resources to support the oversight of the Internal Government Oversight Agency (*APIP*) at the district/city level (Sasongko, 2022).

To address these challenges, *BPKP* collaborated with the Ministry of Home Affairs to develop the Village Fund System (*Siskeudes*), an application designed to support accountable and efficient village fund governance. The application was implemented in 2015 with the support of the Minister of Home Affairs Letter No.

143/8350/*BPD* dated November 27, 2015, and *KPK* Letter No. B.7508/01-16/08/2016, which encouraged transparency in the management of village funds (Kepmendes PDTT No. 136, 2022). *Siskeudes*, previously known as *SIMDA Desa*, offers a number of advantages, including compliance with relevant legislation and regulations, ease of use, and integrated internal control features. Additionally, the application is accompanied by implementation guidelines and application manuals, which facilitate its use in diverse village contexts (BPKP, 2015).

Siskeudes system has been developed to offer flexibility and customization to the specific requirements of each village (Pramesti et al., 2023). The process of data input, facilitated by transaction receipts or analogous documentation, enables administrative entities to generate documentation and reports that comply with regulatory standards through a unified data input process. The implementation of *Siskeudes* also facilitates technical training for village officials, focused group discussions (FGDs), and routine monitoring to ensure that the distribution and use of village funds align with the established plans.

In order to enhance the functionality of *APIP*, *BPKP* conducted a series of technical training sessions, workshops, and discussion forums in collaboration with various governmental ministries, local governments, and pertinent institutions (Nasrudin & Firmansyah, 2024). The objective of this technical guidance is to furnish stakeholders with strategic recommendations for the transparent and accountable management of village finances. Furthermore, *BPKP* maintains an ongoing initiative to facilitate a unified approach between ministries/agencies, APIP, and other relevant stakeholders to ensure the optimal implementation of village finance policies. In the future, *BPKP* and *APIP* will continue to reinforce their collaborative efforts in monitoring the administration of village funds, which are experiencing a notable increase in size on an annual basis. Enhancing the capacity for internal supervision and village fund management is anticipated to facilitate sustainable and efficient village development, while also conferring tangible benefits to the community. This dedication not only exemplifies *APIP*'s accountability in safeguarding the government's strategic policies but also represents a tangible step towards the creation of more autonomous, prosperous, and competitive villages (Nasrudin & Firmansyah, 2024). Puspitanengpansri et al. (2019) posit that the Village Fund System (*Siskeudes*) application is designed using a SQL Server-based Microsoft Access database. This

approach enables more structured, secure, and integrated management of village fund data.

The application *(Siskuedes)* comprises four principal modules: (1) Planning Module, which assists villages in the preparation of the Village Government Work Plan *(RKP Desa);* (2) Budgeting Module, which facilitates the preparation of the Village Budget *(APBDesa);* (3) Implementation and Administration Module, which serves to record the implementation and management of village funds; and the reporting and (4) Accountability module, which is designed to ensure that all village fund reports are in accordance with applicable regulations and accounting principles. The application of *Siskeudes* is compatible with the Windows operating system, including versions 7 and 8, thereby ensuring flexibility for implementation across a range of devices commonly found in villages, as elucidated by (Mariyadi, 2024).

2.3.2.2 Siskeudes Flowchart

The Village Fund System *(Siskeudes)* is a significant innovation in village fund management in Indonesia, developed by the Financial and Development Supervisory Agency *(BPKP)* in collaboration with the Ministry of Home Affairs of the Republic of Indonesia, as a follow-up to the implementation of Law No. 6/2014 on Villages. The application was launched in 2015 for the first time to improve transparency, accountability, and efficiency in village fund management. The application has key features such as budget planning, transaction recording, financial reporting, and monitoring and evaluation. The *Siskeudes* application provides clear standards and is easy for village officials to implement across all villages in Indonesia, with training and technical guidance to ensure they have adequate skills to use the application. Before the existence of *siskeudes,* village fund management still used a manual approach from the planning process, implementation, administration, to reporting using Microsoft Word and Excel software. A deeper understanding of the *Siskeudes* is facilitated through direct access to the system.

In *Siskeudes,* there are several menus. The first menu in the *Siskeudes* application is the "Data Entry" menu, which consists of the first module, namely the planning module. This module is used to enter data related to village planning. Furthermore, the second module, namely the budget module, contains menus related to the data entry process for preparing the Village Revenue and Expenditure Budget

(APBDesd). The third module is the administration module, which displays the data input process related to the implementation of *APBDesa.* The next part of the fourth module is the bookkeeping module, which explains the data input process for producing village wealth reports/village asset reports. The flowchart is presented in Figure 2.4 below:

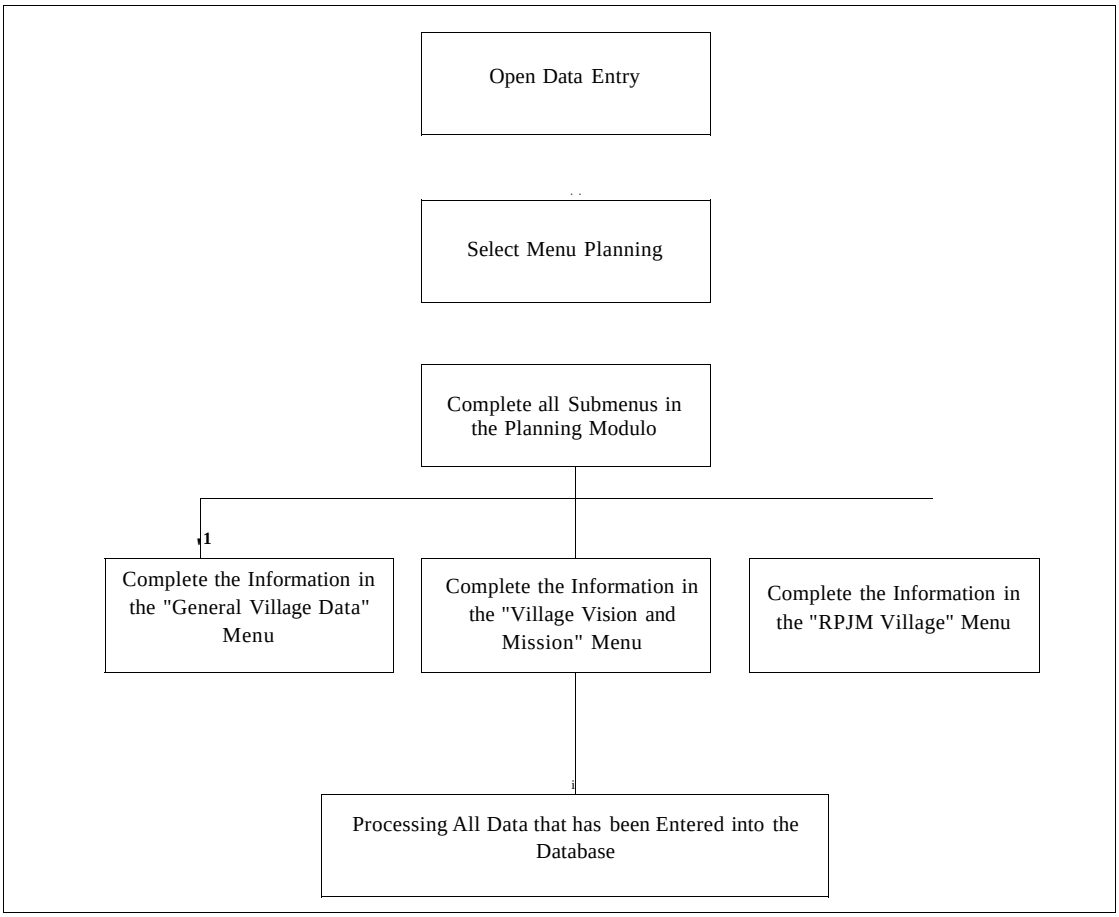


Figure 2.4 Data Entry Menu - Planning Module

Based on the procedures implemented in village fund management through the village fund system *(Siskeudes)*, as described in the stages above, a summary of the process is presented below as a flowchart for each main stage. This system consists of two main menus: the data entry menu, which includes the planning, budgeting, administration, and bookkeeping modules, and the report menu. The first flowchart relates to the data entry menu - planning module. Village fund management planning is the initial stage in drafting village regulations. Development planning consists of the Village Medium-Term Development Plan *(RPJM Desa)* and the Village Government Work Plan *(RKP Desa).* In preparing both of them, the Village Government must

conduct participatory deliberations with the Village Consultative Body and community representatives to utilize and allocate village resources and achieve village development goals (Randusari, 2023). This process is also carried out by village governments in Central Java in conducting village development planning. One of the village officials who was willing to be interviewed stated that, in the planning process, village regulations must first be formulated through village deliberations (*Musdes*), which are attended by members of the Village Government, the *BPD*, the Headman, the head of the neighbourhood (RT/RW), and Community Leaders who handle the village. The flowchart is presented in Figure 2.5 below:

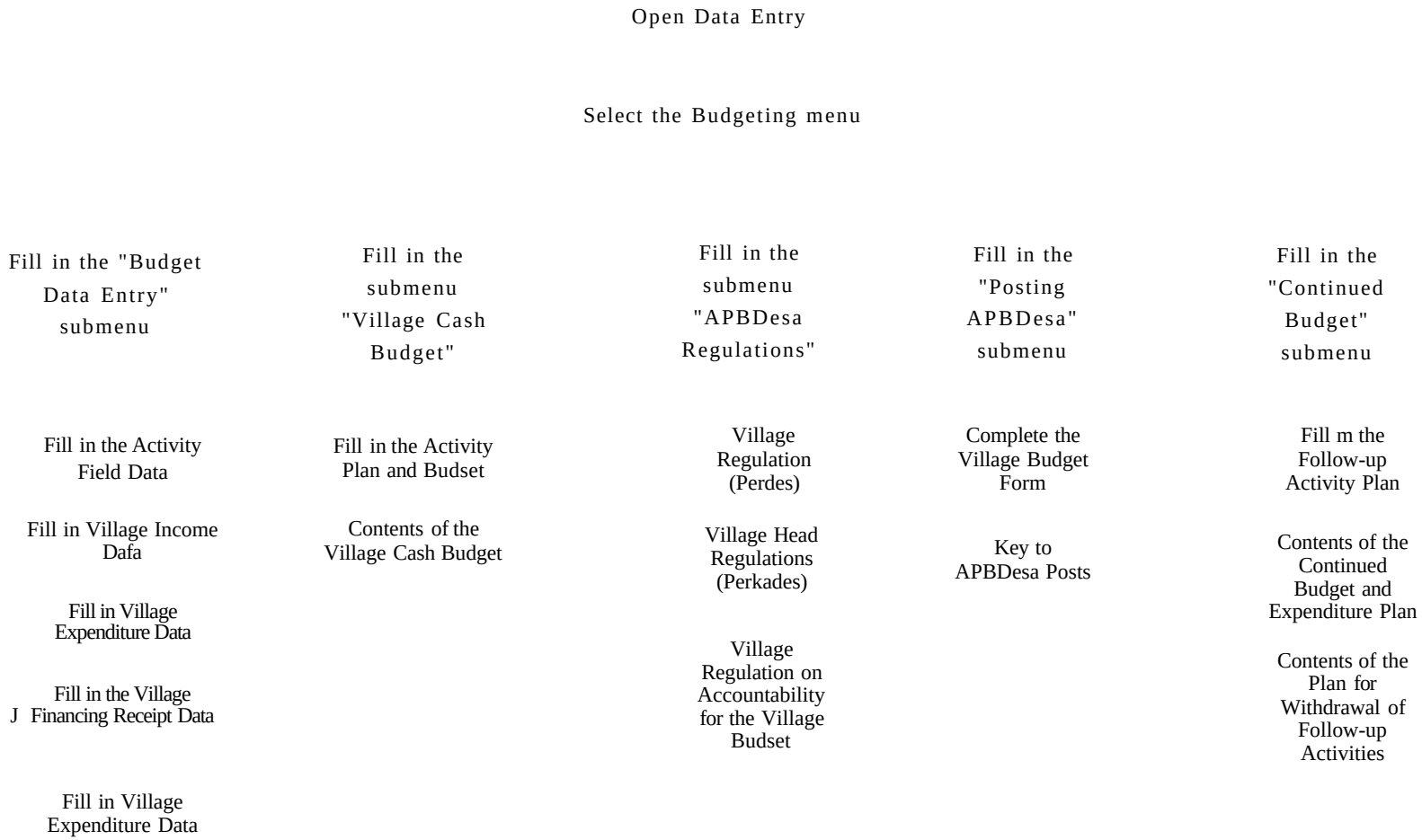


Figure 2.5 Data Entry Menu - Budgeting Module

The second flowchart pertains to the data entry menu of the budgeting module. After the Village RKP is finalized, the process continues with preparing the *APBDesa*, the Activity Plan, and the Cost Budget Plan, which were decided in *RKPDesa*, and these are used as guidelines for the budgeting process. The Village Budget (*APBDesa*) is the Village Government's annual financial budget plan, which outlines programs and activities under the village's authority.

The third flowchart pertains to the data entry menu in the administration module. Village fund administration is carried out by the head of finance, who serves as the executor of the treasury function. The head of finance is required to record all receipts and expenditures in the general cash book and to close the book at the end of each month. In the administration of village finances, the Head of Finance is obligated to maintain a general cash assistant book, comprising a Bank Helper Book, Tax Helper Book, and Panjar Helper Book (Permendagri No. 20/2018, paragraph 64).

Confirmation with the village secretary and village apparatus revealed that the administration process begins by entering transactions regarding village revenues and expenditures in accordance with the work that has been done. Three books are automatically generated: the General Cash Book, the Tax Assistant Cash Book, and the Bank Cash Book, which are subsequently produced as a result of the administration menu's output. The flowchart is presented in Figure 2.6 below:

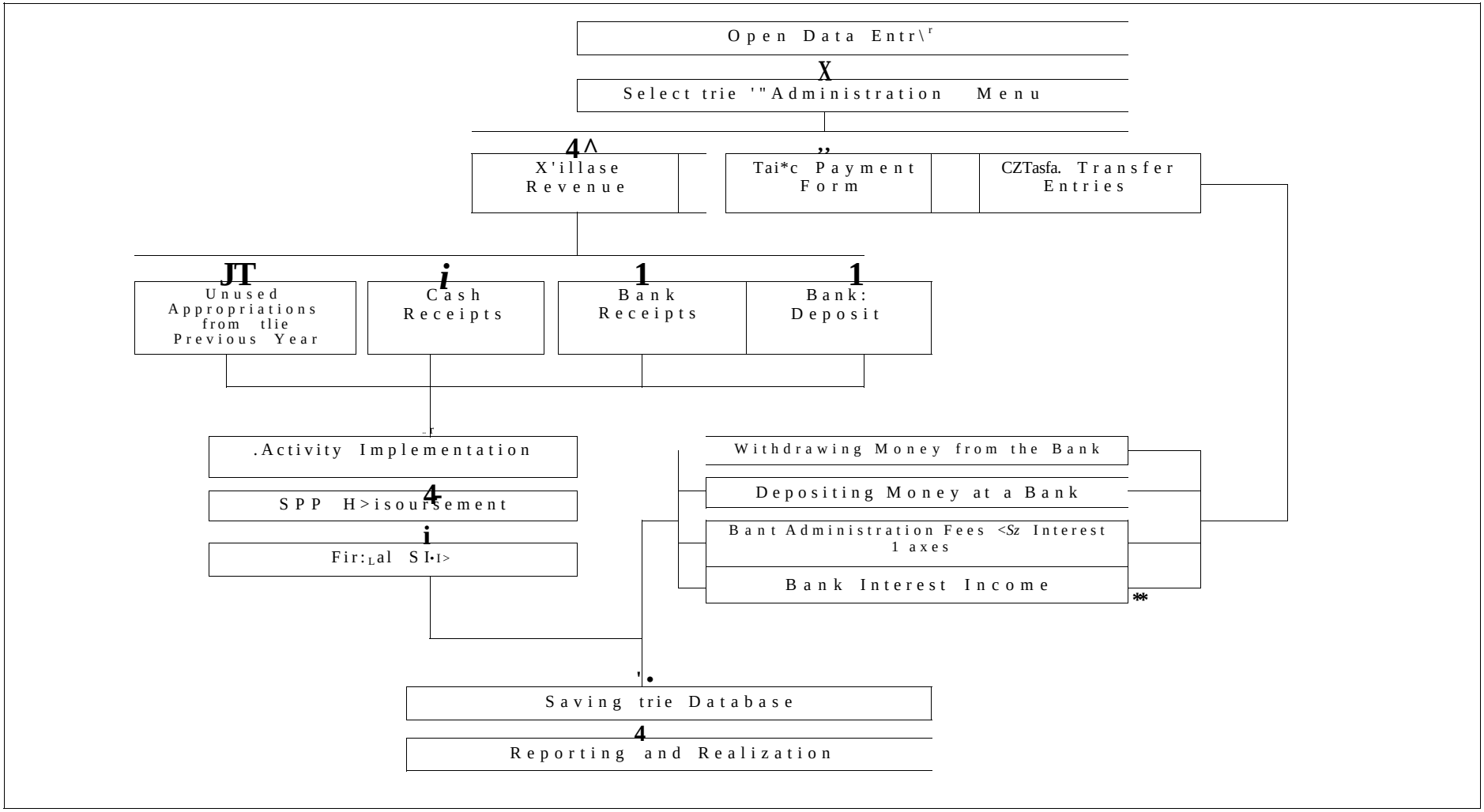


Figure 2.6 Data Entry Menu - Administration Module

The fourth flowchart relates to the data entry menu - bookkeeping module. The bookkeeping module includes a menu that supports accountability in village fund management. The Village Head is obligated to submit an Accountability Report on the Realization of the *APBDesa* to the Regent/Mayor through the sub-district head at the end of each fiscal year, no later than 3 (three) months after the end of the relevant year, as stipulated by village regulation. The village regulation is accompanied by 1) Financial reports consisting of reports on the realization of the *APBDesa* and notes on financial statements, 2) Activity realization report, 3) List of sectoral programs, regional programs and other programs that enter the village (Permendagri No. 20/2018, article 70). A confirmation conducted with one of the village officials stated that all results of fund-management activities entered into the *siskeudes* application serve as accountability and reporting for the district or city government. The flowchart is presented in Figure 2.7 below:

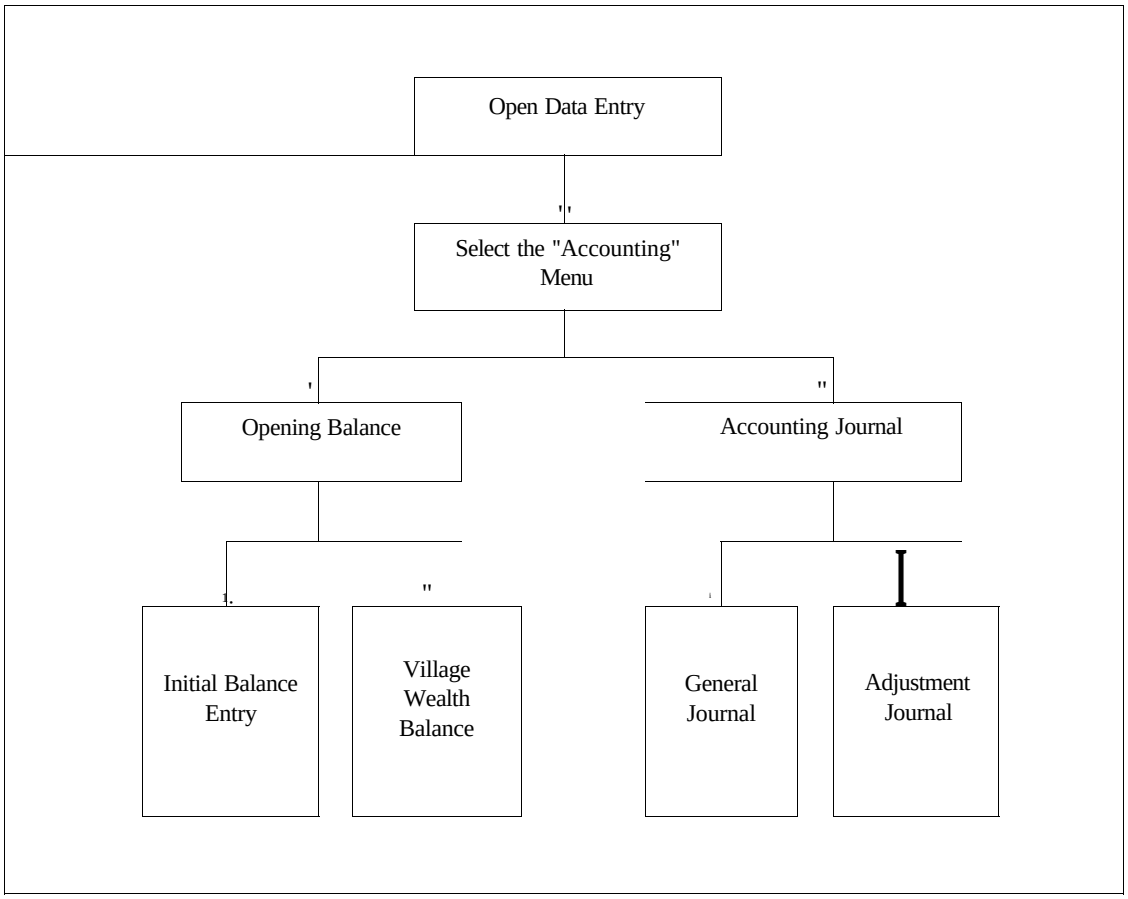


Figure 2.7 Data Entry Menu - Bookkeeping Module.

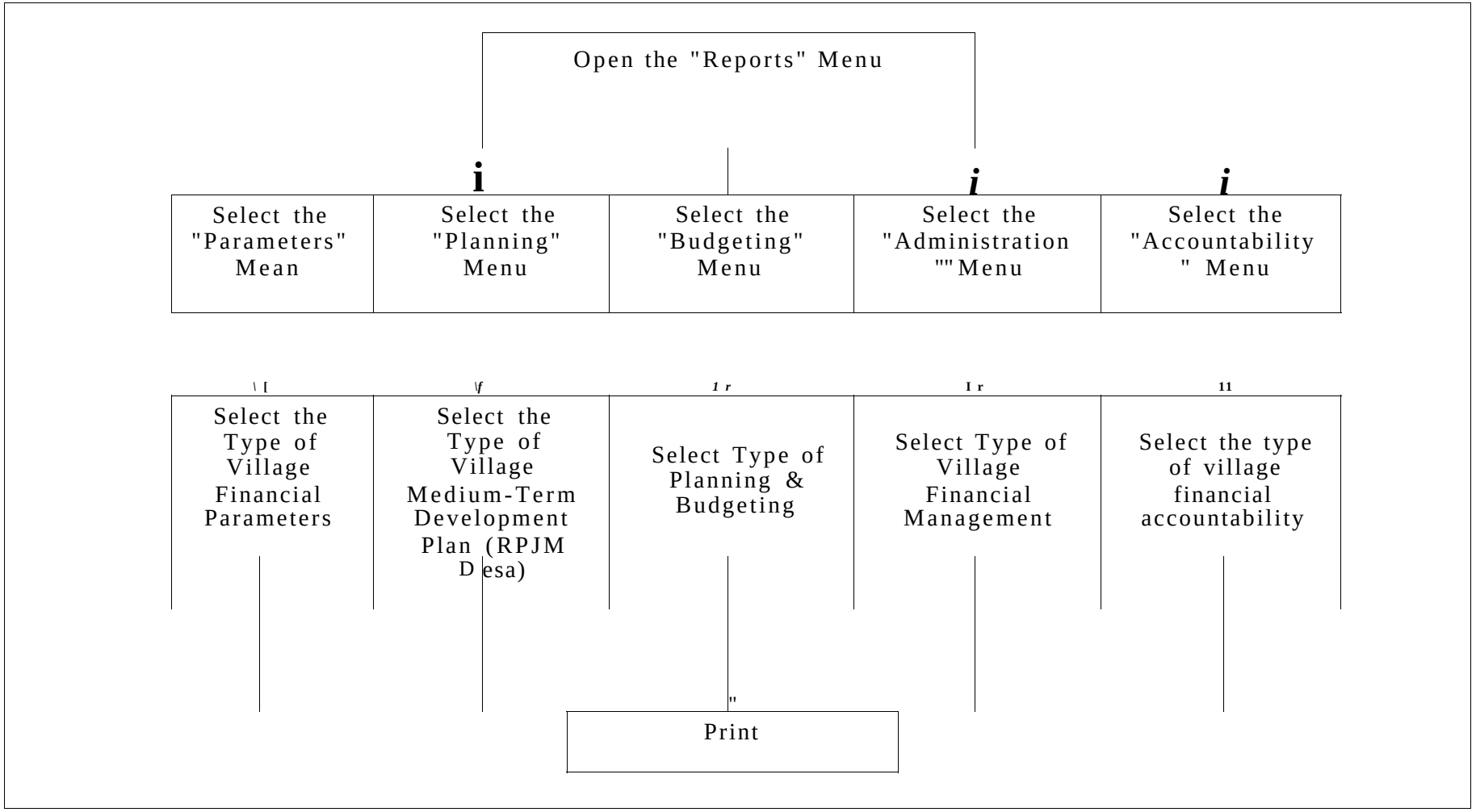


Figure 2. 8 Data Entry Menu - Report Menu

The fifth flowchart relates to the data entry-report menu in the *Siskeudes* (Village Fund System) application; the report menu is one of its most important features. The reports menu provides a range of reports that present comprehensive information on village fund management. These reports not only serve as material for performance evaluation but also as tools to ensure transparency and accountability in the use of village funds. In the report menu, there are five module options: parameter, planning, budgeting, administration, and accountability. The flowchart is presented in Figure 2. 8 above.

In summary, this *Siskeudes* flowchart provides a detailed overview of the *Siskeudes* process, covering each menu: file, parameters, data input, reports, tools, and help. Each menu consists of several modules used throughout the village's budget planning and fund management processes. In this case, *Siskeudes* plays a constructive role for village officials in the automated financial reporting process, compared with the period before *Siskeudes*, when records were still maintained manually. Through *Siskeudes*, the financial reports produced are accurate, neat, and compliant with central government requirements.

2.3.2.3 Challenges of Siskeudes

The *Siskeudes* application offers significant advantages, including offline and online operational capabilities, thereby enabling flexibility in adapting its use to each village's technological infrastructure (Musyaffi & Muna, 2020). Moreover, the application is accompanied by comprehensive user guides and implementation instructions, thus providing clear operational guidelines for village officials. This solution addresses the technical challenges often faced by villages with limited human resources, ensuring efficient, effective village fund management. As posited by (Mahmud et al., 2023; Riyadi et al., 2023), *Siskeudes* has the capacity to minimise errors and manipulation of data. Furthermore, (Auliantari et al., 2022; Musyaffi & Muna, 2020) stated that *Siskeudes* is a system that significantly facilitates effective and efficient work activities. Furthermore, Puspasari and Purnama, (2018) believed that *Siskeudes* is a user-friendly system in relation to the village fund management process, and is an application that can be accessed online, thereby providing flexibility in its use for all users.

As Fitriansyah and Halilintar (2024) note, the implementation of the *Siskeudes* application entails the involvement of several pivotal figures within the village government structure, including the village head, treasurer, secretary, head of financial affairs, and employees responsible for managing financial resources. The interrelationship among these entities demonstrates a discernible division of responsibilities in village fund governance. For instance, the village head is responsible for providing strategic direction regarding budget allocations, whereas the treasurer is tasked with the technical financial implementation. Conversely, the secretary and head of financial affairs assume significant responsibilities in administration and reporting. These documents are subsequently verified before being submitted to external supervisors. The development of a comprehensive module within this application not only enhances accountability in village fund management but also fosters greater transparency. It is crucial for fostering community trust in the village government and ensuring that the allocated funds are utilized effectively to deliver tangible benefits (Finambello, 2020). Furthermore, the application's offline functionality is highly relevant for villages with limited internet access, thereby eliminating significant technical barriers to implementation. Therefore, *Siskeudes* is a pivotal innovation that supports modern village financial governance and aligns with the evolving demands of the era.

While the existence of the village fund system offers grounds for optimism regarding the realization of optimal financial governance, challenges arise in its implementation due to a limited understanding of *Siskeudes* among village heads and relevant parties (Dewila, 2025). This lack of understanding hinders the effective use of the system, despite its objective of ensuring transparency and accountability in the administration of village funds. Furthermore, Cahayani (2025) disclosed that on occasion, village governments have unilaterally altered the financial formula that had been previously agreed upon between the village audit body (*BPD*) and the village government, without notifying the *BPD*. This deficiency in communication and transparency compromises the integrity of financial data and undermines the accountability process. Additionally, Ginting (2023) identified technical and non-technical barriers, including those related to organizational management, infrastructure, finance, and human resources, as impediments to the effective implementation of the village fund system. These impediments markedly retard anticipated progress and create obstacles to achieving optimal financial governance.

Furthermore, Wilma, et.al., (2019) observed minor discrepancies in the implementation of the accountability phase, noting that the *Siskeudes* system was not fully utilized to complete the accountability report input process. This omission further exacerbated the challenge of accurately reporting and monitoring funds. Overall, these findings suggest that gaps in implementation and accountability may increase the likelihood of fraud. While the *Siskeudes* system has the potential to support better governance, it is evident that the roles of relevant parties need reinforcement, and a more robust framework for oversight and collaboration must be established for the system to realize its full potential. In addition to the many benefits of *Siskeudes*, several challenges must be considered, such as (1) the lack of human resources, facilities, and infrastructure in villages, which may prevent the optimal use of *Siskeudes* (Wibowo et al., 2020; Malahika et al., 2018; Rohmah & Sukmana, 2023). (2) Sudden changes in regulations pose a challenge for village financial managers in optimizing the use of *Siskeudes*, as it takes time to adapt to new rules (Nurmalinda & Firdaus, 2024). (3) Village financial managers still have a limited understanding of the system among village officials (Bajuri, 2024; Malahika et al., 2018). (4) Technical disruptions are still frequently encountered in the use of the *siskeudes* system, such as system errors and unstable internet connections (Malahika et al., 2018; Pramesti et al., 2023; Faizah & Sari, 2022). (5) Village financial managers still feel that the bureaucratic structure is ineffective with more complex procedures, Sinaga et al., (2022). (6) Village financial managers who use the *siskeudes* system feel that the system needs to be updated, along with its features and applications (Nofita & Veri, 2024). Table 2.3 summarizes the advantages and challenges of *Siskeudes*.

Table 2.3
Summary of Advantages and Challenges of Siskuedes

No	Advantages	Sources
1	Minimize errors and manipulation	Mahmud et al., (2023); Riyadi et al., (2023)
2	The system supports work to be effective and efficient	Auliantari et al., (2022); (Musyaffi & Muna, 2020)
3	Easy-to-use system	Puspasari & Purnama, (2018); Arianto & Kahpi, (2020)
4	The system is online.	Puspasari & Purnama, (2018)

No	Challenges	Sources
1	Lack of human resources, facilities and	Wibowo et al., (2020); Malahika et al., (2018);

	infrastructure	Rohmah & Sukmana, (2023)
2	Regulatory Changes Suddenly	Nurmalinda & Firdaus, (2024)
3	Understanding of the system remains minimal among village officials.	Bajuri, (2024); Malahika et al., (2018)
4	System errors and unstable internet networks	Malahika et al., (2018); Pramesti et al., (2023); Faizah & Sari, (2022)
5	An ineffective bureaucratic structure	Sinaga et al., (2022)
6	The system needs to be updated, including features and applications.	Nofita & Veri, (2024)

2.3.3 Fraud in Village Fund

The negative impacts that occurred between 2015 and 2020 show that the vulnerability of local financial abuse is still a serious problem. According to data from Indonesia Corruption Watch (ICW), as many as 676 defendants in corruption cases came from village officials during this period (Daton, 2022). This figure ranks the practice of misuse by village officials third, after the private sector and the state civil apparatus (ASN). The misuse of village funds in various forms, such as fictitious activities, price inflation, nominal inflation, unaccountable expenses, and the use of funds for personal interests, is a recurring problem (Sumarto, 2022).

Poernomo, (2021) revealed several examples of embezzlement, such as the loss of IDR 170 million to the state due to the misuse of village finances. Yunibar, (2019) also reported the practice of misuse of village funds by village heads for personal interests, resulting in a doubling of the budget to IDR 570 million (USD 34,000). In addition, Marwantono (2019) noted that village heads were also involved in other cases that caused state losses of IDR 1,059 billion (USD 65,000) due to the falsification of financial reports; this shows that the phenomenon of misuse of village finances is not only financially detrimental but also creates public distrust of the integrity of governance at the village level. These practices underscore the importance of strengthening oversight and implementing transparent, accountable systems to prevent the misuse of village funds. In this context, it is essential to integrate the principles of good governance with a work culture that prioritizes honest and responsible public service (Anggela et al., 2023). The recurring misuse of village funds poses a significant challenge to establishing a healthy and sustainable village governance system (Sagala et al., 2023).

Despite efforts to prevent the misuse of village funds, this situation persisted until 2023. According to Indonesian Corruption Watch (ICW), 187 corruption cases involving village funds were reported that year. In addition to the rural sector, ICW also found that corruption permeated other sectors such as government (108 cases), utilities (103 cases), and banking (65 cases) (Dihni, 2022). The most recent data indicate that, despite substantial financial resources allocated, there have been instances of village fund corruption from 2015 to 2024. According to the Corruption Eradication Commission (KPK), there were a total of 851 cases involving 973 perpetrators, and 50% of whom were village heads (Harahap, 2025). These cases include those occurring in the following areas: Based on the findings in the Pekalongan District Attorney's Office, Central Java, the village head of Kesesi, identified as JL, has been named a suspect in a corruption case involving village funds for the 2024 fiscal year, amounting to nearly 1 billion rupiah (USD 61,400) (Muslimah, 2025). A separate case involving the former village secretary of Sukaresik Village, Sidamulih District, West Java Province, is suspected of embezzling village funds totalling 725 million Rupiah (USD 44,225) for online gambling activities (Enceng, 2024). Moreover, the misappropriation of land and building tax funds and village funds in Surorejan Village, Puring District, Central Java, was perpetrated by the village head, resulting in state losses amounting to 290 million rupiah (USD 17,856) (Aprilianto & Krisiandi, 2024).

This situation highlights that gaps in supervision and accountability for village fund management remain a pressing issue that needs to be addressed urgently. In this situation, there is an urgent need to strengthen oversight, establish a more transparent accountability system, and impose severe sanctions on perpetrators of misuse to prevent similar cases from recurring. In addition, reforms in the management of village funds are needed to ensure that this program can genuinely contribute to sustainable development and improve the welfare of village communities (Hermawati et al., 2022).

2.3.4 Supervision of Village Fund

According to Regulation of the Minister of Home Affairs No. 73 in the year 2020 concerning supervision of village fund management, several parties oversee the use of village funds, namely the Government Internal Supervisory Apparatus (*APIP*), sub-district heads, village consultative bodies (*BPD*), and village communities

(Pengawasan Pengelolaan Keuangan Desa, 2020). The following Table 2.4 details the activities of these parties:

Table 2.4
Supervision of Village Fund Management

No	Position	Activity
1	Government Internal Supervisory Apparatus (APIP)	Review (re-examination of evidence of activities) Monitoring (assessment of the progress of an activity) Evaluation (comparing the success or failure of activities with existing regulations) Examination (identification of problems, analysis and evaluation based on compliance with regulations) and other supervision (socialization, education, training, mentoring, consulting and strengthening community-based supervision)
2	Head of Subdistrict (*Camat*)	Evaluation of village regulation design, evaluation of village fund management and village assets, and evaluation of Village Budget Accountability Report documents
3	Village Consultative Body (*BPD*)	Planning of village activities and budgets, implementation of activities, report on the implementation of the Village Budget, and achievements in the implementation of the Village Medium-Term Development Plan (*RPJM Desa*), the Village Annual Work Plan (*RKP Desa*), and the Village Budget (*APB Desa*)
4	Village Community	Monitoring of village fund management in the form of obtaining information from the village regarding: The Village Budget (*APB Desa*) Implementation of budget activities and the team that implements them Realization of the Village Budget Realization of activities Activities that have not been completed or implemented Remaining budget

Siskeudes has been equipped with analytical tools that facilitate the identification and prevention of fraudulent activities. Integrating analytical techniques into this system is intended to enhance its functionality and facilitate early fraud detection. Identifying unusual patterns or transactions that deviate from established norms can enable rapid action and further investigation of suspected fraud (Ningrum et

al., 2022). Furthermore, the system's ability to generate real-time reports enables the rapid identification of discrepancies. This capability is critical in contexts where delays in financial reporting could hinder future funding (Salam et al., 2023). Implementing a system that provides data promptly has been shown to improve accountability and empower village officials to take decisive action when unusual activities are detected. Table 2.5 summarizes of Village Fund in Indonesia.

Table 2.5
Summary of Village Fund in Indonesia

No	Term	Definition of the term	Summary	Sources
	Overview of Village Fund	Purpose of Village Funds: Legal basis and regulations Priorities for use Distribution mechanisms Development achievements	Village Funds are state budget funds distributed through district/city budgets for village development and empowerment. Their objectives include improving village public services, alleviating poverty, strengthening the village economy, and reducing disparities between villages. Key regulations: Village Law, PMK No. 145/2023, No. 146/2023, Permendes No. 7/2023, PP No. 146/2023. The implementation of the Village Fund has produced significant achievements: construction of 261,877 km of village roads, 1,494,804 m of bridges, 11,944 village markets, 39,844 *BUMDes* (village-owned enterprises) activities, 76,453 irrigation units, 5,202 reservoirs, 1,281,168 clean water facilities, 422,860 sanitation facilities, 11,599 village health clinics, 64,429 early childhood education activities, and 60,618 integrated health service posts. The Village Fund has proven to be a catalyst for physical and social development in villages.	RMOL (2025); Permata et al. (2022); Anjani et al. (2020); Aryanto & Irawati, (2024); Sugiri (2021); Mujiwardhani etal.,(2019).
	Village Fund System (Siskeudes)	Objectives & functions of *Siskeudes* Initial problems in villages Legal basis for the development of *Siskeudes* System features, modules, and capabilities Implementation in the regions The role of training and supervision Database architecture and system compatibility	*Siskeudes* was developed by *BPKP* & *Kemendagri* to improve accountability, transparency, and efficiency in the management of Village Funds. Initially, many villages did not have competent human resources, had not prepared *RKPDes* (Village Work Plans), *APBDes* (Village Budget Plans), and had not compiled financial reports in accordance with regulations. *Siskeudes* provides a solution with modules for planning, budgeting, administration, bookkeeping, and reporting. The system is Windows-compatible and uses an Access-SQL Server database. Implementation in Mamasa showed significant improvements in community participation, report preparation, and transparency. The application of *Siskeudes* was supported by training, focus group discussions (FGD), standard operating procedures (SOP), and *APIP* monitoring. The system's features enable automatic internal control and data integration so that reports are neater, more accurate, and compliant with regulations.	BPKP, (2023); Pratama et al. (2021); Pramesti et al. (2023); Puspitanengpansri et al., (2019); Mariyadi, (2024); Sasongko (2022).

No	Term	Definition of the term	Summary	Sources
	Siskeudes Flowchart	Data Entry Menu - Planning Budgeting Administration Bookkeeping Report Menu Comparison before and after *Siskeudes*	The flowchart explains the entire village fund management process in *Siskeudes:* starting from planning *(RPJMDes* & *RKPDes* through *Musdes),* budgeting (preparation of *APBDes* based on *RKPDes),* administration (recording of revenue and expenditure transactions by the Finance Officer, which results in the General Cash Book, Tax Cash Book, Bank Cash Book), followed by bookkeeping (preparation *of APBDes* realization reports, activity reports, and other attachments), to the report menu that presents complete, real-time, and automatic reports. Compared to manual systems (Word/Excel), *Siskeudes* produces reports faster, more accurately, and in accordance with regulations.	Randusari (2023); BPKP (2023); Permendagri No. 20/2018 paragraph 64
	Challenges of *Siskeudes*	Advantages *of Siskeudes* Disadvantages & technical obstacles Limitations in human resources & facilities Regulatory & bureaucratic issues Lack of user understanding Need for system updates Risk of fraud	*Siskeudes* has several advantages: it minimizes errors/manipulation, is efficient, user-friendly, and available online and offline. However, there are many obstacles: a lack of competent human resources, limited facilities, sudden regulatory changes, minimal understanding of the system, system errors and unstable internet, bureaucracy that is considered ineffective, and features that need to be updated. Implementation barriers (technical and non-technical) have prevented some villages from fully utilizing *Siskeudes* in the accountability process. Lack of understanding and unilateral changes to the budget formula can open the door to fraud.	Mahmud et al., (2023); Auliantari et al., (2022); Malahika et al., (2018); Dewila (2025); Cahayani (2025); Ginting (2023); Nofita and Veri (2024); Wilma, et.al.,(2019).
	Fraud in Village Fund & Supervision of Village Fund	Forms of village fund misuse Data on village fund corruption cases (ICW, *KPK)* Supervision system: *APIP,* sub-district head, *BPD,* community The role *of Siskeudes* in fraud detection	Misuse of village funds occurs in the form of fictitious activities, mark-ups, unaccountable expenditures, and the use of funds for personal gain (e.g., online gambling, embezzlement). ICW records hundreds of cases each year; the Corruption Eradication Commission *(KPK)* reported 851 cases (973 perpetrators) between 2015 and 2024, 50% of whom were village heads. Supervision is carried out by *APIP* (review, monitoring, evaluation), Camat (evaluation of regulations & reports), *BPD* (planning & supervision), and the community (monitoring of activities & budgets). *Siskeudes* also has an analytical feature to detect unusual transaction patterns and minimize reporting delays, thereby helping to prevent fraud.	Daton (2022); Daton (2022); Harahap (2025); Poernomo (2021); Muslimah (2025); Enceng (2024); Aprilianto & Krisiandi (2024); Pengawasan Pengelolaan Keuangan Desa (2020); Ningrum et al., (2022).

2.4 Fraud Factors

A multitude of factors often significantly impact the occurrence of fraud. As stated in the fraud mitigation evaluation report by Kline et al. (2024), the primary causes of fraud encompass not only activities that directly contravene the law, but also income derived from illegal activities that are not perceived as fraudulent by the perpetrators or organisations involved. This finding suggests that a substantial number of fraudulent cases originate from practices designed to conceal non-compliance with relevant standards or regulations, thereby complicating their direct detection. The Chartered Institute of Management Accountants expressed another relevant opinion. CIMA (2021) emphasized that several factors influencing fraud from the perpetrator's perspective include the motivation of potential perpetrators and the conditions under which individuals may justify criminal actions. In such cases, individuals perpetrating fraud often discern opportunities to commit crimes by exploiting conditions where deficiencies in supervision or internal controls permit them to operate undetected (Nehme & Jizi, 2018). Furthermore, the target's suitability for large-scale fraud is a determining factor in the perpetrator's success in committing the act. It is evident that an individual perpetrating fraud who is aware of prevailing conditions, including payment patterns and procurement systems that facilitate such illicit activities, is more likely to deceive the system.

Fraudsters' technological proficiency is a crucial factor in enabling fraudulent activities. Technological advancements often enable fraud to expand its scope, including digital data tampering and the illicit diversion of funds through virtual transactions (Zainal et al., 2017). The anticipated and actual danger of identification after fraud commission also affects the fraudster's decision-making process. If the perceived danger is lower than the possible reward, the likelihood of engaging in fraudulent activity increases. The anticipated repercussions of detection, encompassing non-penal outcomes such as employment termination, social shame, or reputational harm, are determinants that either promote or deter fraudulent behaviour (Sandhu & Saluja, 2023). Furthermore, the ramifications of fraudulence are often complex, encompassing financial repercussions for the organization, operational disruptions, and legal sanctions (Asmah et al., 2020). When the potential gains outweigh the risks borne by the perpetrator, the act is more likely to be restrained or avoided. Consequently, a

comprehensive understanding of these elements is crucial to developing effective fraud prevention strategies.

An analysis of the factors contributing to fraud indicates that they can be categorised into four primary elements according to the GONE Theory: greed, opportunity, need, and exposure (Peng et al., 2024). Greed is a significant factor driving individuals to commit fraud, as it compels them to seek greater benefits while disregarding long-term consequences. Opportunity often acts as a crucial catalyst for fraud, frequently arising in environments with minimal supervision or when individuals are pressured to achieve specific goals. Moreover, necessity may act as a catalyst for fraudulent behaviour (Bader, 2024). In these cases, individuals may believe that the only way to meet immediate needs is through actions that violate established ethical or moral standards. Furthermore, exposure to an environment or condition that enables fraud significantly increases the likelihood of fraud. Alongside the advancement of this theory, the established components of the fraud triangle have expanded to include the newly identified factor of capability.

The term "capability" denotes an individual's capacity to commit fraud. It is intricately linked to the concept of competence or knowledge that facilitates the utilisation of existing system weaknesses. Wolfe and Hermanson (2004) noted that the ability to perpetrate fraud is a critical factor in decision-making. Individuals with the capability to do so are considerably more inclined to partake in fraudulent actions than those without such capacity (Kassem, et al. 2024). Therefore, it is essential to recognize the significance of this factor and develop strategies to mitigate fraud risk. It may involve implementing stringent oversight, establishing comprehensive prevention measures, and creating systems to reduce the likelihood of fraudulent activity. Chimonaki and Lemonakis (2023) conduct a thorough analysis of the factors contributing to the prevalence of fraud. The article provides a comprehensive examination of the fundamental causes and incentives that compel people or organisations to engage in fraudulent actions. These elements encompass:

1) Inadequate Internal Controls

Internal control is a framework that ensures an organisation maintains sufficient oversight of its daily accounting practices. The purpose of internal controls is to protect assets, ensure reasonable certainty of expected results, and deter fraud and corruption (Murti & Kurniawan, 2020). Inadequate internal controls often make it difficult to

assess financial performance against budgets, forecasts, and timelines. Unauthorised access to financial data and customer records, including sensitive information, may result in security breaches and compromised accounts. Failures in internal control may result from either insufficient design or poor execution, often due to unclear limits or a lack of confidence in the controls.

2) Management Override of Internal Controls

Management holds a crucial responsibility for designing, implementing, and maintaining internal controls. There is a persistent risk that management will override controls, especially in collusion aimed at achieving accounting objectives. The combination of potential internal control override and strong motivation to meet accounting objectives may lead upper management to engage in unauthorised financial reporting (PCAOB, 2025).

3) Collusion Between Employees

A study conducted over the past few years by the ACFE (2020) found that the majority of internal fraud is committed through collusion among two or more employees. It leads to increased financial losses and poses a considerable challenge for detection and prevention efforts. It is especially apparent when collusion takes place between managers and their subordinates. Management is responsible for preventing and detecting fraud among subordinates. Fraudulent activities by managers, in collaboration with employees, compromise the organization's control mechanisms, thereby increasing the company's susceptibility to financial losses.

4) Collusion between employees and third parties

The cooperation between workers and external parties, such as suppliers or contractors, inflicts considerable damage on victim organisations; this arises from the challenges in identifying such actions, which frequently transpire without sufficient documentation (Villaescusa & Salas, 2021). Instances of these acts include bribery and kickbacks. It occurs when managers exhibit excessive trust in staff, despite inadequate controls, thereby undermining existing fraud protection mechanisms.

The primary factors contributing to fraud are inadequate internal controls, management override of internal controls, collusion between employees, and collusion between employees and third parties. These factors can pose a significant risk to the

organization. To mitigate the risk of fraud, it is essential to implement adequate controls and maintain close supervision (Handoyo & Bayunitri, 2021).

2.5 Chapter Summary

This chapter presents a comprehensive literature review on fraud and village fund management in Indonesia, placing the concepts, forms, determinants, and fraud control mechanisms as a relevant theoretical foundation for the analysis of *Siskeudes*-based village fund management. The discussion begins with an in-depth definition of fraud that emphasizes the elements of intent, manipulation of information, and the losses incurred, followed by the main classifications, such as asset misappropriation, fraudulent statements, and corruption, that consistently appear in various global and national findings. Furthermore, this chapter describes fraud incidents at the international, Asia-Pacific regional, and national levels, noting that the village fund sector, including its management through *Siskeudes*, is among the most vulnerable to malpractice. The analysis also focuses on the role of institutions such as *APIP, BPKP, BPK, KPK, BPD*, and village communities in ensuring the accountability and integrity of village fund use, especially when digital systems such as *Siskeudes* are expected to strengthen transparency.

This chapter then elaborates further on the role of *Siskeudes* as the leading platform for village fund management, covering system architecture, planning, budgeting, administration, bookkeeping, and reporting modules, along with implementation challenges that still arise, ranging from limited human resource capacity, technical constraints, to inconsistent use of the application, which can open up opportunities for fraud. The final section of the chapter maps the factors that trigger fraud through the perspectives of GONE Theory, the fraud triangle, and the fraud diamond, including structural vulnerabilities such as weak internal controls, the potential for override by village management, and internal and external collusion that can occur even though the *Siskeudes* system has been implemented. Overall, this review establishes a strong conceptual foundation for understanding the complexity of fraud in *Siskeudes*-based village fund management and the urgency of strengthening more adaptive and integrated oversight mechanisms. The next chapter will continue the discussion of the conceptual framework and the development of research hypotheses in greater detail.

CHAPTER 3
THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

3.1 Introduction

This chapter presents the conceptual framework and the development of hypotheses for this study. This section discusses the theoretical basis of this study, namely the fraud diamond theory presented in Section 3.2. Sections 3.2 and 3.3 elaborate on the spiritual work ethic, which serves as a moderating variable, while coping mechanisms will be discussed after hypothesis testing. Section 3.5 presents the hypotheses developed in this study, grounded in related theories and prior research relevant to the study's context. Section 3.6 presents the research framework, which is formed based on the previously constructed hypotheses. Section 3.7 presents the conclusion in the form of a summary of this chapter.

3.2 Theoretical Foundations of Fraud

3.2.1 Fraud Diamond

The fraud diamond theory, proposed by Wolfe and Hermanson (2004), serves as an enhanced iteration of the fraud triangle theory established by Cressey, (1953), The fraud diamond framework delineates four primary components that facilitate the perpetration of fraud: pressure, opportunity, rationalization, and capacity. The initial factor, pressure, denotes external or internal factors that compel someone to commit fraud, such as personal financial difficulties or unattainable performance objectives. Such pressures frequently create circumstances in which individuals feel obligated to violate regulations to fulfil specific wants or expectations. The second factor, opportunity, encompasses circumstances in which deficiencies in an organization's internal control mechanisms or oversight enable individuals to perpetrate fraud undetected. This possibility often arises from inadequacies in current regulatory processes, allowing individuals to exploit existing gaps. Rationalization, the third component, is the cognitive mechanism by which fraudsters justify their behavior, often

minimizing feelings of remorse or moral wrongdoing. Perpetrators may believe their acts have inflicted no damage or that they have a right to what they have unlawfully appropriated. Capability, the fourth factor, refers to the skills, knowledge, and authority required to perpetrate fraud. An individual with access to relevant knowledge or power, and the ability to exploit it, is more likely to commit fraud (Peprah, 2018).

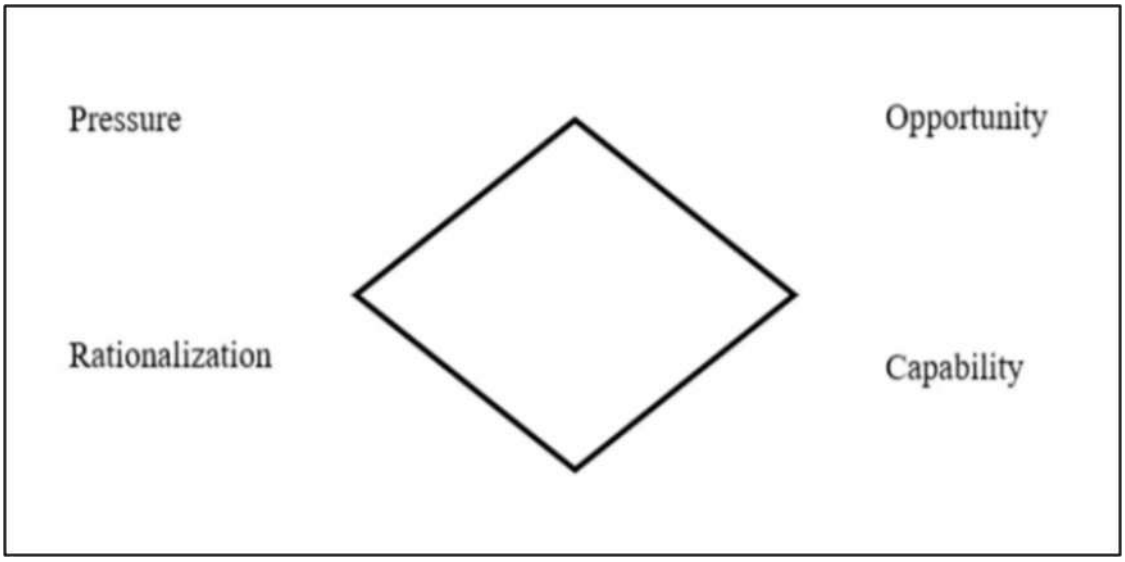


Figure 3.1 Fraud Diamond

The fraud diamond theory presented in Figure 3.1, as modified by Wolfe and Hermanson (2004), to include the capability element, addresses the shortcomings of the fraud triangle theory, which is deemed inadequate in comprehensively elucidating fraud associated with pressure and rationalisation due to its elusive nature (Sorunke, 2016a; Vousinas, 2019). The competence element encompasses the specific traits and abilities necessary for fraud to occur, including pressure, opportunity, and rationalization. Particularly in cases of significant fraud, such deceit is infeasible without individuals with the requisite expertise to falsify information. The fraud diamond hypothesis does not comprehensively elucidate the motivations of fraud perpetrators. Roffia and Poffo (2025) propose that this may stem from the theory's failure to account for aspects of the perpetrator's conduct and surroundings that prior theories do not address.

Research on the Fraud Diamond offers significant insights into fraud. Prastiwi and Meikhati (2024) employ the Fraud Diamond framework to identify financial statement fraud through the key variables of pressure, rationalisation, opportunity, and capacity. This study, utilising secondary data from firm financial reports on the IDX website, demonstrated that pressure and rationalisation significantly influence financial

statement fraud. Istifadah and Senjani (2020) employed an alternative methodology by using religion as a moderating variable within the Fraud Diamond framework to analyse fraud. This study uses primary data from managers of industrial firms in East Java and finds that opportunity, rationalization, and competency variables significantly influence fraud, whereas incentives have minimal impact. Nevertheless, religion does not significantly modify the connection between the Fraud Diamond factors and fraud. Atmini et al. (2024) expanded the application of the Fraud Diamond to the issue of plagiarism among graduate students in Indonesia and Malaysia by using Artificial Intelligence (Al) comprehension as a moderating factor. This research highlights the importance of overseeing Al systems to prevent plagiarism in educational environments. These three studies demonstrate the adaptability of the Fraud Diamond framework in identifying various types of fraud. The findings underscore the importance of both internal and external factors, such as religion and technical understanding, in shaping the likelihood of fraud.

The significance of establishing an efficient control system to mitigate fraud within organisations. The integration of the levers of control framework with the fraud diamond theory shows that each lever—diagnostic, boundary, interaction, and belief systems—makes a significant contribution to fraud risk management. Diagnostic systems monitor performance but may create pressure; boundary systems establish rules that, if inadequate, can facilitate fraud; interactive systems promote collaboration to mitigate opportunities for fraud; and belief systems convey values that, if detrimental, can justify unethical conduct. A comprehensive strategy that integrates structured controls with a robust ethical culture is essential to mitigate fraud risk by addressing the components of the Fraud Diamond Theory: pressure, opportunity, capacity, and rationalisation (Kesuma & Fachruzzaman, 2024).

Due to a deeper understanding of the components of Diamond's fraud theory, organisations and professionals in auditing and accounting today employ more sophisticated methods to identify and mitigate fraud (Davis & Harris, 2020). These models consider not only pressure, opportunity, rationalisation, and capacity, but also psychological elements such as perceived unfairness, which can shape individuals' perceptions to the extent that their actions go unnoticed. Integrating elements in this manner provides a comprehensive approach to work, facilitating recognition and understanding of the dynamics within the work environment, while underscoring the necessity of a robust internal communication system attuned to the organization's needs

at all levels (Almalki, 2022). This theoretical development represents a significant advance in enhancing anti-fraud initiatives and strengthening integrity in the increasingly complex commercial landscape.

Ezeji (2024) asserts that if fraudsters cannot demonstrate their innocence, a significant fraction of prior fraud cases should not be anticipated to recur in the future. They maintain that the presence of opportunities is a crucial factor enabling fraud; hence, they argue that the absence of flaws in the control system or deficiencies in the monitoring process will render fraudulent activities more difficult to perpetrate. Furthermore, the presence of personality traits and individuals' capacity to safeguard their privacy also influence the propensity to commit fraud. While the Fraud Diamond theory offers substantial insights into the mechanisms of fraud, particularly regarding pressure, opportunity, rationalisation, and capability, additional factors must be considered for a more comprehensive understanding of customers (Hara & Fujimura, 2024). General psychological and personal characteristics, such as moral and ethical standards and personal drive, can significantly influence the level of success that someone attains in their chosen field.

3.2.2 Element of Fraud Diamonds

3.2.2.1 Pressure

Wolfe and Hermanson (2004) identify pressure as the initial component of the fraud diamond. Pressure is an urgent circumstance recognized by individuals or groups that necessitates achieving specific objectives and also provides the impetus to commit and conceal fraudulent activities. Said et al. (2017) assert that the predominant pressures identified by fraud specialists encompass financial, criminal, work-related, and other motivational factors. (Law, 2024) asserted that an individual may embezzle corporate funds owing to pressures stemming from an urgent need for fast resolution (e.g., financial pressure), which cannot be disclosed to others. The predominant financial stresses include avarice, personal indebtedness, a lifestyle beyond one's means, elevated credit payments, financial setbacks, and unforeseen financial requirements (Said et al., 2018). These causes compel individuals to make detrimental judgments or engage in fraudulent activities to escape their financial difficulties. These pressures frequently serve as primary catalysts for theft or resource misappropriation, as individuals perceive

themselves as trapped and regard fraud as the sole remedy for urgent financial dilemmas.

Pressure is a factor that explains individuals' decisions to engage in fraudulent activities. Opportunities for fraud arise when conditions permit undetected illegal activities, often due to weaknesses in control mechanisms or inadequate governance (Yalcin, 2023). In the Fraud Diamond framework, pressure is an important factor that explains fraudulent behaviour. The Fraud Diamond theory, developed by Wolfe and Hermanson (2004), incorporates capacity into the Fraud Triangle model. This concept posits that pressure serves as a motivational factor that drives individuals to engage in fraudulent behaviour. Individuals under pressure often seek to exploit the situation for personal gain. Fraud can occur at various levels of management (Kon et al., 2024). Pressure from superiors, regardless of rank, can motivate individuals to meet expectations by prioritizing personal interests (Belgasem-Hussain & Hussaien, 2020).

The possibility of perpetrating fraud enhances the correlation between employee pressure and the intention to engage in fraudulent activities, as evidenced by deficient internal control systems, the absence of job rotation, and inadequate external control mechanisms (Said et al., 2018). Several researchers have identified a substantial correlation between pressure and the occurrence of employee fraud (Aghghaleh et al., 2014; Purnamasari & Oktaroza, 2015; Kazemian et al., 2019; Mohamed, 2021). By understanding the relationship between pressure and the components of the Fraud Diamond, organisations can develop more effective preventive measures. Mitigating pressure through enhanced support, refining internal control systems, and evaluating capacity and efficiency are crucial measures for reducing fraud risk.

A review of prior studies reveals notable gaps in pressure research, particularly when examined in the context of village fund systems. Although financial and work-related pressures have been shown to contribute to fraudulent behaviour, prior studies have primarily focused on banking, business organizations, or financial institutions and thus do not fully capture the unique forms of pressure inherent in village fund systems, which operate under distinct administrative structures and social dynamics. At the same time, discussions on religiosity or cultural values as mitigating influences remain fragmented and have not been integrated into a comprehensive ethical framework. To date, no research has examined how financial and work-related pressures interact with spiritual work ethics, including religiosity, ethics, and wisdom, to explain fraud incidents within village fund systems. This gap provides a compelling foundation for

developing a research model that is more contextually aligned with the realities of village governance. Table 3.1 presents several summaries of prior studies on the use of pressure variables across various research contexts, from which the researchers identified gaps as the foundation for this study.

Table 3.1
Summary Review of Pressure Literature

No	Author & Title	Year	Result	Future Research	Variables	Sample	Theory	Journal Publication
	Said etal. (2017) "Integrating Ethical Values into Fraud Triangle Theory in Assessing Employee Fraud"	2017	Financial and work-related pressure strongly influence fraud.	Apply the pressure model to local governments.	Ethical Values, Pressure, Opportunity, Rationalization, Employee Fraud	Fraud specialists	Fraud Triangle	Journal of International Studies. Vol. 10(2).
	Sujana, Yasa & Wahyuni (2019) "Testing of Fraud Diamond Theory Based on Local Wisdom on Fraud Behaviour"	2019	Pressure increases fraud; local wisdom moderates fraud behaviour.	Integrating cultural factors with village-fund governance.	Pressure, Opportunity, Rationalization, Capability; Local Wisdom (Moderator)	Local organizations	Fraud Diamond	Atlantis Press.
	Kazemian et al. (2019) "Examining Fraud Risk Factors on Asset Misappropriation: Evidence from the Iranian Banking Industry"	2019	Financial pressure strongly affects asset misappropriation.	Compare private vs. public fraud pressure.	Pressure, Opportunity, Rationalization, Asset Misappropriation	Banking employees	Fraud Triangle	Journal of Financial Crime, 26(2).
	Istifadah & Senjani (2020) "Religiosity as the Moderating Effect of Diamond Fraud and Personal Ethics on Fraud Tendencies"	2020	Pressure and stress increase the likelihood of fraud; religiosity reduces its impact.	Longitudinal research on village officials.	Pressure, Opportunity, Rationalization; Ethics; Religiosity (Moderator)	Business entities	Fraud Diamond	JIAFR,2(1)
	Mohamed et al. (2021) "The Influencing Factors of Employee Fraud in Malaysian Financial Institutions: The Fraud Pentagon Theory"	2021	Pressure is a major driver in the Fraud Pentagon model.	Pentagon testing in government digital systems.	Pressure, Opportunity, Rationalization, Competence, Arrogance, Employee Fraud	Financial institutions	Fraud Pentagon	ASMJ, Vol. 20(6)
	Purba et al. (2022) " The Role of an Accountant in Detecting Corruption"	2022	Financial pressure + opportunity significantly drive fraud.	Assess audit-trail effectiveness in *Siskeudes.*	Pressure, Opportunity, Corruption	Public organizations	Fraud Diamond	BIRCI Journal, 5(:

No	Author & Title	Year	Result	Future Research	Variables	Sample	Theory	Journal Publication
	Yalcrn (2023) "The Fraud Triangle: The Role and Analysis of Pressure, Opportunity and Rationalization in White-Collar Frauds"	2023	Pressure has the strongest role when controls are weak.	Investigate the role of pressure in village-level governance.	Pressure, Opportunity, Rationalization Fraud	Conceptual	Fraud Triangle	JBASS
	Yasa (2024) "The Effect of Capability on the Trend of Accounting Fraud	2024	Capability amplifies the effect of pressure on fraud.	Capability research in *Siskeudes* users.	Capability, Pressure, Opportunity, Rationalization Fraud	Accounting orgs	Fraud Diamond	Atlantis Press
	AlKhasyietal. (2024) "Characteristics of the Settlement of Corruption Cases Involving Village Funds Through Restorative Justice"	2024	Multi-source pressure increases corruption in village programs.	Evaluate restorative justice in preventing repeated fraud.	Pressure, Opportunity Village Fund Corruption	Corruption cases	Fraud Diamond	Court Review, 4(2)
10	Dias-Oliveira (2024) "Fraud Diamond Theory as an Academic Fraud Predictor"	2024	All Fraud Diamond variables predict fraud, with pressure being a significant factor.	Apply the model to bureaucratic fraud.	Pressure, Opportunity, Rationalization, Capability; Academic Fraud	Students	Fraud Diamond	SAGE Open

3.2.2.2 Opportunity

The opportunity for fraud to occur in an organization is often due to the perception that the internal control system is not strong enough and that the risk of being caught is very low (Sandhu, 2019). In this context, the opportunity for individuals to commit fraud arises when they believe their actions will go undetected, or that even if detected, no one will take decisive action in response. A weak internal control system that lacks adequate detection mechanisms and oversight provides an excellent opportunity for individuals to exploit these weaknesses for personal gain (CFI, 2025). It is exacerbated when internal controls do not complement effective governance structures and adequate transparency. In many cases, these weaknesses are more easily exploited in organizations with weak management controls, management-dominated boards, or insufficient independent director involvement. Various studies, such as those by (Muslim, 2025; Eugster, 2024; Shanikat, 2025), find that companies with weak management controls and inadequate governance structures are more susceptible to financial information manipulation. The existence of this gap creates a significant opportunity for individuals to exploit their position and commit fraud, particularly in transactions involving related parties or those that are complex.

This phenomenon is exacerbated when perpetrators believe existing internal controls cannot detect their fraud. Sun and Chen (2022), suggest that the opportunity to commit fraud arises when perpetrators feel that their actions will not be detected. Even if detected, no party will take the fraud seriously and respond accordingly. When the internal control system is weak, individuals in the organization feel freer to commit fraud without fear of consequences. Utami et al. (2019) noted that this opportunity arises when individuals exploit weaknesses in the internal control system to benefit themselves. Therefore, strengthening and developing an effective internal control system is critical to reducing opportunities for fraud. However, as stated by Fitri et al. (2019), fraud can occur even if the internal control is well developed, as long as the perpetrator still feels that their actions will not be exposed.

Further research conducted by Peprah (2018) shows that close supervision can reduce fraudsters' ability, especially when opportunities to commit fraud are minimized. This study found that more intensive supervision can reduce the likelihood of fraud, even when existing internal controls are not entirely perfect. More vigilant supervision limits the scope for individuals to exploit weaknesses in the internal control system and reduces opportunities for fraud. In addition, Priyastiwi and Setyowati (2022) also showed that a weak internal control system directly increases an individual's chances of committing fraud. In other words, the weaker the internal control system, the greater the likelihood of fraud in the organization. This research also suggests that to prevent fraud, organizations must strengthen their internal controls and ensure strict oversight of all organizational activities.

Zainal et al. (2021) identify two primary factors commonly associated with fraud cases: low employee morale and inadequate internal controls within the organisation. Employees who perceive inadequate supervision or an ineffective internal control system within the organisation may be more likely to engage in fraudulent activities. This supports the assertion that strengthening internal controls is crucial to preventing fraud. Enhancing an internal control system can diminish opportunities for fraud and foster an organisational culture that deters fraudulent activities. To mitigate the risk of fraud, organisations should prioritise enhancing internal control systems, improving oversight mechanisms, and revising current governance structures. These measures can substantially reduce the risk of fraudulent activity, thereby enhancing integrity and trust within the organisation.

A review of prior studies shows that discussions of opportunity as a driver of fraudulent behavior remain focused mainly on weaknesses in internal controls and governance mechanisms within corporate and financial institutions, leaving the context of village fund systems underexplored. Although existing studies consistently highlight that fraud opportunities arise when supervision is weak, and individuals perceive opportunities to exploit system vulnerabilities, they have not examined how the quality of supervision and individual attitudes shape perceptions of and responses to such opportunities within village fund systems (*Siskeudes*). Moreover, behavioral aspects, particularly user attitudes, that influence how control weaknesses are interpreted as exploitable opportunities have not been adequately addressed, as prior research tends to conceptualize opportunity primarily from a structural standpoint. To date, no study has specifically integrated the dimensions of supervision and attitude to explain how fraud

opportunities emerge and contribute to fraud incidents in village fund systems. This gap provides a strong foundation for the present study to offer a more contextualized understanding of how opportunity is formed, perceived, and translated into fraudulent actions within village governance. Table 3.2 presents several summaries of prior studies on the use of the opportunity variable across various research contexts, which served as the primary basis for identifying gaps and establishing the foundation for this study.

Table 3.2
Summary Review of Opportunity Literature

No	Author & Title	Year	Result	Future Research	Variables	Sample	Theory	Journal Publication
	Peprah(2018) Predictive Relationships among the Elements of the Fraud Diamond Theory: The Perspective of Accountants	2018	Opportunity significantly predicts fraud intention, but this relationship is reduced when close supervision exists.	Explore opportunities for reducing complexity in government digital systems, such as *Siskeudes.*	Opportunity, Pressure, Rationalization, Capability Fraud Risk	Accountants	Fraud Diamond	IJARAFMS, 8(3), DOI: 10.6007/ijarafms/v8-i3/4547
	Utamietal. (2019) Fraud diamond, Machiavellianism and fraud intention	2019	Opportunity is a fundamental driver of fraud intention; Machiavellianism strengthens the relationship.	Test Machiavellianism among village officials.	Opportunity, Pressure, Rationalization, Capability, Machiavellianism Fraud Intention	Employees	Fraud Diamond	Int' 1 Journal of Ethics & Systems, 35(4). DOI: 10.1108/LTOES-02-2019-0042
	Dashtbayaz, Salehi & Hedayatzadeh (2022) Internal control weakness & auditor opinions in fraudulent & non-fraudulent firms	2022	Strong internal controls reduce opportunities for fraud; weak controls are linked to fraudulent reporting.	Examine digital internal control systems.	Internal Control Weakness Opportunity Fraud	Firms (Iran)	Fraud Theory	Journal of Financial Crime, 29(1), DOI: 10.1108/JFC-01-2021-0005
	Sun & Chen (2022) Perceived opportunity moderating internal-control effectiveness	2022	Fraud occurs even when controls exist if the perceived opportunity remains high.	Explore perceived opportunity in *Siskeudes* users.	Perceived Opportunity, Internal Control, Fraud Likelihood	Employees	Fraud Triangle	Frontiers in Psychology, 13, DOI:10.3389/fpsyg.2022.999469
	Istifadah & Senjani (2020) Religiosity moderating effect on fraud tendencies	2020	Opportunity significantly increases fraud propensity; religiosity reduces this effect.	Study religiosity among village treasurers.	Opportunity, Pressure, Rationalization, Capability; Religiosity (Moderator)	Indonesian employees	Fraud Diamond	JIAFR,2(1).

No	Author & Title	Year	Result	Future Research	Variables	Sample	Theory	Journal Publication
6	Priyastiwi & Setyowati (2021) Kecurangan Dana Desa: Fraud Diamond & Religiusitas	2021	Weak internal control increases the opportunity for village fund fraud.	Examine *Siskeudes'* audit trail.	Opportunity, Pressure, Rationalization, Capability; Religiosity (Moderator)	Village officials	Fraud Diamond	Kajian Bisnis, Vol. 30(1).
7	Haron et al. (2023) Management control, transparency and fraud reduction	2023	Strong management control reduces opportunity and pressure for fraud.	Measure interactive control in village systems.	Opportunity, Pressure, Management Control	Waqf stakeholders	Fraud Theory	JIABR, 14(8).
	Eugster (2024) Internal Governance Mechanisms and Corporate Misconduct	2024	Weak governance increases fraud opportunities.	Apply corporate governance principles to village administration.	Opportunity, Governance Weakness Fraud	Corporations	Fraud Theory	Journal of Corporate Finance, DOI:10.1016/j.jcorpfin.2024.103245
	Shanikat (2025) Perception of Corporate Governance Factors in Mitigating FS Fraud	2025	Governance mechanisms reduce opportunities for FS fraud.	Examine governance - opportunity linkage in Siskeudes.	Opportunity, Governance FS Fraud	Corporate sample	Fraud Theory	JRFM, DOI:10.3390/jrfml8080430
10	Muslim (2025) The Failure of Governance and Internal Controls in Preventing Fraud	2025	Weak internal controls create ideal opportunity conditions for fraud.	Explore technology-based control weaknesses.	Internal Control Weakness Opportunity Fraud	Conceptual	Control Theory	ResearchGate Preprinl

3.2.2.3 Rationalization

Siahaan et al. (2019) characterize rationalisation as the development of an attitude, character, or ethical framework that enables management or employees to engage in dishonest behaviour. Yang and Chen (2023) assert that rationalisation involves an effort to justify one's actions, wherein individuals committing fraud seek rational explanations to validate their behaviour. Lazarus et al. (2025) indicate that rationalisation holds that immoral acts differ from criminal acts; individuals who cannot justify dishonest behaviour are less inclined to engage in fraudulent activities. Rationalisation serves as a predictive tool for identifying fraudulent behaviour (Adeoti et al., 2020). In instances where justifying fraudulent behaviour proves challenging, individuals may postpone or refrain from engaging in such actions (Millar, 2024). Furthermore, fraudsters frequently rationalise their behaviour by perceiving such actions as prevalent within their surroundings (Istifadah & Senjani, 2020).

Rationalization occurs when individuals interpret their mistakes or injustices as something socially acceptable, thus encouraging fraud. This psychological process involves creating justifications for unethical behavior, which makes the perpetrator feel more comfortable with their actions. In the context of fraud, rationalization plays an important role because it allows individuals to commit fraudulent acts without feeling burdened by morality Cressey (1953). Rationalization is a psychological mechanism that helps a person justify unethical actions, allowing them to avoid guilt about committing fraud. Fraudsters often use rationalization to reduce the moral or ethical impact of their actions (Awang et al., 2020)—the important role of rationalization in the fraud process. Rationalization is a psychological mechanism that enables individuals to justify their unethical behavior, thereby reducing the guilt associated with committing fraud. Previous research findings by (Iqbal, 2016; Oktarigusta, 2017; Sabatian, 2020) also emphasize the importance of rationalization in inducing fraudulent behavior.

The research conducted by Haron et al. (2023) on fraud prevention through control levers is pertinent to the research by Purba, et al. (2022), regarding corruption detection via corruption detection devices, specifically the HU-Model, and its implications for preventing corruption. Both studies investigate the determinants of unethical behaviour prevention, employing distinct methodologies. Haron et al. (2023) integrate two significant theories in fraud prevention: Levers of Control and Fraud

Diamond Theory. These theories encompass variables such as pressure, opportunity, capability, rationalisation, and organisational control systems.

A review of prior studies indicates that rationalization remains an understudied dimension in village fund systems. Existing research emphasizes that rationalization plays a significant role in enabling individuals to justify unethical behavior through neutralization, moral justification, or self-serving narratives. However, these studies predominantly examine corporate environments, financial institutions, academic settings, or conceptual discussions, leaving the specific dynamics of rationalization in village financial governance insufficiently explored. Moreover, previous research has not addressed how rationalization develops through two distinct patterns: using (employing internal justifications to legitimize one's actions) and giving (offering justificatory narratives to others), in shaping the decisions of village officials when confronted with opportunities for misconduct within *Siskeudes*. Existing literature also tends to treat rationalization as an individual psychological process, without considering how collective narratives, local cultural values, or social structures within the village environment reinforce or facilitate such justifications. Recently, no study has integrated the use and giving dimensions to explain how rationalization contributes to fraud incidents in village fund systems. This gap provides a compelling foundation for the present research to develop a more contextually grounded understanding of how rationalization operates within village governance. Table 3.3 presents several summaries of prior studies on the use of rationalization variables across various research contexts, which informed the identification of gaps and the design of this study.

Table 3.3
Summary Review of Rationalization Literature

No	Author & Title	Year	Result	Future Research	Variables	Sample	Theory	Journal Publication
1	Adeoti et al. (2020) Opportunity, job pressure & deviant workplace behaviour: does neutralisation mediate	2020	Rationalization/neutralization mediates pressure on deviant behaviour.	Expand neutralization measures against fraud in government agencies.	Opportunity, Job Pressure, Neutralization (Rationalization) Deviant Behavior	University lecturers	Neutralization Theory	EJMBE, 30(2). DOI:10.1108/EJMBE-08-2017-0002
2	Awang et al. (2020) Fraud triangle theory: Calling for new factors	2020	Rationalization is core to reducing moral guilt; it calls for new fraud factors.	Develop expanded models for village financial fraud.	Pressure, Opportunity, Rationalization	Review	Fraud Triangle	Board, 7.
3	Istifadah & Senjani (2020) Religiosity moderating effect on fraud tendencies	2020	Rationalization significantly increases fraud tendency; religiosity weakens it.	Apply religiosity moderation to village-level fraud.	Pressure, Opportunity, Rationalization, Capability; Religiosity	Employees	Fraud Diamond	JIAFR, 2(1)
4	Putra & Rahayu (2019) Fraud Diamond Theory in Village Fund Management (Demak)	2019	Rationalization found in village officials justifying the misuse of funds.	Identify rationalization patterns across villages.	Pressure, Opportunity, Rationalization, Capability Village Fraud	Village officials	Fraud Diamond	Unimus Proceedings, 2.
5	Umar, Partahi & Purba (2020) Fraud diamond analysis in detecting fraudulent financial reports	2020	Rationalization is strongly linked to fraudulent reporting.	Test rationalization among village treasurers.	Fraud Diamond variables Fraudulent FS	Firms	Fraud Diamond	IJSTR, 9(3).
6	Reskino et al. (2021) Fraud Tendency Through Fraud Pentagon: Unethical Behavior as Mediator	2021	Rationalization justifies bribery and unethical behaviour; mediates fraud.	Study bribery in village fund procurement.	Pressure, Opportunity, Rationalization, Capability, Arrogance; Unethical Behaviour	Employees	Fraud Pentagon	EKUITAS, 5(1).

No	Author & Title	Year	Result	Future Research	Variables	Sample	Theory	Journal Publication
7	Yang & Chen (2023) Cognitive rationalization in occupational fraud	2023	Developed a cognitive rationalization scale; rationalization is a multidimensional concept.	Apply the scale to village fund fraud contexts.	Cognitive Rationalization Dimensions Fraud Intention	Employees	Cognitive Neutralization	Frontiers in Psychology, 14. DOI:10.3389/fpsyg.2023.1112127
8	Haron et al. (2023) Levers of Control & Fraud Diamond in Fraud Prevention	2023	Strong ethical controls and organizational systems reduce rationalization.	Integrate LoC with *Siskeudes* oversight.	Pressure, Opportunity, Rationalization, Capability; Control Levers	Waqf stakeholders	LoC + Fraud Diamond	Economic Affairs, 68(2).
9	Umar et al. (2022) The Role of an Accountant in Detecting Corruption	2022	Rationalization contributes to corruption formation.	Apply to *Siskeudes* auditors.	Rationalization, Opportunity, Pressure Corruption	Public accountants	Fraud Diamond	BIRCI Journal, 5(3).
10	Millar (2024) Do Green Business Practices License Self-Dealing?	2024	Rationalization leads to moral licensing fraudulent intention.	Examine moral licensing among public sector staff.	Moral Licensing (Rationalization), Ethical Climate Fraud	Employees	Moral Licensing Theory	Journal of Business Ethics
11	Lazarus et al. (2025) Fraud as Legitimate Retribution for Colonial Injustice	2025	Rationalization used as a social justification for fraud; neutralization techniques identified.	Investigate rationalization narratives among government offenders.	Neutralization, Rationalization, Fraud Behaviour	Offenders	Neutralization Theory	Deviant Behavior
12	Shanikat (2025) Corporate Governance Factors Mitigating FS Fraud	2025	Governance reduces rationalization-based fraud motives.	Study governance in the village fund context.	Governance, Rationalization FS Fraud	Corporate respondents	Governance Theory	JRFM

3.2.2.4 Capability

Capability, in the context of fraud, refers to an individual's inherent propensity to engage in fraudulent activities, shaped by prevailing opportunities. This capability can be conceptualized as a distinct trait or skill possessed by the individual, which subsequently motivates the perpetrator to engage in fraudulent acts (Wolfe & Hermanson, 2004). However, as posited by Mackevicius and Giriunas (2013), not all individuals possess the capacity to commit fraud, despite having the motivation, opportunity, and awareness. This could be due to a lack of capability or an attempt to conceal the act. Some characteristics associated with capability in fraudulent behavior include an individual's position within the organization, intelligence, creativity, level of confidence or ego, and the ability to lie effectively and consistently. In addition, stress resistance or the ability to manage stress is identified as a significant factor in supporting a person's capability to commit (Wolfe & Hermanson, 2004; Kon et al., 2024). The importance of adequate supervision in controlling capability is also emphasized by Peprah (2018), who states that more intensive supervision is needed to mitigate the risk of fraud. Furthermore, Wu et al. (2021) posit that fraud frequently arises in contexts where individuals wield significant influence, and the organizational accountability system is either dysfunctional or ineffective. In such scenarios, the term "capability" refers to the high self-confidence of the individual perpetrator of fraud, who believes that their actions will not be exposed, or even if exposed, will not result in severe repercussions (Alfordy, 2022; Dorminey et al., 2012). Research conducted by Istifadah & Senjani, (2020) found that the elements of the Fraud Diamond (pressure, opportunity, rationalization, and capability) have a positive influence on fraud tendency. At the same time, personal ethics does not show a significant influence on the tendency to commit fraud. However, the study's findings highlight the pivotal role of religiosity in moderating the influence of the Diamond Fraud elements and personal ethics on the tendency to commit fraud.

A review of prior studies highlights that capability remains underexplored in village fund systems. Existing research primarily focuses on an individual's ability to exploit weaknesses in internal controls, access privileged information, or manipulate system procedures; however, these studies are predominantly situated in corporate, financial, or organizational environments, which do not capture the unique structural and social dynamics present in village governance. Moreover, prior studies have not

examined how structural position within the village administration (position), perceived superiority or elevated self-confidence associated with authority roles (superiority), and technological mastery of applications such as *Siskeudes* (technological capability) jointly enable individuals to direct, manipulate, or conceal fraudulent actions. Most existing research treats capability as a technical competency, overlooking how power relations, hierarchical authority, and digital literacy disparities among village officials may shape how capability is utilized to exploit system vulnerabilities. To date, no study has comprehensively integrated the dimensions of position, superiority, and technology to explain how capability contributes to fraud incidents in village fund systems. This gap provides a strong foundation for the present research to develop a more contextualized and empirically grounded understanding of capability in village financial governance. Table 3.4 presents a summary of several previous studies on the use of capability variables across various research fields, whose findings informed researchers' identification of gaps for further development.

Table 3.4
Summary Review of Capability Literature

No	Author & Title	Year	Result	Future Research	Variables	Sample	Theory	Journal Publication
	Peprah(2018) Predictive Relationships among Elements of Fraud Diamond	2018	Capability significantly predicts fraud behavior; strong supervision reduces it, while intense supervision reduces its impact.	Explore supervisory mechanisms in *Siskeudes.*	Pressure, Opportunity, Rationalization, Capability Fraud	Accountants	Fraud Diamond	IJARAFMS, 8(3). DOI:10.6007/ijarafms /v8-i3/4547
	Sujanaetal. (2019) Testing of Fraud Diamond Theory Based on Local Wisdom	2019	Capability positively influences fraudulent behaviour.	Examine the interaction of capability and cultural norms in villages.	Pressure, Opportunity, Rationalization, Capability Fraud	Local organization staff	Fraud Diamond	Atlantis Press, DOI:10.2991/teams-18.2019.3
	Suryani(2019) Fraud Diamond in Detecting FS Fraud	2019	Capability enables the manipulation of financial statements.	Examine the capability of village fund managers.	Fraud Diamond variables FS Fraud	Manufacturing firms	Fraud Diamond	Nat' 1 Seminar, DOI:10.25105/semnas .vOiO.5780
	Umar, Partahi & Purba (2020) Fraud Diamond Analysis in Detecting Fraudulent Financial Reports	2020	Capability strongly linked to fraudulent FS reporting.	Link capability indicators with *Siskeudes* misuse patterns.	Pressure, Opportunity, Rationalization, Capability FS Fraud	Firms	Fraud Diamond	LTSTR, 9(3).
	Sari et al. (2020) Detection of Fraudulent Financial Reporting using Fraud Diamond	2020	Competence (capability) significantly affects fraud in the property and construction sectors.	Study capability variations among village staff.	Capability (Competence), Pressure, Opportunity, Rationalization, Fraud	Property & construction firms	Fraud Diamond	HSSR, 8(3). DOI:10.18510/hssr.20 20.83109
	Hermawan et al. (2021) Levers of Control & Managerial Performance	2021	Capability interacts with control systems; strong belief systems reduce capability-driven fraud.	Integrate LoC into village fund fraud monitoring.	Capability, Control Systems Performance/Fraud	Managers	LoC Theory	Gadjah Mada Int'l Journal of Business, 23(3).

No	Author & Title	Year	Result	Future Research	Variables	Sample	Theory	Journal Publication
7	Wuetal. (2021) Financial Fraud Risk Analysis Based on Audit Information Knowledge Graph	2021	Capability tied to control of information flow; fraud occurs when accountability breaks down.	Use AI to detect capability-driven fraud in *Siskeudes.*	Capability, Information Access Fraud Risk	Organizations	Fraud Risk Analysis	Procedia Computer Science, 199. DOI:10.1016/j.procs.2022.01.097
	Istifadah & Senjani (2020) Religiosity Moderating Fraud Diamond	2020	Capability positively influences fraud; religiosity weakens the effect.	Study the moderation effects among village officials.	Capability, Pressure, Opportunity, Rationalization; Religiosity	Employees	Fraud Diamond	JIAFR,2(1).
	Andriani et al. (2022) Fraud Pentagon Elements in Detecting Fraudulent Financial Statements	2022	Capability (director turnover) increases the potential for fraud.	Evaluate the impact of leadership turnover on village funds.	Pressure, Opportunity, Rationalization, Capability, Arrogance	Firms	Fraud Pentagon	Linguistics and Culture Review, 6(S1). DOI:10.21744/lingcure.v6nS1.2145
10	Suhetal. (2019) Reducing Opportunity and Fraud Risk Factors	2019	Capability influences the likelihood of occupational fraud when controls are weak.	Control improvements in village fund processes.	Opportunity, Capability, Pressure Occupational Fraud	Financial institutions	Fraud Triangle + Control Theory	Int'l J. Law Crime & Justice, 56.
11	Alfordy (2022) Effective Detection & Prevention of Fraud in Saudi Arabia	2022	Capability linked to concealment skills; auditors detect capability-driven patterns.	Compare public vs village fund auditors.	Capability, Opportunity, Pressure Fraud Prevention	Accountants/auditors	Fraud Theory	Ekonomie a Management, 25(3).
12	Kon et al. (2024) Influence of Pressure on Intention to Commit Fraud	2024	Capability mediates the pressure-fraud relationship; higher capability increases fraud intention.	Study mediating effects in the village context.	Pressure, Opportunity, Rationalization, Capability; Fraud Intention	Employees	Fraud Diamond	Asian Journal of Business Ethics, 2024

No	Author & Title	Year	Result	Future Research	Variables	Sample	Theory	Journal Publication
13	Kroll (2023) Fraud & Financial Crime Report	2023	Technological capability increases the incidence of digital fraud; individuals with high system mastery commit more crimes.	Examine digital capability in *Siskeudes* misuse.	Technological Capability Digital Fraud	Global corporate sample	Cyber Fraud Behavior	Kroll Report (industry report)
14	Haron et al. (2023) Levers of Control & Fraud Diamond Theory	2023	Capability is central to exploiting control weaknesses; LoC reduces the risk of fraud.	Integrate LoC into *Siskeudes* fraud prevention.	Capability, LoC Variables (Diagnostic, Interactive, Boundary, Belief)	Organizations	LoC + Fraud Diamond	Economic Affairs, 68(2).

3.3 Spiritual Work Ethics

Predko, (2020) explains that the term "spirituality" refers to a phenomenon that focuses on one's inner world; spirituality is not merely a component of personality but rather a paradoxical possibility and capacity to "see beyond". Meanwhile, ethics is the study of what can be done, or the science of habits (Bertens, 2024). Ethics is defined as a normative field in science because it plays a role in determining what one should or should not do (Daraio & Vaccari, 2020). The intrinsic value of hard work in work ethics, which comes from the Western tradition as manifested in the Protestant work ethic ideology, also reflects the qualities valued in Islamic civilization as contained in the Qur'an, which states that hard work erases sins, and no one eats better food than what he earns from his work (Hartono, 2020). Therefore, the difference between work ethics based on Islamic principles and other work ethics is related to intentions, how individuals choose their goals, and the source of value determination (Udin, 2024). According to Usmani (2024), an employee who is not socialized with a standard set of ethical principles for professional conduct will rely on a personal code of ethics rooted in his or her moral framework and shaped by similar past experiences. As an aspect of an individual's value structure, spirituality has been empirically and theoretically linked to ethical cognition and can be an important factor in determining how individuals perceive the ethicality of a situation (Teessar, 2024). According to Ali (2015), the basic principles of Islamic work ethics include effort, competition, transparency, and responsible behavior.

The presence of fraud in the government sector can be mitigated by strengthening control mechanisms, including optimizing government auditor inspections. In this context, a strong sense of responsibility among auditors is crucial for detecting fraudulent practices. One factor believed to contribute to this sense of responsibility is religiosity. The concept of religiosity, as defined by (Leventis et al., 2018; Mostafa et al., 2020). refers to an individual's profound adherence to religious doctrines, manifesting in strict compliance with the values, norms, and rules that are in alignment with their religious beliefs. Individuals who exhibit high levels of religiosity tend to internalize moral principles that profoundly shape their perspectives and behaviors in both their professional and personal lives. This heightened commitment to religious principles can influence an individual's professional behavior, particularly in adhering to organizational rules and standards (X. Li et al., 2021). Auditors with a high

degree of religiosity are likely to perceive fraud as a transgression that is directly opposed to their religious beliefs. This perception can motivate auditors to proactively identify, investigate, and disclose any instances of fraud that come to their attention. This assertion is further supported by prior studies showing that individuals with strong religious convictions exhibit lower tolerance for unethical business practices, including financial statement irregularities (Leventis et al., 2018). This observation lends further credence to the notion that an auditor's religiosity can serve as a significant catalyst for the development of a more transparent and accountable government sector.

Research on ethics and religiosity indicates both positive and negative effects on organizational and individual performance. Generally, positive results are observed in the impact of Islamic Work Ethics (IWE) on organizational behavior, performance, and job satisfaction. For example, research by Romi et al., (2020) found that Islamic work ethics had a positive effect on organizational citizenship behavior (OCB), job satisfaction, and organizational commitment. However, job satisfaction did not have a significant effect on organizational commitment. Similar results were also shown by Shaheen et al., (2020), who showed that IWE can moderate the negative impact of organizational nepotism on employee performance, thereby reducing the negative effects of the practice. Another study by Javed et al. (2020) found that transformational and transactional leadership styles positively affect managerial effectiveness, with IWE mediating the relationship between transactional leadership and this effectiveness. However, IWE did not mediate the relationship between transformational leadership and transformational outcomes, suggesting that its influence may vary by leadership type. In addition, (Purnama et al. 2021) confirmed that the Islamic work ethic contributes positively to employee performance, with the transformational leadership style strengthening the relationship more than the transactional leadership style. Research conducted by Al-shamali et al., (2021) shows that the Islamic Work Ethic increases employee commitment to change across affective, normative, and continuance aspects. Additionally, IWE also helps reduce deviant behavior within the organization. However, there are potential negative effects that need to be considered. For example, Sattar et al. (2021) noted that although work ethics can increase productivity, they can also trigger workaholic behavior, which is considered a negative effect if not managed well.

Previous research indicates that other factors, such as ethical culture and spiritual intelligence, may play a greater role in reducing the intention to commit fraud,

even under pressure. Research conducted by Khusnah and Agustina, (2022) found that an ethical culture in the organization can reduce the tendency to commit accounting fraud. This occurs because employees at the company hold strong moral convictions, so organizational pressures cannot influence their behavior, even if the organization promotes an ethical culture. In addition, Mahdi et al. (2021) state that high spiritual intelligence in individuals can prevent fraud by strengthening spirituality and faith, which, in turn, is expected to reduce the intention to commit accounting fraud. This suggests that internal factors, such as spirituality and morality, may play a stronger role in preventing fraudulent behavior than external influences, such as SWE. Previous research by Wijayani and Ratmono (2022) indicated that organizational ethical culture can reduce the likelihood of accounting fraud. This suggests that the moderating effect of SWE may be insufficient, particularly when individuals have a strong moral foundation or are in an environment that strongly supports ethical conduct. These findings suggest that relying solely on SWE may be insufficient to mitigate the negative effects of pressure on fraudulent behavior, and that a more holistic approach is needed to address the fraud problem effectively. In this study, the combination of dimensions that form SWE, namely religiosity, ethics, and wisdom, is expected to have a significant impact on fraud mitigation. Religiosity is expected to shape a heart that fears sin, while ethics shape a mind that knows what is right, supported by wisdom that guides wise actions in any situation.

A review of previous studies reveals that discussions of Spiritual Work Ethic (SWE) have predominantly emphasized the roles of religiosity, ethical conduct, and spiritual values in strengthening ethical awareness and reducing fraudulent tendencies. Although existing research consistently demonstrates that spirituality, Islamic work ethics, religiosity, and related constructs can constrain rationalization, limit the exploitation of opportunities, and reduce the misuse of capability, most of these studies have been conducted in corporate, financial, educational, or conceptual settings. Consequently, they do not fully capture the unique sociocultural dynamics of village fund systems. Furthermore, prior research has not examined how SWE, across its core dimensions of religiosity, ethics, and wisdom, functions as a moderating variable shaping the relationships among pressure, opportunity, rationalization, and capability in the operations of village fund management systems, such as *Siskeudes*. Recently, no study has integrated these three SWE dimensions into a comprehensive model that explains how spiritual work values reinforce moral boundaries and buffer the effects of

fraud diamond components on fraud incidents in village fund systems. This gap provides a strong rationale for the present study to develop a more contextually grounded and theoretically robust understanding of SWE's moderating role within village governance. Table 3.5 presents several summaries of previous studies on religiosity, ethics, and wisdom across various research fields, whose findings inform researchers' identification of gaps for further development.

Table 3.5
Summary Review of Spiritual Work Ethics Literature

No	Author & Title	Year	Result	Future Research	Variables	Sample	Theory	Journal Publication
	Krishnakumar & Neck (2002). The "What", "Why" and "How" of Spirituality in the Workplace	2002	Workplace spirituality fosters ethical awareness and reduces the misuse of opportunities.	Apply spirituality as an SWE moderator in opportunity-fraud models.	Workplace Spirituality	Employees	Spirituality Theory	Journal of Managerial Psychology, 17(3), 153-164.
	Ali(2015). Islamic Work Ethics in a Dynamic World	2015	IWE emphasizes responsibility, transparency, and moral discipline, reducing unethical application of capability.	Use IWE as SWE core dimension moderating capability-fraud.	Islamic Work Ethics	Conceptual	Islamic Ethics	Religions (2015).
	Leventis et al. (2018). The Impact of Religiosity on Audit Pricing	2018	Higher religiosity strengthens ethical sensitivity against rationalization.	Apply religiosity-based SWE to auditing fraud.	Religiosity, Audit Pricing	Audit firms	Ethics / Governance	Journal of Business Ethics, 148, 53-78
	Anindya & Adhariani (2019). Fraud Risk Factors and Tendency to Commit Fraud	2019	Rationalization significantly increases the tendency for fraud.	Insert SWE to moderate rationalization-fraud link.	Pressure, Opportunity, Rationalization, Capability	Employees	Fraud Triangle	IntT Journal of Ethics and Systems, 35(4), 545-557
	Gheitani et al. (2019). Intrinsic Motivation Mediates Islamic Work Ethics —> Satisfaction & Commitment	2019	IWE strengthens intrinsic motivation & commitment, reducing unethical exploitation of capability.	Study SWE enhancing intrinsic motivation to reduce fraud capability.	IWE, Intrinsic Motivation, Commitment	Bank employees	IWE / OB	International Journal of Ethics & Finance, 12(1).

No	Author & Title	Year	Result	Future Research	Variables	Sample	Theory	Journal Publication
	Rustiarinietal. (2019). Why People Commit Public Procurement Fraud? The Fraud Diamond View	2019	Weak internal control creates an opportunity for exploitation in procurement fraud.	Examine the SWE effect on perceived opportunity in village governance.	Pressure, Opportunity, Rationalization, Capability	Procurement officers	Fraud Diamond	Journal of Public Procurement, 19(4), 345-362.
	Predko (2020). Imperatives of Spirituality: Essence and Key Meanings	2020	Spirituality enhances moral clarity and strengthens ethical decision-making, thereby reducing opportunities for fraud.	Operationalize spirituality as an SWE dimension.	Spirituality	Conceptual	Spirituality Theory	Beytulhikme, 10(1), 69-78.
	Romi et al. (2020). Islamic Work Ethics-Based Organizational Citizenship Behavior in Indonesia	2020	IWE promotes integrity, responsibility, and ethical behavior, thereby limiting opportunities for fraud.	Apply IWE to the SWE framework in village fund management.	Islamic Work Ethics, OCB	Lecturers	Islamic Ethics	International Journal of Higher Education, 9(2), 78-84.
	Shaheen et al. (2020). Does Organizational Cronyism Lead to Lower Employee Performance? Moderating Role of IWE	2020	IWE reduces deviant behavior driven by cronyism, thereby reducing opportunities for fraud.	Apply IWE in public finance governance.	IWE, Cronyism	Employees	OB + Islamic Ethics	Frontiers in Psychology, Vol. 11, Article 579560.
10	Mostafa et al. (2020). The Religio sity-Morality Interaction and Auditor Independence in Egypt	2020	Religiosity increases moral boundaries, enhancing resistance to opportunities to commit fraud.	Test religiosity as an SWE component in government auditing.	Religiosity, Morality -• Ethics	Auditors	Ethical Behaviour Theory	Managerial Auditing Journal, 35(8), 1009 - 1031.
11	Maham et al. (2020). Impact of Islamic Spirituality and Islamic Social Responsibility on Employee Happiness	2020	Islamic spirituality elevates ethical reasoning and reduces the misuse of opportunities.	Integrate Islamic spirituality as an SWE dimension.	Islamic Spirituality, ISR	Employees	Islamic Ethics	Cogent Business & Management, 7(1).

No	Author & Title	Year	Result	Future Research	Variables	Sample	Theory	Journal Publication
12	Koomson et al. (2020). Determinants of Asset Misappropriation: Moderating Role of Internal Controls	2020	Weak internal controls enable the exploitation of opportunities in asset misappropriation.	Compare the effectiveness of SWE vs internal controls.	Capability, Opportunity, Internal Control	Employees	Fraud Diamond	Journal of Financial Crime, 27(4), 1143-1159.
13	Daraio & Vaccari (2020). Using Normative Ethics for Building a Good Evaluation of Research Practices	2020	Normative ethics establishes the ethical "ought to do," foundational to the SWE ethics dimension.	Use normative ethics for SWE construct refinement.	Normative Ethics	Conceptual	Ethics	Scientometrics, 2020.
14	Javed et al. (2020). The Relevance of Leadership Styles and Islamic Work Ethics in Managerial Effectiveness	2020	IWE mediates leadership -• ethical effectiveness, reducing exploitation of opportunities.	Analyze leadership - SWE interplay in fraud risk.	Leadership Style, IWE	Managers	Leadership Theory	PSU Research Review, 4(3).
15	Purnama et al. (2021). Leadership Style as a Moderating Variable Influence on the Relationship Between Islamic Work Ethic and Performance	2021	Leadership, inspired by IWE, enhances commitment to ethics and reduces unethical opportunism.	Study SWE-leadership synergy.	IWE, Leadership	Teachers	IWE/ Leadership	Proceedings Vol. 42, 233-238
16	Al-Shamali et al. (2021). The Influence of Islamic Work Ethics on Employees' Responses to Change	2021	IWE builds ethical commitment, suppressing unethical opportunity exploitation.	SWE application in the village government.	Islamic Work Ethics, Change Commitment	Bank employees	IWE Theory	International Business Review, 30(5).

No	Author & Title	Year	Result	Future Research	Variables	Sample	Theory	Journal Publication
17	Sattaretal. (2021). Uncovering the Indirect Impact of Work Ethic on Engineering Students' Productivity	2021	Work ethic affects behavior, including potential negative behaviors relevant to fraud risk.	Examine the negative side of SWE.	Work Ethic, Workaholism	Students	OB Theory	Working Paper
18	Hayati & Amalia, (2021). Religiosity, Morality & Village-Fund Fraud Prevention	2021	Religiosity/morality lower rationalization-based fraud.	SWE-morality model in village funds.	Religiosity, Morality	Village officials	Fraud Prevention	Indonesian Accounting Review, 11(1)
19	Mahdi et al. (2021). Fraud Prevention with Spiritual Intelligence	2021	SI reduces unethical capability misuse.	SI as SWE sub-dimension.	Spiritual Intelligence	Employees	SI Theory	Estudios de Economia Aplicada, 39(12)
20	Wijayani & Ratmono (2022). Early Warning of Organizational Ethical Culture in Accounting Fraud	2022	Ethical culture prevents fraud by minimizing the exploitation of opportunities.	Integrate SWE & ethical culture for fraud early-warning.	Ethical Culture	Organizations	Ethical Culture Theory	ICONBMT Proceedings, 210-218.
21	Arroisi et al. (2022). The Concept of Self-Actualization from Western and Islamic Perspectives	2022	Islamic self-actualization (tazkiyah) reinforces ethical discipline, reducing opportunities for fraud.	Include Islamic self-actualization in SWE.	Islamic Self-Actualization	Conceptual	Islamic Ethics	Zawiyah Jurnal Pemikiran Islam, 8(1)
22	Abdullah et al. (2023). Internal Governance & Fraud Prevention System: Potentiality of the Spiritual Quotient	2023	Spiritual quotient increases governance integrity and reduces opportunities for fraud.	Use SQ inside SWE for fraud prevention.	Spiritual Quotient, Governance • Fraud	Local government	Governance Theory	Journal of Governance and Regulation, 12(4).

No	Author & Title	Year	Result	Future Research	Variables	Sample	Theory	Journal Publication
23	Teessar (2024). Ethics and Science in Philosophy	2024	Normative ethics shape ethical reasoning and can strengthen SWE in fraud mitigation.	Integrate normative ethics into the SWE framework.	Normative Ethics	Conceptual	Ethics	MPRA Paper No. 120932 (2024)
24	Kell et al. (2024) Impact of Motivation & Opportunity on Academic Fraud	2024	Opportunity + pressure increase academic fraud; religiosity mitigates but does not eliminate it.	SWE in academic integrity.	Opportunity, Motivation, Pressure; Religiosity Fraud	Students	Academic Fraud Theory	Journal of Educational Integrity
25	Mandal & Amilan (2024). Fathoming Fraud: Theories & Pathways	2024	Ethics weakens opportunity-driven fraud; spirituality influences the fraud pathway.	SWE + opportunity full mediation model.	Ethics, Spirituality, Fraud Pathway	Conceptual	Fraud Theory	JFC, 31(5), DOI provided
26	Roffia & Poffo (2025). Fraud Polygon Model	2025	Opportunity central node; unethical culture accelerates fraud.	SWE x fraud polygon integration.	Fraud Polygon variables	Firms	Fraud Polygon	JRFM, DOI provided
27	Kundi et al. (2025). Ethics, Faith & Engagement: Voice Climate	2025	Ethics & faith reduce deviant rationalization.	SWE integration for capability & rationalization.	Ethics, Faith	Employees	Ethical Behaviour	Journal of Business Ethics, 198(1), 127-141

3.4 Coping Mechanisms

According to Algorani (2023), the term "coping" refers to the way people respond to and interact with problematic situations. Lazarus and Folkman (1984) defined the word "coping" as the act of "constantly changing cognitive and behavioral efforts to manage certain external and/or internal demands that are judged to overburden or exceed one's resources." They also made it clear that coping is an "effort to manage" the situation and is therefore distinct from the outcome and from "mastery." In other words, coping mechanisms refer to adaptive actions by individuals in response to an event that is considered disturbing and changes the circumstances around the work environment (Bakker, 2021). Coping strategies are carried out by focusing on problems and emotions (Chaaya et al., 2025). According to Stuart and Sundeen (1991), coping strategies that focus on problems can be done by means of confrontation and compromise, while Lazarus and Folkman (1984) stated that the coping strategies can be confrontative and involve seeking social support. Meanwhile, coping strategies that focus on emotions, as put forward by Stuart and Sundeen (1991) and Lazarus and Folkman (1984), are contingent on positive factors, such as identification and sublimation through positive reappraisal, accepting responsibility, and self-control.

Several aspects underpin the fraud prevention process, including ethics, integrity, human values, organizational culture, and the work environment. These elements are important to build into the fraud prevention process, which must be established within a comprehensive framework of regulations or laws that apply equally. It is essential to break the chain of a fraud culture that has become increasingly entrenched in various elements. The following research findings underscore the importance of this element in fraud prevention. Research by Reskino et al. (2023) at a financial institution suggests that, to reduce fraud, Islamic work ethics are necessary within a fraud prevention framework, thereby minimizing potential fraud. In addition, Juhandi (2022) demonstrated that establishing strong ethical norms at the top management level can foster a culture of transparency and accountability, which is critical to combating fraud. Furthermore, integrity plays an important role in the fraud prevention process. Asnawi et al. (2025) found that incorporating integrity and fraud risk considerations into the risk management framework can effectively mitigate asset misuse. In addition, the study demonstrates that implementing a whistleblowing system

and increasing fraud awareness can enhance internal oversight and foster a culture of accountability, where integrity becomes a key benchmark in reducing fraud.

Another aspect is human values, organizational culture and work environment. The integration of humanitarian values and ethical principles within an organization is greatly needed. Research by Suh et al., (2018) found that the most important investment in fraud prevention efforts is internalizing ethical values. In line with these findings, (Tripermata et al., 2023; Warren, 2023) also state that efforts to provide formal training related to ethical behavior can result in continuous improvement in organizational culture, so that unethical behavior and fraudulent practices can be reduced. Still related to organizational culture, according to Wijayani and Ratmono (2022), a strong organizational culture will function as a supervisory mechanism, reinforcing clear standards of behavior that define what is acceptable in an organization. Similarly, the opinions of Andini and Wicaksono (2021) state that building a positive work environment, including a strong code of ethics, regular training, and apparent fraud reporting mechanisms, will be very important in building a fundamentally anti-fraud culture.

In addition to a strong organizational culture, the work environment plays a crucial role in fraud prevention efforts. Widhianingtyas and Hapsari (2023) found that when an organization provides an ethical work climate, values employee opinions, and treats employees fairly, employees are more likely to report unethical behavior, thus acting as a frontline in the fight against fraud. This result is also supported by Tripermata et al. (2021), who found that an ethical culture increases the intention to whistle-blow, thereby facilitating the early detection and prevention of fraud. In line with this, Putra et al., (2021) state that organizational culture can moderate the effectiveness of internal control and community participation in preventing fraud.

3.4.1 Ethics and Integrity

Individual ethics are a set of values that exist within a person, enabling them to distinguish between right and wrong, good and bad, what should be done and what cannot be done. On the other hand, integrity is generally understood as a superior quality that exists as a whole and in individual and organizational contexts; it is also closely related to ethics and grounded in ethical reflection in daily actions (Ariff et al., 2021). While cultivating individual ethics and integrity is a lifelong process, applying these

principles can help address problems related to unethical practices in organizations (Sajari et al., 2018). As opined by Yusoff et al. (2019), integrity and ethics in work and organization are related to the good deeds done at work and all of them are closely related to religious teachings and responsibilities as human beings; thus, the lack of integrity among employees and interested parties will result in administrative malfunctions and fraud within the organization. They also stated that the measure of success in implementing a culture of ethics and integrity in an organization is reflected in reduced fraud cases and breaches of trust (Westmarland, 2025). Nonetheless, a company's ability to prevent its employees from engaging in fraudulent activities depends heavily on the integrity of its workforce. For instance, a police force with poor ethics and integrity is more likely to engage in corruption (Prenzler, 2022). In addition, based on the study by Cahyadi and Sujana (2020), the integrity of the village apparatus reduces the likelihood of fraud in village finance management, and vice versa. Consistent with these results, Saluja et al. (2021) reported that individuals with lower integrity are more likely to be involved in higher levels of mismanagement.

Additionally, integrating ethics and integrity into research policies and responsible-conduct training is essential. Integrating these principles avoids a purely procedural, self-regulatory approach that can undermine the purpose and positive impact of science. Although normative measures may appear repressive when determined solely by law without prior ethical consensus, the law, through a dialogical approach, can provide security for researchers and trust for society. The revised European Code of Conduct for Research Integrity Iasechko et al., (2023) emphasizes the key role organizations play in preventing and detecting unethical conduct, including protecting whistleblowers.

3.4.2 Human Values

According to Gibson and Frakes (1997), individual behavior encompasses all actions performed by a person, such as thinking, speaking, walking, or acting in accordance with an attitude. This attitude determines the extent to which an individual can perform specific tasks (Awang, 2019). If an individual feels their work is rewarding, it will be easier to increase their productivity (Fishbein & Ajzen, 1975). In addition, if an individual exhibits positive feelings toward a transaction, even if it violates generally accepted accounting principles, the decision intention may shift toward violating those

principles. This includes individuals who use illegal means to achieve their life goals (Hendra et al., 2025). Each individual has differences in their behavior. If someone is always honest, then honesty will be attached to them, and vice versa; if they have a fraudulent character, then honesty will be challenging to apply. In addition, the foundation of faith plays an important role in shaping one's personality (Efremov, 2025). Therefore, an individual's behavior is influenced not only by attitudes and evaluations of specific actions, but also by values centered on moral principles and faith.

Practical human resource (HR) management is critical to achieving competitive business goals. In this context, HR plays a role not only in carrying out daily operational tasks but also in making significant contributions to improving the overall effectiveness and efficiency of the organization (Mushtaq et al., 2022). Effective HR management ensures companies recruit the best employees who work with dedication and professionalism to support company goals. Additionally, effective HR management is crucial to creating a safe and productive work environment. It aims to develop a skilled workforce capable of adapting to changing environmental conditions and dynamic business needs (Norhayati et al., 2023). In this process, HR becomes the primary element that enables organizations to face the challenges and opportunities that exist, both within and outside the company (Maskuroh et al., 2023).

HR acts not only as an operational tool but also as a driving force that integrates various activities to achieve organizational goals and objectives. Therefore, strategic and careful HR management is essential to create an ideal work environment that supports team members in achieving common goals (S. A. R. Shah et al., 2023). In the face of rapid, complex change, HR serves as the integrator of various activities to sustain organizational performance and create a work ecosystem that supports productivity and innovation. Thus, effective HR management is the key to addressing various challenges and seizing opportunities in an increasingly competitive era.

3.4.3 Organizational Culture

Tuanakotta (2014) defines organizational culture as the values embraced and shared by the members of an organization, which are reflected in their attitudes, behaviors, and commitment to the organization or company. Organizational culture is not limited to formal values outlined in company policies or guidelines, but also encompasses informal values developed through daily interactions. These values play

an important role in shaping the mindsets, behaviors, and work attitudes of organizational members, which ultimately determine their effectiveness in achieving common goals. Additionally, organizational culture is one of the most significant factors influencing relationships among individuals, leadership styles, and decision-making processes within organizations (Extensis, 2025). Organizational culture encompasses norms, beliefs, and principles that govern the way organizational members interact with one another, both internally and externally. These norms not only guide behavior but also shape the organization's collective identity, giving members a sense of belonging. By providing a consistent framework, organizational culture facilitates coordination and cooperation among individuals, creates harmony, and increases employee loyalty and commitment to the organization's vision and mission (Achievers, 2025). In this context, organizational culture serves as the "glue" that holds the organization's elements together, creating a conducive and productive work environment.

Organizational culture is defined as the set of core values, beliefs, norms, and practices that guide an organization's operations (Tadesse & Debela, 2024). It encompasses the behaviors, communication patterns, and interactions among individuals within the organization, as well as interactions with external stakeholders. A robust organizational culture fosters a healthy, collaborative, and productive work environment, thereby contributing to the organization's long-term success. Organizations with a cohesive and relevant culture tend to demonstrate greater adaptability in the face of external challenges and changes in the dynamic business environment. In contrast, organizations with weak cultures often struggle to foster coordination among individuals, manage conflict effectively, and implement change. Organizational culture encompasses more than rigid formal rules or guidelines; it also establishes an emotional and psychological foundation that influences organizational decision-making and the resolution of challenges (Sumartik et al., 2022). For instance, a culture that fosters transparency, teamwork, and innovation can influence how employees respond to pressures or opportunities in the work environment. Consequently, organizational culture is a critical lever for sustaining employee motivation and ensuring the organization's competitiveness in the market.

Syifa & Ahman (2022) underscored the pivotal role of organizational culture in fostering organizational sustainability and catalyzing innovation in their seminal work. They elucidated that an organizational culture conducive to openness, collaboration,

and continuous learning fosters creativity and adaptability among employees, which is particularly salient in the contemporary era, where innovation is indispensable for long-term success. Organizations that cultivate an innovative culture are better able to adapt to changing environments and enhance their competitive edge by generating added value for customers and stakeholders (Heisterkamp, 2019). Consequently, organizational culture plays a pivotal role in determining an organization's overall success. Beyond establishing internal values, organizational culture can function as a catalyst for enhancing competitiveness, improving performance, and fostering innovation. In the long term, a robust and pertinent organizational culture will enable entities to achieve sustainability (Costa et al., 2020), a state that confers not only financial benefits but also has the potential to exert a favorable influence on the broader social and business environment.

In the context of fraud prevention, it is important to understand that organizational culture plays a central role in creating an environment that supports integrity, transparency and accountability (Panatap, 2024). A healthy organizational culture not only serves as a foundation for promoting ethical behavior but also helps reduce the risk of fraudulent activity that can damage the organization's reputation and stability. A strong culture establishes norms, values, and principles that encourage individuals within the organization to adhere to a mutually agreed-upon code of conduct, thereby fostering a healthy and safe work environment that minimizes unwanted deviations. Awareness of the importance of an anti-fraud culture must be applied holistically at various levels of the organization (Jalil, 2018).

The first step is to build collective awareness of the potential threat of fraud and how to address it through principles that promote integrity. An organizational culture that fosters a strong work ethic, transparent business processes, and an effective control system will automatically reduce the risk of abuse or fraud, which often arises from individuals or groups with ulterior motives (Setyawan et al., 2023). The important role of organizational culture in fraud prevention is also supported by the importance of tone at the top, where leadership plays a critical role in communicating ethical values that guide all members of the organization (Panatap, 2024). Tone at the top fosters high standards in decision-making and job performance, reflecting a strong commitment to integrity. When leaders set a clear example by living up to the company's code of conduct, employees are more likely to follow suit, creating a culture that does not tolerate fraud. Additionally, implementing appropriate policies and procedures is

crucial to fostering an anti-fraud culture. Policies cover not only the legal aspects but also the ethical principles that ensure each individual performs their role in accordance with the prescribed standards. In this case, organizations need to ensure that the policies implemented are not only designed to meet regulatory requirements but also serve as effective controls against potential irregularities that could damage the company's credibility (Florence, 2015).

Research shows that implementing a structured ethics program can significantly reduce the risk of fraud (Johari et al., 2022). This program encompasses various aspects, including ethics training, counseling on the importance of integrity, and ongoing monitoring of business ethics policy implementation. (Lawal, 2024) asserts that a comprehensive ethics program helps shape the collective character of a more ethical organization and indirectly plays a role in creating an environment that is intolerant of fraudulent behavior (Vorecol, 2024). The primary challenge in developing an anti-fraud organizational culture is ensuring consistent application.

Dion (2019) explains that a poorly controlled culture can reinforce dishonest attitudes through a socialization process that is not closely monitored. Therefore, strengthening internal controls and consistently enforcing regulations are necessary to ensure ethical values are applied thoroughly and effectively across the organization. Strengthening organizational ethics not only improves fraud prevention but also fosters a healthier, more harmonious work environment. Rustandy et. al. (2020) showed that organizations with a strong culture have high levels of employee engagement and a work environment that supports innovation. Employees who feel valued and secure in performing their roles in accordance with ethical norms tend to be more productive and loyal to the organization. Fraud prevention efforts focus not only on internal controls but also on how organizational culture can foster transparency and accountability at all levels. By integrating ethics into operational policies, strengthening effective oversight, and setting a tone at the top that prioritizes integrity, organizations can significantly reduce their risk of fraud and improve overall operational quality (Wibowo & Tobing, 2022). As a result, a strong corporate culture is a critical foundation for building sustainable internal and external trust in the organization.

3.4.4 Work Environment

Nusraningrum (2024) defines the work environment as encompassing all physical and non-physical elements that may influence employees' performance in their designated roles. This concept encompasses not only internal factors, such as organizational culture and operational systems, but also external factors, including social interactions and the physical characteristics of the workplace. Awang (2019) posits that a work environment that fosters, endorses, or even tacitly permits unethical actions, such as fraud, is likely to see a substantial upsurge in such behaviors among its employees. Boussema and Belkacem (2022) underscore the pivotal role that prevailing work-environment characteristics play in determining the emergence of ethical or unethical activities. In this context, the environment can function as a catalyst for positive behaviors or, conversely, as an enabler for unethical activities such as fraud (Hardin, 2020). Furthermore, an inefficient, poorly structured, or poorly designed work environment has been identified as a contributing factor to an increased risk of fraudulent activity (Awang, 2019). This suggests that elements such as policies, supervision, and workspace organization play a critical role in cultivating an environment that fosters integrity.

In addition, Asundi (2025) highlights that features of the physical environment, such as space layout, lighting, and security levels, also significantly affect the likelihood of criminal activity, including fraud. A less favorable physical environment may provide opportunities for individuals to commit unlawful or unethical acts. Furthermore, criminals' perception of environmental weaknesses, such as a lack of surveillance or system vulnerabilities, can increase the risk of an individual or organization becoming a target of a breach (Townsley, 2024). Consequently, it is imperative to ensure that the work environment not only fosters productivity but also mitigates the likelihood of fraudulent or unethical activities.

A study by Nabawi (2019) found that the work environment has a positive and crucial impact on employee performance. The same conclusion was reached in a study by Lestary and Chaniago (2017), which found that the work environment plays a crucial role in enhancing employee performance. A supportive work environment fosters employee engagement, thereby improving work performance (Rasool et al., 2025). Conversely, an inadequate work environment has been shown to negatively impact employee performance, resulting in diminished productivity and quality of work.

Companies must prioritize factors that support a healthy, supportive work environment to enhance overall employee performance. Table 3.6 summarizes the literature on coping mechanisms.

Table 3.6
Summary Coping Mechanism Literature

No.	Author	Title	Descriptions	Sources
	Lazarus & Folkman(1984)	Stress, Appraisal, and Coping	Coping is defined as constantly changing cognitive and behavioral efforts to manage internal/external demands that are assessed as exceeding an individual's resources. Explains two key processes: cognitive appraisal (assessment of the situation) and coping (problem-focused & emotion-focused), as well as their impact on physical and mental health.	Book - Springer Publishing https://books.google.com/books/about/Stress_Appraisal_and_Coping.html?id=i-ySQQuUpr8C (books.google.com)
	Stuart & Sundeen (1991)	Pocket Guide to Psychiatric Nursing	Problem-focused coping (e.g., confrontation, compromise) and emotion-focused coping (e.g., identification, sublimation, acceptance).	Book - Mosby-Year Book - Edition info (2nd ed, 1991):
	Bakker (2021)	Job Demands-Resources Theory and Self-Regulation: Coping Inflexibility	A combination of high job demands and low job resources triggers job strain and burnout, especially when the job uses maladaptive self-regulation strategies, such as coping inflexibility and self-undermining. Conversely, adaptive strategies such as recovery and job crafting can reduce the negative impact of job demands.	Article/theoretical study - Job Demands-Resources theory & self-regulation - https://repub.eur.nl/pub/129981 (repub.eur.nl)
	Algorani (2023)	Coping Mechanisms (Stat Pearls)	Coping is defined as thoughts and behaviors mobilized to manage internal and external stressful situations. It is clearly distinguished from more unconscious defense mechanisms. Algorani categorizes various types of coping (problem-focused, emotion-focused, meaning-focused, social/support-seeking) and discusses examples of adaptive vs. maladaptive coping and their implications for mental health.	Reference chapter - Stat Pearls (NCBI Bookshelf) https://eurekamag.com/research/072/022/072022720.php (eurekamag.com)
	Chaaya et al. (2025)	Adaptive versus maladaptive coping strategies: insight from Lebanese young adults navigating multiple crises	Adaptive coping (e.g., problem-focused, seeking social support) is associated with higher well-being, while maladaptive coping (e.g., denial, substance use, self-blame) is associated with higher levels of depression, anxiety, and uncertainty.	Journal article - BMC Public Health https://www.ncbi.nlm.nih.gov/books/NBK559031/ (europepmc.org)

3.5 Hypothesis Development

The first element of the fraud diamond theory to be analyzed is pressure, which significantly influences the decision to participate in fraudulent behavior. This opportunity occurs in contexts where specific conditions permit fraudulent activities to remain unnoticed. These conditions frequently arise from deficiencies in the control system or inadequate governance, facilitating an environment where individuals can commit fraud within the organization (Yalcin, 2023). Sujana et al. (2019) highlighted that pressure has a substantial positive impact on fraudulent behaviour. Additionally, Priyastiwi and Setyowati (2021) found that pressure increases the probability of fraud in the management of village funds, indicating that individuals under pressure are more likely to engage in fraudulent activities. Numerous studies have established a strong relationship between pressure and the incidence of employee fraud (Aghghaleh et al., 2014; Purnamasari & Oktaroza, 2015; Kazemian et al., 2019; Mohamed, 2021). According to the findings, Istifadah and Senjani (2020) argue that financial difficulties, negative behaviours, and work-related stress may increase the risk of fraudulent behaviour. Kusumawati and Dwi (2020) demonstrate that pressure significantly increases the tendency toward accounting fraud. Suryani (2019) indicated that pressure, especially related to financial objectives, positively influences the occurrence of financial statement fraud.

Fraud within the village fund management system can be associated with the Diamond Theory of Deception, initially formulated by Cressey (1953). The fraud triangle comprises three primary components: pressure, opportunity, and rationalisation. The fraud triangle elucidates how these factors interact to facilitate fraudulent behaviour. The Diamond Theory of Deception's emphasis on individual skill as a supplementary component underscores its significance in the context of fraud. Yasa (2024) posits that the presence of an individual capable of identifying and leveraging opportunities facilitates the occurrence of fraud. In the context of village fund management, heightened pressure on administration, budget oversight, and supervision may create opportunities for skilled individuals to engage in fraudulent activities. Purba et al. (2022) suggest that financial pressure and opportunity significantly influence fraudulent activities, especially when internal control mechanisms are inadequate (Dias-Oliveira, 2024). The findings of Al Khasyi, et. al, (2024) highlight the crucial importance of a controlled work environment in preventing fraudulent behaviours in

organisational contexts. Pressure from multiple stakeholders, including the government, community, and external environment, combined with ample opportunities, establishes conditions conducive to fraud. Without individuals possessing the requisite skills to identify and exploit these opportunities, the realisation of fraud remains unlikely. From this argument, we propose the following hypothesis:

H1: Pressure has a significant influence on fraud incidents in the village fund system (*Siskeudes*).

Opportunity constitutes the second element of the fraud diamond theory and is crucial in facilitating fraudulent behaviour. Sujana et al. (2019) argue that the presence of opportunities positively affects fraudulent behaviour. In this context, opportunities denote situations or conditions that enable individuals to engage in unauthorised actions with minimal risk of detection. This indicates that, without stringent oversight and a robust control system, individuals are likely to exploit vulnerabilities to commit fraudulent activities for personal gain. The findings of the current study are consistent with those of Istifadah and Senjani (2020), who established that opportunity plays a significant role in an individual's likelihood of engaging in fraudulent activities. Substantial opportunities allow individuals to exploit positions, data, or organisational assets for personal gain without significant fear of legal consequences. Istifadah and Senjani (2020) argue that, without strong internal control systems, individuals are inclined to exploit existing conditions. Utami et al. (2019) argue that opportunity serves as a fundamental driver for the development of fraudulent intentions. In organisational environments characterised by inadequate procedures and oversight, individuals tend to exploit these weaknesses to pursue unethical goals. Kusuma et al. (2019) demonstrate that opportunity significantly enhances the tendency for accounting fraud. In this context, the alteration of financial statements often arises from the chance to convey misleading information to external parties, which may not be easily identifiable as misrepresentations.

Dashtbayaz et al. (2022) reinforce these findings by demonstrating that an effective and efficient internal control system within an organization can prevent various types of fraud at different levels. A strong internal control system is responsible for reducing or even eliminating opportunities for individuals to misuse data or exploit existing weaknesses. If the organization does not have an adequate control system, the

opportunity to commit fraud is greater, which ultimately increases the risks faced by the organization. Therefore, it is important for organizations to continually strengthen their internal control systems to create a fraud-free environment and maintain stakeholder integrity and trust. These results are consistent with the findings of Tinay et al., (2022), who assert that deficiencies in internal control and ineffective supervision increase the likelihood of fraudulent activity.

Haron et al. (2023) conducted research indicating that a well-structured management control system can significantly diminish the opportunities and pressures that may lead individuals to commit fraud. This study emphasises the significance of interactive control and trust-building as essential strategies for enhancing transparency and accountability within organisational settings. Bancin and Sari (2023) assert that individuals' tendency to exploit system vulnerabilities significantly impacts the prevalence of fraud. These individuals, viewing themselves as capable and bold, undertake actions that do not correspond with their genuine characteristics. The management of municipal financial resources is susceptible to vulnerabilities in oversight, transparency, and accountability systems, which may foster conditions that allow fraudulent activities to go undetected. From this argument, we propose the following hypothesis:

H2: Opportunity significantly influences fraud incidents in the village fund system (Siskeudes).

Rationalisation is the third component of the Fraud Diamond theory, essential for understanding individual motivations behind fraudulent behaviour. Sujana et al. (2019) argue that rationalisation positively influences fraudulent behaviour, as individuals frequently use it to alleviate feelings of guilt or moral pressure, thus enabling unethical actions. The influence of rationalisation on fraud detection, especially regarding village funds management, is supported by the research of Putra and Rahayu (2019). Their findings highlight the importance of understanding rationalisation patterns for the early identification of fraudulent activities. The study by Umar et al. (2020)underscores the considerable influence of rationalisation on financial reports containing fraudulent components. The study employs the model as an analytical tool, demonstrating a strong correlation between rationalisation and financial

data manipulation. Suryani (2019) determined that changes in directors, often reflecting particular rationalisation strategies, positively impact the occurrence of fraud in financial statements. In line with these findings, Istifadah and Senjani (2020) established that rationalisation significantly affects individuals' tendency to participate in fraudulent activities.

Haron et al. (2023) assert that the integration of adequate controls, alongside strong ethical values and religiosity, can reduce the opportunities and pressures that lead to fraud. The integration of these elements enhances the likelihood that organisations foster a transparent and integrity-driven work environment. Tinay et al. (2022) identified findings that illustrate the effectiveness of a control system in decreasing the probability of fraudulent activities, often rooted in rationalisations, such as the perception that using funds for personal benefit is defensible. A further aspect of rationalisation involves the justifications individuals use when providing gifts or bribes, based on the belief that these actions serve as rational methods to attain particular goals (Reskino et al., 2021). This empirical evidence indicates that rationalisation plays a crucial role in the occurrence of fraud, particularly in village fund management systems. Thus, we propose the following hypothesis:

H3: Rationalization significantly influences fraud incidents in the village fund system (*Siskeudes*).

The Fraud Diamond theory asserts that capability constitutes the fourth element of fraud. Sujana et al. (2019) indicate that capability positively influences fraudulent behaviour. This indicates that individuals with greater power, position, or access within an organisation are more likely to engage in fraudulent activities, as they can exploit opportunities without detection. Putra and Rahayu (2019) conducted research that supports these findings, indicating that capability positively and significantly influences fraud detection, especially regarding village funds. This study conceptualises capability as a factor that facilitates individuals' access to resources and information that may be misappropriated and subsequently hidden to perpetrate fraud. A study by Andriani et al. (2022) indicated that the capability variable, represented by director turnover, positively and significantly influenced fraud in financial statements. This study highlights that alterations in leadership or management roles within an organisation,

typically associated with greater access to or control over resources, can increase the likelihood of fraudulent activity. This finding is consistent with the conclusions of Suryani (2019), which indicates that capability positively influences the occurrence of fraud in financial statements. Individuals with high capability demonstrate greater proficiency in manipulating financial data for personal or collective interests.

A study by Istifadah and Senjani (2020) revealed a positive correlation between capability and the propensity for fraudulent behavior. This suggests that individuals with greater capability and access are more susceptible to fraudulent activities. This finding is corroborated by Sari et al. (2020), who identified a positive relationship between capability, as measured by competence, and fraud in village governments in Sidoarjo District. This suggests that an individual's level of competence or expertise within an organization can increase the likelihood of fraudulent activity, as such individuals possess a deeper understanding of how to exploit existing system vulnerabilities. Furthermore, research by Kusuma et al. (2019) also demonstrates that capability exerts a positive and significant effect on the propensity for accounting fraud. This study underscores the notion that the capabilities possessed by individuals in the organization, encompassing knowledge, position, and access to information, engender augmented opportunities to perpetrate accounting fraud, with deleterious consequences for the organization as a whole.

In the Fraud Diamond theory, capability plays a pivotal role in identifying potential fraud within an organization. Research conducted by Haron et al. (2023) demonstrates that capability is associated with individuals' ability to exploit opportunities within the organizational system, thereby increasing the risk of fraud. This research integrates the Fraud Diamond theory with the Levers of Control to develop a framework for fraud prevention in organizations, with particular emphasis on the capability element. The research underscores that capabilities extend beyond the power or position individuals hold in the organization, encompassing skills, knowledge, and access that can be utilized to perpetrate fraud. Capability functions as a catalyst, enabling individuals to exploit vulnerabilities in control systems and evade detection (Hermawan et al., 2021). Consequently, a meticulously designed managerial control system, comprising diagnostic, boundary, interactive, and belief control mechanisms, can serve as a crucial deterrent for competent individuals seeking to engage in fraudulent activities (Suh et al., 2019).

The findings of Haron et al., (2023) show the efficacy of a comprehensive management approach, encompassing the elements of the Fraud Diamond, particularly capabilities, through the implementation of an effective control system. This approach is instrumental in mitigating the potential for fraudulent acts, thereby fostering a more secure and reliable organizational environment. As Dorminey et al. (2010), have demonstrated, individuals in positions of authority tend to have greater access to information resources, which may allow them to engage in fraudulent activities with greater ease. Furthermore, the study revealed that individuals who perceive themselves as having substantial power tend to believe they are above the law, thereby fostering confidence in their ability to commit fraudulent acts. In addition to positional and superiority considerations, another salient factor concerns technological capabilities. Individuals with superior technological mastery have been observed to perpetrate fraud more frequently than those with limited technological proficiency (Kroll, 2023).

Based on the empirical evidence described in the previous paragraph of this subchapter regarding the influence of capability on fraud, it can be concluded that capability plays a significant role in facilitating fraud, particularly in village fund management systems. This assertion is based on the premise that capability confers on individuals the capacity to capitalize on existing opportunities and to misuse resources under their management. This misuse can result in fraudulent activities that inflict harm upon other parties. Based on this argument, the hypothesis is proposed as follows:

H4: Capability has a significant influence on fraud incidents in the village fund system (*Siskeudes*).

Furthermore, this study will explain the results of several previous studies related to the use of spiritual work ethic as a moderating variable, namely, according to Feltz and Cokely (2024), ethics can be understood as an understanding of right and wrong. The integration of religious aspects in professional ethics provides a solid foundation to overcome the shortcomings of current professional ethics codes, which are primarily rooted in rationalism alone (Langerak, 2022). Miller (2023) states that the possession of work ethic values cannot be separated from one's level of religiosity. Therefore, a similar set of spiritual principles, such as honesty/truth, trust, humility, forgiveness, compassion, gratitude, service, and serenity/security, is essential for

employees to thrive and progress in the modern business world. In addition, Islamic work ethics are important to implement in the workplace because they provide benefits not only to individual Muslims who are guided by these principles, but also to those who are not Muslim (Chupradit, 2022). For example, according to Al-Arimi et al. (2016), Islamic work ethics significantly affect the relationship between organizational performance, infrastructure capacity and knowledge management processes.

The existing study by Istifadah and Senjani (2020)indicates that an individual's religion is directly correlated with a reduced propensity for fraudulent behaviour. Furthermore, Hayati and Amalia (2021) suggest that the cultivation of individual morality among village officials is a crucial strategy for preventing fraudulent practices. Sahla and Ardianto (2022) assert that ethical standards might serve as a deterrent to cheating, especially in the context of external auditor settings. Based on these arguments, the hypotheses regarding Spiritual Work Ethic as a moderating variable will be discussed one by one as follows:

This study suggests that greater emphasis on ethical culture and spiritual intelligence may be crucial for reducing the tendency toward fraudulent behaviour, even under significant pressure. A pivotal study by Khusnah and Agustina (2022) demonstrates that a strong ethical culture within organizational frameworks can significantly deter accounting fraud. This phenomenon arises from the strong moral integrity demonstrated by individuals within the organizational environment, which makes them resistant to external pressures, even when the organizational culture promotes unethical behaviour. Mahdi et al. (2021)argue that elevated spiritual intelligence in individuals may deter fraud by enhancing spirituality and faith, thereby reducing the intention to commit accounting fraud. This indicates that internal factors, including spirituality and morality, may play a more significant role in mitigating fraudulent behaviour than external influences such as SWE.

Several prior studies have examined the relationship among spiritual work ethic, pressure, and fraud in organizational and technological contexts. In their 2024 study, Stahl and Eke (2024) highlighted the ethical implications of emergent technologies such as ChatGPT, underscoring social justice, accountability, and environmental concerns that can influence ethical decision-making and potentially increase the risk of fraud (Stahl & Eke, 2024). Ariail et al. (2021) examined the perception of ethical leadership and political skills in an accounting context, which showed a high correlation between the two. The results of this study indicate that ethical sensitivity can be influenced by

political factors and work experience, which in turn can affect fraud-related decision-making (Ariail et al., 2021).

A study conducted by Hong et al. (2022) investigated the correlation between the quality of codes of ethics and audit fees, revealing that customers with worse codes of ethics face an increased risk of lawsuits and necessitate greater audit costs. This indicates that a deficiency in ethical integrity within the organisation may precipitate fraud, resulting in increased costs for the corporation. Azhar et al. (2022)examined the legalisation of predominant business ethics regulations through a socio-cognitive identity approach, emphasising the risk of excessive individualisation of accountability, which may impose further stress on employees within the framework of stringent fraud prevention.

Murikah et al. (2024) emphasised the need for openness, accountability, and regulation in managing bias and ethics in Al systems utilised in auditing. This investigation confirmed that insufficient ethical safeguards may increase the likelihood of fraud. Conversely, Wijayani and Ratmono (2022) suggest that organizational ethical culture can serve as a mitigating factor against the proclivity for accounting fraud. This lends credence to the notion that the moderating influence of SWE may be inadequate, particularly in circumstances in which individuals possess a robust moral compass or are part of an organizationally oriented, profoundly ethical milieu. These findings imply that reliance on SWE alone may be insufficient to counter the deleterious effects of pressure on fraudulent behavior. A more comprehensive approach is necessary to adequately address fraud.

Webster et al. (2023) define "religiosity" as related to an individual's spiritual beliefs and practices. It is noteworthy that religious individuals frequently demonstrate a hesitance to yield to fraud or significant pressure, which may obscure the impact of this dimension of religiosity. The study conducted by INSTNT (2023) highlights the importance of moral values in decision-making during high-pressure situations. The study indicates that wisdom alone may be insufficient to address urgent demands in these situations, emphasising the necessity for individuals to draw upon their moral values while sustaining their wisdom under pressure. An alternative ethical perspective on this spiritual work ethic is presented through the ethical dimension, wherein the principles and values guiding an individual's actions may be compromised under significant pressure, particularly in the absence of viable alternatives to the challenges encountered (Kroll, 2023). From this argument, we propose the following hypothesis:

H5: Spiritual work ethic moderates the relationship between pressure and fraud incidents in the village fund system (*Siskeudes*).

The sixth hypothesis posits that the spiritual work ethic moderates the relationship between opportunity and the propensity to engage in fraudulent behaviour. Opportunity serves as a fundamental catalyst for fraudulent behaviour, frequently arising from weaknesses in internal controls, insufficient oversight, or systemic vulnerabilities that individuals may exploit (Roffia & Poffo, 2025). Spiritual Work Ethic (SWE) is a concept that is often regarded as capable of reducing opportunities for fraud by establishing clear structures, stringent procedures, and robust internal controls. The presence of SWE is expected to reduce opportunities for fraud, as a standardised work system will enhance supervisory effectiveness and complicate the exploitation of system weaknesses. The research conducted by Mandal and Amilan (2024) produced a novel model that integrates fraud theory with a personal ethics framework. This integration clarifies the influence of spirituality on fraudulent behaviour, especially in contexts with ample opportunities. The research suggests that ethical considerations may be overridden in the face of significant opportunities, particularly when control is perceived as inadequate.

The presence of ineffective controls or governance systems within an organization can create opportunities for individuals to engage in fraudulent activities. In the field of accounting, these ineffective controls are referred to as "internal control weaknesses." Various factors increase the likelihood that employees commit fraud within an organization. These factors include a lack of disciplinary action, negligence, or the violation of personnel policies (Rustiarini et al., 2019). As posited by Pamungkas (2018), employees' capacity and fortitude to discern vulnerabilities inherent in organizational systems and to exploit them can catalyze fraudulent activities. Two key factors that foster such activities are the organization's vulnerability to manipulation and conditions that engender fraud within the organization.

Spiritual work ethics play a pivotal role in curbing fraudulent activities and fostering ethical conduct within professional and academic settings. A study by Kowaleski et al. (2020) underscores the significance of integrating ethical principles into professional training, demonstrating a substantial decline in the propensity for unethical behavior among investment advisors. The findings reveal that advisors who sat for exams with a greater proportion of ethics- and rule-based content were 25% less

likely to commit violations than those who sat for exams with minimal emphasis on ethical content. This underscores the significance of fortifying ethical values in professional education and training to enhance integrity and mitigate the risk of fraud. In a related study, Shahmoradi and Rahmanian (2020) examined the impact of religiosity on the propensity for fraud in accounting. The findings indicated that religiosity, grounded in moral values, exerted a negative influence on the inclination to engage in fraudulent activities. This further supports the notion that spirituality can influence the level of fraud, particularly in professional contexts that demand high levels of accountability. Furthermore, Reinhold et al. (2021) examined students' motivational and emotional orientations in facing self-regulation challenges in higher education, finding that students with more promising orientations reported higher expectations of success and a greater need for social interaction in the learning process. These results suggest that motivational and emotional dimensions, often associated with a spiritual work ethic, may shape ethical behavior in educational settings. Concurrently, research by Kell (2024) underscored the impact of motivation and opportunity in amplifying academic dishonesty, particularly in the context of online assessments. The study indicated that religiosity mitigates the propensity for unethical behavior, although prevailing pressures and inadequate time management often overshadow it.

In contrast, Utomo et al. (2021) examined the impact of individual intentions on fraudulent behavior, emphasizing the moderating effect of religiosity. Their findings indicated that religiosity did not substantially moderate the relationship between individuals' intentions to commit fraud and subsequent actions. However, opportunity and rationalization continued to exert a positive influence on the intention to commit fraud. This study underscores the significance of other factors that can influence ethical behavior, beyond the scope of religiosity as a moderating variable. In a similar vein, Istifadah and Senjani (2020) integrated the elements of the Fraud Diamond, namely pressure, opportunity, rationalization, and capability, and found that religiosity can moderate the relationship between these elements and fraud tendency. This research confirms that spirituality not only plays a role in reducing fraud but can also serve as a significant moderating factor in different contexts, including the financial and academic sectors.

A spiritual work ethic can enhance integrity and reduce unethical behaviour, particularly in professional settings. To effectively reduce fraud, organizations should integrate Software Engineering practices with other methodologies, including

promoting an ethical culture, educating employees on the importance of integrity, and leveraging technology to strengthen internal controls. This comprehensive strategy may be more effective in minimizing opportunities for fraud and reducing the organization's risk of fraud. Thus, the hypothesis is proposed:

H6: Spiritual work ethic moderates the relationship between opportunity and fraud incidents in the village fund system (*Siskeudes*).

This study examines the hypothesis that spiritual work ethic moderates the relationship between rationalisation and the propensity to commit fraud. Rationalisation, as articulated by Cressey (1953), refers to the process through which individuals provide justifications for their fraudulent behaviours, even when such actions contravene recognised ethical or legal standards. This rationalisation process reduces or removes the guilt felt by individuals involved in fraudulent activities. This phenomenon arises as individuals employ rationalisation to resolve internal moral conflicts stemming from a perceived discord between their actions and the moral and legal principles they uphold. The Spiritual Work Ethic (SWE) serves as a moderating variable that influences the strength of the relationship between rationalisation and the likelihood of committing fraud. SWE denotes the spiritual values and work ethics that direct individuals in fulfilling their duties and responsibilities with integrity, honesty, and adherence to high moral principles. The hypothesis posits that, when SWE is present, individuals will be more adept at regulating the rationalisation process, often recognised as the main driver of fraudulent behaviour. The findings of research by Zou et al., (2023) support this viewpoint, indicating that religiosity often serves as a mitigating factor in individuals' likelihood of engaging in unethical behaviours, such as fraud. In contrast, individuals possessing robust ethical principles generally exhibit integrity and responsibility, even when faced with opportunities for fraudulent conduct (Hermanson & Wolfe, 2024).

The present study hypothesizes that the spiritual work ethic can strengthen internal control over the urge to rationalize unethical actions, thereby rendering individuals more sensitive to potential moral or legal violations. In this study, hypothesis H7 posits that SWE may weaken the association between rationalization and the propensity to commit fraud. In summary, individuals with a strong spiritual work

ethic are more likely to refrain from or reduce the tendency to rationalize behaviors that are incongruent with their moral values, thereby averting fraudulent activities. In accordance with Hermanson and Wolfe (2024), individuals with strong spiritual beliefs are more likely to reject behaviors that contradict their moral values, such as integrity and honesty. Concurrently, research outcomes presented by Kundi et al. (2025) indicate that individuals who possess a pronounced degree of wisdom tend to possess the capacity to discern the long-term ramifications of their actions, encompassing the repercussions they may encounter as a consequence of engaging in fraudulent behaviors.

Rationalization has been identified as a significant motivator for individuals contemplating fraudulent activities (Dias-Oliveira, 2024). This psychological tendency involves justifying one's actions, thereby reducing the guilt associated with them. Rationalization enables individuals to validate their behaviour morally, even when it involves violations, such as the fraudulent misuse of assets. This assertion is supported by previous research by Mardiah (2021). Research by Meihendri et al. (2022) explored rationalization in the context of financial statement fraud, highlighting that executives involved in false financial reporting often rely on rationalization to justify their actions. These prior studies collectively build a strong theoretical and empirical foundation for the hypothesis that rationalization plays an important role in influencing fraud tendencies in the asset management domain (Anindya & Adhariani, 2019; Hashim et al., 2020; Mohamed et al., 2021).

The current findings indicate that, in a standardised work environment, individuals may face restricted opportunities to rationalise cheating, as stringent rules and procedures complicate moral justification. In situations where work standards are inconsistently applied, individuals may more easily find justifications for their fraudulent behaviour, even when such behaviour is considered unacceptable. In conclusion, these findings suggest that the effective implementation of SWE can be a crucial tool in fraud prevention. Organisations can significantly reduce the risk of fraud by limiting the opportunities for individuals to rationalise their actions. Hence, we propose the following hypothesis:

H7: Spiritual work ethic moderates the relationship between rationalization and fraud incidents in the village fund system (*Siskeudes*).

The extent to which an individual may perpetrate deception is significantly affected by the amount of SWE. Research indicates that when SWE escalates, the impact of individual talents on dishonest behaviour correspondingly intensifies. This study indicates that SWE mediates the relationship between capacity and fraud, thereby enhancing our understanding of how individual capability may affect ethical behaviour. According to the findings of Abdullah et al., (2023), the spiritual quotient has been shown to improve the effectiveness of internal control mechanisms established by the government to combat fraud inside local governments in Indonesia. This discovery strongly aligns with the findings of Saputri et al. (2023), who determined that spiritual intelligence serves as a mediating factor in the influences on fraudulent inclinations, including the use of financial information systems.

The concept of "individual capabilities" in the context of fraud refers to an individual's potential to engage in unethical acts, encompassing their aptitudes, awareness, and intellect (Koomson et al., 2020b). However, the absence of substantial SWE may impede the transition of these capabilities into fraudulent actions. SWE functions as a moderating factor, determining the extent to which these capabilities can be translated into fraudulent acts. When SWE is high, individuals are more likely to refrain from cheating, even when they have the capacity to do so, because strong ethical and spiritual values encourage ethical behavior. Islamic spirituality, which is part of SWE, is considered an important dimension of a person's personality. Organizations that support spirituality can improve work ethics and individuals' resistance to pressure to commit fraud (Krishnakumar & Neck, 2002; Maham et al., 2020). The process of self-actualization in Islam, which involves balanced social development through self-correction (*tazkiyatu nafs*). (Arroisi et al., 2022; Rothman et al., 2024) suggests that individuals with high levels of spirituality will have stronger work ethics and be better at addressing ethical challenges. A robust work ethic exerts a direct influence on job satisfaction and organizational commitment (Gheitani et al., 2019). Individuals who possess both high spirituality and a strong work ethic demonstrate an enhanced capacity to refrain from unethical behavior, even when such actions are potentially feasible. Consequently, SWE functions as an effective deterrent to fraudulent conduct, promotes workplace integrity, and fortifies commitment to ethical principles.

It is essential to emphasise that SWE serves a crucial moderating function in the relationship between individual ability and the incidence of deception. This argument contends that although individuals may possess the capacity to commit fraud,

heightened spirituality and a robust work ethic may reduce the likelihood of such behaviour. The incorporation of spiritual values in the workplace not only mitigates the propensity for unethical behaviour but also strengthens work ethics and dedication to ethical standards. In light of the reasons above, we propose the following hypothesis:

H8: Spiritual work ethic moderates the relationship between capability and fraud incidents in the village fund system (*Siskeudes*).

3.6 Research Framework

This study aims to uncover factors influencing fraud incidents in village fund systems, as outlined in Chapter 1. This study aims to analyse the factors that facilitate fraud in village fund administration and to identify preventive strategies to mitigate risk, emphasising the importance of openness and integrity. Chapter 2 describes several pieces of literature related to this study, namely fraud, village funds in Indonesia, and fraud factors. Chapter 3 employs the diamond theory of fraud, including pressure, opportunity, rationalization, and capability, as the primary analytical framework. This theoretical model will be examined to elucidate the interplay among these components and their influence on the likelihood of fraud happening. This study introduces the incorporation of spiritual work ethics as a moderating variable. It is posited that spiritual work ethics, by embedding robust moral and ethical principles in village fund management, can enhance fraud prevention initiatives. A survey methodology is employed to collect quantitative data and examine trends in variables associated with fraud. At the same time, open-ended enquiries concerning coping strategies yield comprehensive insights into participants' experiences and perspectives on village fund administration and potential fraud vulnerabilities.

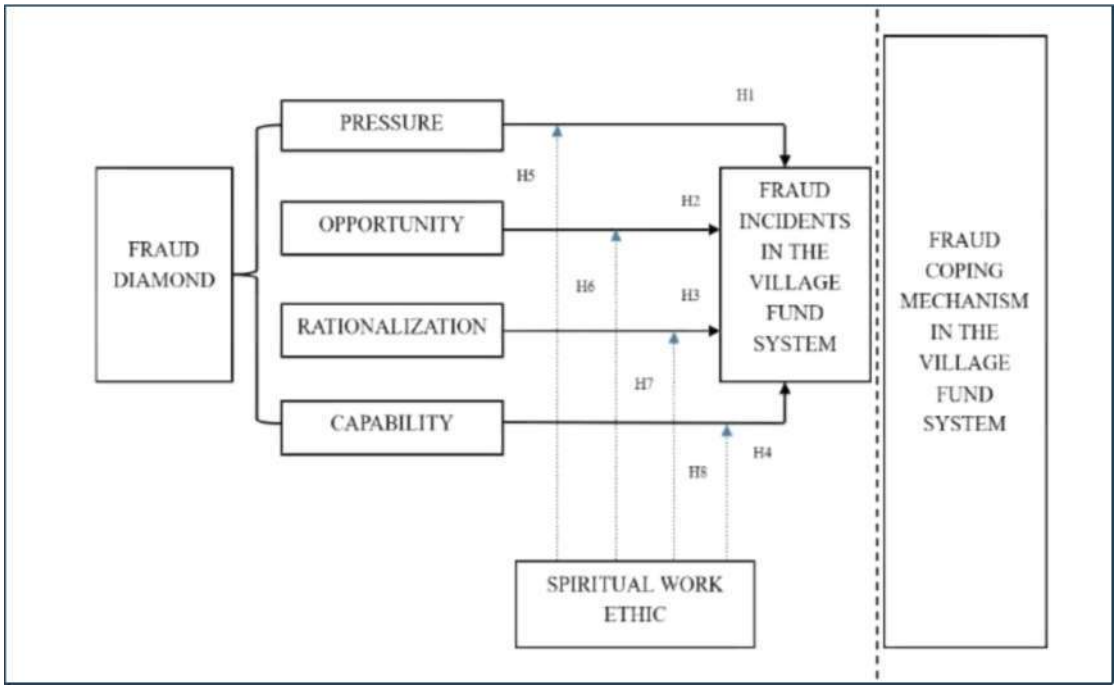


Figure 3.2 Research Framework

Figure 3.2 was created as a conceptual framework derived from prior research, serving as a visual instrument to depict the interconnections among elements affecting fraud incidents in the village fund system. This study aims to provide a thorough understanding of the intricacies of village fund administration and to examine how diverse internal and external factors may influence the likelihood of fraud, either exacerbating or mitigating it. This study aims to produce comprehensive insights into the phenomenon of fraud within village fund management by integrating quantitative data with open-ended questions. This study's findings are anticipated to substantially enhance the development of improved policies and practices in village fund management, fostering a more robust, transparent, and ethical environment at the village government level.

3.7 Chapter Summary

The rationale behind the end of Chapter 3 is to put up an overall framework concerning the determinants of the occurrence of fraud in using the village fund system, followed by the application of the mechanism of spiritual work ethics as a modifying variable and the coping with fraud aspects to further enrich the findings of the study in a broader perspective. Pressure, opportunity, rationalization and capability comprise the elements of the fraud diamond theory, which play significant roles in leading to fraud

activities in the administration of the village, especially the handling of village finances using Siskeudes. Spiritual work ethic should be a variable that mediates efforts to prevent the development of fraud in the future. The overall assessment aims to provide further insight into the interdependence among the factors in this study and their roles in combating fraud in village finances, as depicted in Figure 3.2. The following Table 3.7 shows the general hypotheses of this research.

Table 3.7
Summary of Hypothesis

Hypothesis	Relationship
H1	Pressure has a significant influence on fraud incidents in the village fund system (*Siskeudes*).
H2	Opportunity significantly influences fraud incidents in the village fund system (*Siskeudes*).
H3	Rationalization has a significant influence on fraud incidents in the village fund system (*Siskeudes*).
H4	Capability significantly influences fraud incidents in the village fund system (*Siskeudes*).
H5	Spiritual work ethics moderate the relationship between pressure and fraud incidents in the village fund system (*Siskeudes*).
H6	Spiritual work ethics moderate the relationship between opportunity and fraud incidents in the village fund system (*Siskeudes*).
H7	Spiritual work ethics moderate the relationship between rationalization and fraud incidents in the village fund system (*Siskeudes*).
H8	Spiritual work ethics moderate the relationship between capability and fraud incidents in the village fund system (*Siskeudes*).

CHAPTER 4
RESEARCH METHODOLOGY

4.1 Introduction

This chapter describes the methodology used in this study, starting with an explanation of the research design in subchapter 4.2. In subchapter 4.3, the study's population and sample are described in detail, including the sampling method, the rationale for using a questionnaire, the pilot study, and the data collection process. Next, in subchapter 4.4, the measurement process for each variable related to research objectives 1 and 2, which are the determinants of fraud incidents in the village fund system, is explained. Then, in subchapter 4.5, the discussion was about the elements of coping mechanisms. In the next stage, Chapter 4.6 explains the data analysis used in this study, namely SEM-PLS. The last subchapter, Chapter 4.7, presents a summary of this chapter.

4.2 Research Design

Research design encompasses various types of methods, including qualitative, quantitative, and mixed methods (Creswell, 2009). Sekaran and Bougie (2017) specifically explain that research design serves as a working paper for data collection methods, measurement strategies, data analysis, and the analytical steps that will be used to answer research questions. This indicates that researchers must select the appropriate methodology that aligns with the research objectives and the importance of respondents in answering research questions.

This study uses a quantitative approach to address the research objectives holistically. Specifically, it employs Structural Equation Modeling (PLS-SEM) to test hypotheses regarding fraud determinants and descriptive statistics to explore coping mechanisms based on structured questionnaire responses. The objectives of this study are to understand complex phenomena and gain deeper insights. By analyzing respondents' answers on the determinants of the variables and the elements of fraud-coping mechanisms, supported by statistical analysis, this study is expected to provide a more comprehensive picture of the issues under study. Specifically, a questionnaire

was developed to collect primary data on factors contributing to fraud, ethical standards in spiritual work, fraud incidents, and strategies to prevent fraud in the village fund system. The results of this study will be analyzed in depth to identify patterns and trends. Thus, this research will not only provide helpful information for policymakers but also serve as a basis for recommendations to prevent fraud in the future. In this study, the questionnaire is divided into three (3) main sections: Section A covers respondent demographics; Section B comprises structured research questions using a 5-point Likert scale; and Section C consists of multiple-response questions.

This research approach involves developing a questionnaire, which is then distributed to target respondents. The process of answering survey questions begins with understanding the questions, then retrieving information from the respondents' memory, which is estimated based on the respondents' motivation and readiness, honesty, and finally producing answers that are consistent with the answers given in the survey (Lietz, 2010). Developing a high-quality questionnaire requires careful consideration (Totten et al., 1999). Therefore, to ensure the quality and validity of the questionnaire, several important steps were taken during its development.

In the initial stage, questions for each variable under study were formulated. All variables used to test the hypotheses in this study were drawn from existing measurement scales and adapted to the study's context. Furthermore, the final questionnaire is distributed to academics and experts in their respective fields, as well as to village officials. This step aims to obtain input on the initial questionnaire concept to improve its quality and relevance to the research. Input from these parties is very important because it is used as a basis for determining whether the indicators used are appropriate to the context and suitable for distribution to the intended respondents, namely, village officials. The questionnaire will be tested in the third phase, involving 30 village officials, to ensure its validity and reliability. This phase is critical for refining the questionnaire, improving its accuracy, and ultimately establishing a solid foundation for rigorous data collection and analysis.

Every study has specific objectives that serve as important sources of information. These objectives are known as units of analysis. The levels of units of analysis vary from individuals to groups or even entities such as organizations (Bhattacherjee, 2012). The village government, as an organizational unit, is the unit of analysis in this study, which is led by the village head in the village management process. The village government comprises at least five main positions: village head,

village treasurer, village secretary, head of government affairs, head of finance, and village staff, all of whom are eligible to complete the research questionnaire. This is done because every village government official has the same opportunity to fill out the questionnaire if their duties are related to the use of the village fund system. Thus, a deep understanding of all positions related to village fund management can help contribute to the research. This method was chosen because this research is cross-sectional and uses a one-time data collection technique (Creswell, 2009).

The data collected for this study are primarily numerical scores obtained from a rating scale integrated into the research questionnaire. After the process is complete, the next step is data processing. In this study, Partial Least Squares Structural Equation Modeling (PLS-SEM) is used to analyze quantitative data. This quantitative approach focuses on testing theory through the measurement and analysis of variables using statistical data to test the formulated hypothesis. This method was chosen to enable generalization of more specific findings related to government decision-making. This study also adopts a causal approach to assess the direction of the relationships between exogenous and endogenous variables, as well as the role of moderating variables in the relationships between independent variables. The choice of variance-based structural equation modeling (PLS-SEM) was considered because the data used were not normally distributed and the amount of data was limited, which did not allow the use of covariance-based structural equation modeling (Hair et al., 2022). This study utilized Smart-PLS software to analyze the data obtained. This method will produce two stages of analysis: first, the measurement of the outer model, which ensures data quality through outer loading tests, convergent validity, discriminant validity, and collinearity and second, the inner model test, which will assess inferential statistics by calculating path coefficients and bootstrap results (Amora, 2021).

By integrating the results of quantitative data (Likert scale) and descriptions from multiple response questions into a single survey instrument, this research design ensures a comprehensive and in-depth understanding of the factors that influence fraud incidents in the village fund system, as well as strategies to anticipate and prevent them.

4.3 Population and Sampling Technique

4.3.1 Population and Sampling

According to Neuman (2021), the population includes all research subjects, namely individuals or groups with similar characteristics, even if the level of similarity is minimal. All individuals selected as research objects or subjects are referred to as the population. Adds that the population is a generalization consisting of objects or subjects with specific qualities and characteristics that are determined by the researcher to be studied, and then conclusions are drawn (Creswell & Creswell, 2022). Sekaran and Bougie (2020) define population as a group of people, events, or objects that have specific characteristics and are used as research objects.

In this study, the population comprises users of the village fund system, ranging from end users to village managers in Central Java Province. Users of the village fund system include village officials directly involved in its administration, ranging from village heads to village fund system operators. According to data from the Central Java Statistics Agency (BPS, 2021), there are 7,810 villages across 29 districts in Central Java. Because researching the entire population directly is often not feasible due to limited time, resources, and costs, sampling techniques are a strong consideration when selecting a representative sample. In this study, purposive sampling is considered more appropriate. An in-depth understanding of the concept of population and this sampling technique is essential for producing valid and reliable research, because the quality of research results depends heavily on the accuracy with which samples are selected to represent the population.

Table 4.1
Total Number of Villages in Central Java

No.	District	Number of Villages
1	Cilacap	269
2	Banyumas	301
3	Purbalingga	224
4	Banjarnegara	266
5	Kebumen	449
6	Purworejo	469
7	Wonosobo	236
8	Magelang	367
9	Boyolali	261

No.	District	Number of Villages
10	Klaten	391
11	Sukoharjo	150
12	Wonogiri	251
13	Karanganyar	162
14	Sragen	196
15	Grobogan	273
16	Blora	271
17	Rembang	287
18	Pati	401
19	Kudus	123
20	Jepara	184
21	Demak	243
22	Semarang	208
23	Temanggung	266
24	Kendal	266
25	Batang	239
26	Pekalongan	272
27	Pemalang	211
28	Tegal	281
29	Brebes	292
Total Number of Villages		7,809

Source: Developed for present research

Based on the number of villages in Central Java in Table 4.1, the total population to be included in this study can be determined by totaling the total number of respondents from each village, which includes the Village Head, Village Secretary, Village Treasurer, Head of Finance, Village Consultative Body, Welfare and Service Section, Head of Government, Head of General Affairs and Planning, Head of Sub-Village and Village Finance System Operator. Multiplying the total number of villages (7,809) by 10 respondents per village yields a total population of 78,010.

Furthermore, Sekaran and Bougie (2020) state that a sample is a part or representative of the population under study. In this study, the unit of analysis includes individuals who have direct or indirect relationships with the *Siskeudes* system, such as Village Heads, Village Secretaries, Village Treasurers, Heads of Finance, Village Consultative Bodies, Welfare and Service Sections, Heads of Government, Heads of General Affairs and Planning, Heads of Sub-villages, and Village Fund System

Operators. The sample was selected using purposive sampling. Purposive sampling, according to Sekaran and Bougie (2020), is a method of selecting samples based on specific objectives or criteria. In this study, the sample was selected based on criteria for village officials who understand and are involved in the planning and management of village funds through the village fund system.

Besides that, Purposive sampling was used because this study required respondents who were directly involved in village fund management and the use of *Siskeudes,* so that only village officials—such as the village head, secretary, treasurer, and financial staff—were able to provide valid information related to the Fraud Diamond variables (pressure, opportunity, rationalization, capability) and Spiritual Work Ethics. This approach is in line with the methodological view that purposive sampling is appropriate when respondents must have specific characteristics or experiences to understand the research phenomenon substantively (Sekaran & Bougie, 2020; Creswell & Creswell, 2022). Thus, this technique ensures that data are obtained from information-rich respondents who can provide substantial analytical value for testing the causal relationship between Fraud Diamond factors and fraud incidents in village fund systems.

According to Campbell et al. (2020), the advantage of purposive sampling is time and resource efficiency, because researchers can directly access individuals who have the information needed. However, a disadvantage is the potential for bias, as the selected sample may not represent the population as a whole. Therefore, it is important for researchers to clearly and objectively define sample selection criteria to minimize bias and ensure the validity of research results. Since the population of village fund system users has been obtained, the sample size for system users is calculated using the formula developed by Yamane (1967):

$$1+N(e)^2$$

Where:

n = Sample Size

N = Population Size

e = Desired level of precision

Therefore, the resulting sample size required is:

$$n = \frac{78{,}010}{1+78{,}010\ (0.05)^2}$$

$$= 398 \text{ respondents}$$

4.3.2 Survey Instrument Design

The questionnaire is a tool used to collect primary data in this study. According to Sekaran and Bougie (2020), a questionnaire is defined as a series of written questions that have been formulated in advance for the respondents to answer. In order to avoid and minimize errors in this study, it has been designed with consideration of three main principles as conveyed by Sekaran and Bougie (2020), namely the principle of grammar, the principle of measurability and the format of writing. The questionnaire used in this study was developed and adapted from questionnaires that have been used in previous studies, such as (Said et al., 2017; Abdullahi & Mansor, 2018; Putra & Rahayu, 2019; Koomson et al., 2020; Yusuf et al., 2020; Ratmono & Frendy, 2022; and Sahla & Ardianto, 2022).

The questionnaire structure in this study is designed to be simple and easy for respondents to understand, to increase the response rate (Sanchez & Bonillo, 2021). Before data collection, the questionnaire was prepared and submitted to the University Technology Research Ethics Committee (MARA) for approval, after which it was distributed to respondents. In this study, the approval letter from the UiTM Research Ethics Committee was issued on July 24, 2023, with the number REC/07/2023 (PG/MR/258). In this study as a whole, the questionnaire consists of three (3) parts as described in Table 4.2 below.

Table 4.2
Structure of the Questionnaire

Section	Description
A	Demographic Profile
B	Independent Variables (Pressure, Opportunity, Rationalization, Capability)
	Moderating Variable - Spiritual Work Ethics
	Dependent Variable - Fraud incidents in the village fund system
C	Multiple Response Questions - Element of Fraud Coping Mechanism

Table 4.2 above presents the structure of the questionnaire used in this study, which comprises three main sections. The first section (1) is section A, which includes background information on the respondents, including age, gender, educational level, position in the village administration, length of service, and level of understanding of the village fund system. This demographic profile is essential for understanding the context of the responses and for descriptive statistical analysis. The second section (2) is section B: related to structured 5-point Likert scale questions, with closed-ended questions ranging from one point meaning "Strongly Disagree" to five points meaning "Strongly Agree." This section measures: determinants of fraud (pressure, ability, rationalization, and opportunity); fraud incidents in the village fund system; and respondents' spiritual work ethic. The data collected in this section will be used to statistically analyze the relationship between fraud factors and fraud incidents (to address RO1) and to test the moderating effect of spiritual work ethic on that relationship (to address R02). Table 4.3 summarizes the measurement of the variables in this study.

The use of a 1-5 Likert scale was chosen because it is easier for village officials to understand, who have varying levels of survey literacy, thereby encouraging consistent responses and minimizing response errors. Previous research shows that scales with moderate categories, such as 1-5, are more stable, reliable, and effective in non-academic populations than 7- or 9-point scales (Dawes, 2008; Krosnick, 1991). In addition, this scale is suitable for PLS-SEM analysis because it produces sufficient variance without causing noise, and has been widely used in Fraud Triangle/Diamond research, thereby strengthening the comparative validity and reliability of the instrument (Hair et al., 2022; Said et al., 2017).

Table 4.3
Variables used in the Recent Research

Type of Variable	Name of Variable	Scale	No of items	Authors (Year)
Dependent	Fraud incidents in the village fund system	5-point Likert	9	Abdullahi and Mansor (2018), Yusufetal. (2020) and Ratmono and Frendy (2022),
Independent	Pressure	5-point Likert	9	Said etal. (2017) and Ratmono and Frendy (2022),

Type of Variable	Name of Variable	Scale	No of items	Authors (Year)
Independent	Opportunity	5-point Likert	11	Yusuf et al. (2020) and Ratmono and Frendy (2022),
Independent	Rationalization	5-point Likert	8	Ratmono and Frendy (2022), and Koomson et al. (2020)
Independent	Capability	5-point Likert	9	Koomson et al. (2020) and Ratmono and Frendy (2022),
Moderating	Spiritual Work Ethics	5-point Likert	15	Thomas et al. (2017), Said et al. (2018), Koomson et al. (2020), and Sahla and Ardianto (2022).

Source: Developed for present research

Based on this process, according to Bhattacherjee (2012), in the field of business management and accounting, there are three types of research, namely exploratory, descriptive, and causal (hypothesis testing). This study uses the causal study approach, which is in line with the opinion of Sekaran and Bougie (2020), who argue that causal research aims to find and explain the relationships between variables that influence each other. The final section, Section C, consists of multiple response questions aimed at obtaining responses regarding the fraud prevention and mitigation mechanisms used by village stakeholders to reduce incidents of fraud to answer RO3.

By dividing the questionnaire into several structured sections, it is hoped that the questionnaire completion process will be more focused and make respondents feel happy and comfortable. This is in line with the opinion of Doutres et al. (2020) that the success of a questionnaire in research is based on a structured process of preparing the questionnaire. The sections of this questionnaire are also separated based on the question categories according to the variables used. With this kind of structure, there is great hope for the quality of answers that will be obtained from respondents, as well as more complete and relevant information from each respondent who has been willing to fill out the research questionnaire. Therefore, it can be concluded that the research instrument design includes quantitative data in Sections A and B, which will be analyzed using statistical techniques, namely regression analysis and moderation

analysis with SEM-PLS. Meanwhile, data in Section C will be analyzed descriptively to identify the types of fraud incidents that occur in the village and the coping mechanisms that currently exist.

4.3.3 Justification for Survey Questionnaire

There are several considerations for the use of questionnaires in this study. First, the questionnaires are used to collect large amounts of quantitative data, where in this study, the research object is a village in Central Java, Indonesia, with a population of 7810, so flexible distribution is needed, namely through online media, namely email and WhatsApp, and offline, namely by meeting respondents directly in each village. *Second*, data collection via questionnaires is the preferred method because it allows respondents more time to understand the questions without pressure to answer a range of easy or difficult questions. *Third*, this questionnaire addresses sensitive issues related to respondents' positions in their work activities in the village, and it includes several questions on fraud behavior. Therefore, the questionnaire helps protect the anonymity and confidentiality of the respondent's answers, which must be strictly maintained so that they are willing to provide honest responses that are in line with how they (Ji, 2023; Beek et al., 2014; Linda et al., 2022).

4.3.4 Pre-testing of Survey Instrument

Pre-testing of research instruments aims to ensure that respondents understand the questions and have no difficulties with the wording or measurement of the items on the research questionnaire (Sekaran & Bougie, 2020). The pretesting process in this study involved several parties, namely academics (two lecturers from public universities in Indonesia who specialize in government accounting and auditing) and village officials (three village officials who are directly involved in village fund management through the village fund system). Respondents were asked for their willingness, given questionnaires to read, and allowed to provide feedback. The purpose of this process is to obtain multiple perspectives from academics and village officials, reflecting their personal views and positions relative to the overall content of the questionnaire. The suggestions obtained from this pretesting will be input for the next

stage of the testing process, where the survey items have been refined and validated from various initial problems that may arise (Doutres et al., 2020). The primary purpose of academics involved in this pretest process is to generate insights into the questionnaire's quality from a scientific perspective. In addition, reflection and knowledge of feedback literacy can shape the development of research instruments, which shows that academic feedback can significantly influence the validity of questionnaires (Noor et al., 2024).

Furthermore, the purpose of administering this pretesting questionnaire to village officials is to understand their perspectives and to provide feedback on the use of language, sentence structure, and overall layout. In addition, the primary purpose of administering this pre-testing questionnaire to village officials as prospective respondents is to elicit their personal experiences and provide deeper insights into specific questions and contexts regarding the perceived items (Creswell & Creswell, 2022).

Based on feedback from academics and respondents, the next step was to finalize the questionnaire. In this process, several things need to be changed, namely the format and some of the wording of the questionnaire obtained from academic input, as well as moving some of the questions that are more suitable for placement in other research variables and deleting some words in sentences that are considered too long. Meanwhile, from the perspective of the village apparatus, they indicated that some words may not be familiar in their environment, so it is necessary to replace them with more easily understood terms. Taking into account several aspects that have been given, the next stage is to conduct a pilot study to assess the reliability of the questionnaire that has been created. Good pretesting results will ensure that the resulting research instrument will reflect the real conditions of the predetermined population and reduce the potential for bias (Perneger et al., 2021; Taherdoost, 2020).

4.3.5 Pilot Study

Pilot studies are generally considered preliminary studies aimed at assessing the feasibility, time, costs, risks, and undesirable effects that may arise in a particular research process (Teijlingen & Hundley, 2002). These trials are essential to ensure that the research design is appropriate and that the instruments used yield valid and reliable data. Creswell and Creswell (2022) emphasize that pilot studies can help improve the

quality of research instruments, such as questionnaires, by identifying various technical issues before conducting large-scale research. One of the main purposes of conducting a pilot study is to evaluate the feasibility of research instruments using a small sample representative of the research population (Teijlingen & Hundley, 2002). This initial step enables researchers to determine whether the planned method is feasible and applicable to the intended population.

As stated by Creswell and Poth (2018), the implementation of a pilot study serves as a basis for thoroughly evaluating the questionnaire in terms of structure, wording, and clarity. This evaluation is important because misinterpretation of questions can lead to invalid results, thus risking the entire study. Pilot studies reveal weaknesses in questionnaires or methods that may not be apparent during initial planning. Feedback from trial participants can help researchers identify confusing issues, technical problems, or concerns about the length and completeness of questionnaires, so that researchers can refine these aspects effectively (Creswell & Creswell, 2022). In this study, the pilot study implementation process ran from April 3, 2023, to April 29, 2023. At this stage, the questionnaire was distributed by sending a Google Form link to 30 selected village officials.

The feedback from the pilot study revealed technical issues, namely the use of confusing words and sentences, which left respondents with a somewhat incomplete understanding. Therefore, in the main questionnaire, modifications were made to improve clarity and use simpler sentences. The results of the statistical calculations in this pilot study show that all constructs in this study meet the reliability assumption with a Cronbach's alpha value above 0.70 (Hair et al., 2022). With these results, it can be emphasized that the instruments used in this study have met the assumption of adequate reliability, so that the questionnaire in this study can and is suitable for use in the next step, namely, data collection. The results of the reliability test can be seen in detail in Table 4.4 below.

Table 4.4
Reliability Test for Pilot Stud

Construct	Number of Items	Cronbach Alpha
Pressure	9	0.972
Opportunity	11	0.976
Rationalization	8	0.967
Capability	9	0.971

Construct	Number of Items	Cronbach Alpha
Spiritual Work Ethics	15	0.734
Fraud incidents in the village fund system	9	0.926

4.3.6 Data Collection Procedures

The data collection process in this study was carried out through online (Google Form) and offline (direct distribution to several villages that were easily accessible to researchers) questionnaires. Several approaches were used in distributing these questionnaires. It is implemented by coordinating with the local government of Central Java province, providing direct distribution facilities to village leaders under their coordination. In addition, in this online approach, the researchers coordinate directly with village assistants under the Ministry of Villages in Central Java. This step is taken to ensure equal involvement of each village apparatus. The online data collection process is believed to facilitate easier access and faster data collection due to its flexibility. This opinion is supported by the findings of Kasim et al. (2021) that the use of the online method in filling out questionnaires is able to provide high reliability in terms of Cronbach's alpha value testing, which reached 0.996.

Furthermore, in the second approach, namely the offline distribution of questionnaires, the researchers visited several districts that could be reached directly, namely Pati and Rembang Regencies in Indonesia. They went directly to each village in the regency, bringing physical copies of the questionnaires and the research permit letters required to demonstrate that the process was legal. The main rationale for this offline method is that participation among individuals who may be hesitant to complete online surveys tends to increase when researchers provide direct assistance with questionnaires in cases of confusion (Ashahril et al., 2023). Data collection for this study was conducted from August 5, 2023, to October 27, 2023. All the answers from the respondents recorded in the Google form, and the results of the manual recapitulation, were checked to ensure that the data met the previously set criteria, so that the next step, the data processing and analysis, could be carried out.

4.4 Measurement of Variables

Data measurement scale analysis involves identifying and measuring variation across a set of variables (Hair et al., 2022). This variation can occur between variables

or between the dependent variable and one or more independent variables. Measurement is a key element in this analysis, because variation cannot be identified without accurate measurement (DeVellis, 2016). In addition, measurement also plays an important role in representing the research concept appropriately and determining the appropriate multivariate analysis method (Kerlinger, 1986).

Data are classified into two main categories based on the attributes or characteristics they represent: metric (quantitative) and non-metric (qualitative). Researchers need to determine the type of measurement for each variable (non-metric or metric) because the computer software used only recognizes data in numerical form. This choice of measurement type has a significant impact on how data is interpreted and the analysis methods that can be used. This is an important foundation in data processing and analysis, which will be explained further in the next section. The quantitative approach in this study involves three main types of variables: independent variables, dependent variables, and moderating variables. Independent variables are factors that influence dependent variables, while dependent variables are the results influenced by independent variables. Moderating variables are variables that change the strength or direction of the relationship between independent variables and dependent variables. The relationships among these three types of variables play an important role in multivariate analysis methods commonly used in quantitative research (Tabachnick & Fidell, 2019). The following Table 4.5 shows the operational definitions of the variables used in this study:

Table 4.5
Operational Definition of the Variables

Construct	Dimension	Definition	Indicators	References
Pressure	Financial	Economic pressures arising from living needs, family burdens, lifestyle demands, or sudden financial obligations may increase an individual's tendency to commit fraud.	Unexpected/emergency costs Need to reduce monthly expenses Being the sole breadwinner High lifestyle demands Holding multiple jobs to fulfil financial needs	Said etal. (2017); Ratmono & Frendy (2022)
	Work	Pressures resulting from heavy workload, multitasking, and discomfort in using *Siskeudes* may raise the likelihood of committing fraud.	Excessive workload Managing *Siskeudes* alongside other tasks Discomfort when using *Siskeudes* Clarity of salary, bonuses, and sanctions	
Opportunity	Supervision	Weaknesses in supervision, internal audits, segregation of duties, documentation, and internal controls that create opportunities for fraud.	Unauthorized transactions Incorrect transaction dates Lack of segregation of duties Absence of CCTV in critical areas Weak documentation Weak monitoring or supervision	Yusufetal. (2020); Ratmono & Frendy (2022)
	Attitude	User attitudes and behaviours that exploit system weaknesses or insufficient oversight to commit fraud.	Weaknesses in *Siskeudes* create fraud opportunities. User behaviour enabling fraud One individual handles *siskeudes* access Perception that the system cannot detect all fraud	
Rationalization	Giving	Moral justifications related to receiving or giving gifts/kickbacks are perceived as normal or acceptable despite their potential to lead to fraud.	Gifts are viewed as an expression of appreciation Rule violations justified for specific reasons Belief that "the village owes gratitude."	Ratmono & Frendy (2022); Koomson et al. (2020)
	Using	Justifying the use of village assets or funds for personal benefits is considered harmless or as a deserved entitlement.	Using office assets for personal use Borrowing office assets Small misuse is perceived as harmless Feeling entitled to additional compensation	

Construct	Dimension	Definition	Indicators	References
Capability	Position	Ability to commit fraud due to authority, access to financial systems, and understanding of internal controls.	Ability to commit fraud due to the job role Strong understanding of internal control processes	Wolfe & Hermanson (2004); Koomson et al. (2020)
	Superiority	Personal advantages such as intelligence, influence over others, stress tolerance, and multitasking abilities that facilitate fraudulent behaviour.	Ability to influence colleagues/subordinates Ability to multitask effectively Ability to handle stressful situations	
	Technology	Technical competencies in operating and manipulating *Siskeudes*, enabling the exploitation of system vulnerabilities.	High skill in operating *Siskeudes* Participation in IT/system training Quick adaptation to system updates	
Spiritual Work Ethics	Religiosity	Spiritual beliefs and religious values that guide ethical behaviour and moral judgement in workplace activities.	Belief in God Patience and sincerity Ethical effort in work	Thomas et al. (2017); Sahla & Ardianto (2022); Said et al. (2018); Koomson et al. (2020)
	Wisdom	The ability to act with empathy, emotional stability, and ethical reasoning in dealing with workplace situations.	Empathy Wise decision-making Calmness in adversity	
	Ethics	Moral principles such as integrity, honesty, and consistency guide ethical conduct and prevent fraudulent behaviour.	Integrity Honesty Moral consistency	
Fraud incidents in the Village Fund System	Incident	Actual instances of fraud detected within the village fund system, including misstatements or inaccurate financial reporting.	Fraud incidents High frequency of fraud Misstatements in reporting	Abdullahi & Mansor (2018); Yusuf et al. (2020)
	Occupational	Fraud committed by village officials through the misuse of authority, manipulation of financial records, or misappropriation of assets.	Misuse of assets Borrowing or stealing cash Corruption, collusion, nepotism Hidden misstatements Fraud occurring despite *Siskeudes*	

4.4.1 Measurement of Independent Variables

The independent variable in this study is the fraud factor taken from the fraud diamond theory, which consists of pressure, opportunity, rationalization, and capability; the discussion below will address each of these independent variables one by one:

4.4.1.1 Pressure

Pressure is part of the fraud diamond theory presented by Wolfe and Hermanson (2004), who define it as a factor that encourages someone to commit fraud. The same thing was stated by Dias-Oliveira (2024), that pressure is a factor that motivates fraud. The opinion conveyed by Abdullahi and Mansor (2018) is that pressure is a factor that causes unethical behavior that leads to fraud, which can be in the form of financial or non-financial pressure. In addition, the opinion expressed by Albrecht et al. (2008) states that around 95% of fraud cases are related to financial pressure, and the rest are influenced by other pressures, such as work pressure. Albrecht et al. (2011) also categorize pressure into four main groups: economic pressure, work pressure, and other pressures.

Research findings from Said et al. (2018) found that pressure in life, especially financial problems that are considered insurmountable, can make an individual desperate. Some people may lose their sanity and awareness, and to solve their problems, they resort to cheating. On the other hand, the findings of Ratmono and Frendy (2022), state that the pressure factors consist of personal pressure (luxury lifestyle, insufficient salary, family, and unexpected expenses) and work pressure (such as overly high targets, excessive workload, and the worry of not getting a bonus due to unachieved targets), which are the triggering factors for committing fraud.

Financial pressure is a significant motivator for individuals to commit fraud. Such pressure can originate from personal financial crises, such as significant debt or financial insecurity. Studies have shown that personal circumstances, including significant financial obligations or a deteriorating economic environment, heighten the likelihood of fraudulent activities (Utami, et al. 2019; Anindya & Adhariani, 2019). For example, familial debts, unexpected expenses, or lifestyle inflation may lead employees to alter financial records to meet their economic needs or personal aspirations (Anindya & Adhariani, 2019; Azizah, 2024). This finding aligns with the assertion by Albrecht

that financial struggles among individuals catalyze unethical actions (Indriyanto et. al., 2021)

In addition to financial pressure, work-related pressure plays a profound role in shaping the propensity to commit fraud. Work pressure may arise from excessive workload, unrealistic targets, or a competitive workplace culture. It creates an environment where employees may feel compelled to engage in dubious practices to meet organizational expectations (Nugroho, 2022). The relentless demands can drive individuals to justify their fraudulent actions as a necessary means of coping with the pressure, in line with the findings of several researchers who have noted a link between a stressful work environment and an increased intention to commit fraud (Utami et al., 2019; Humphrey et al., 2023). The detailed measurements of pressure can be seen in Table 4.6 below.

Table 4.6
Measurement for Pressure

No	Question
1	I am experiencing unexpected expenses such as illness, accidents, or other emergencies.
2	I feel depressed because my workload is too heavy.
3	I need to reduce my expenses to ensure I have sufficient funds for the month.
4	I am the leading financial provider for my family.
5	I maintain a relatively high- or expensive-lifestyle.
6	I need to take a part-time job to support my monthly.
7	I operate *Siskeudes* while also having other work responsibilities that must be carried out simultaneously in the village.
8	I feel uncomfortable at work due to the existence of *Siskeudes.*
9	I have clear information on the amounts of salary increases, benefits, promotions, and penalties for fraudsters.

Source: Adapted from Said et al (2017) and Ratmono and Frendy (2022)

4.4.1.2 Opportunity

Opportunity plays a significant role in the occurrence of fraud, particularly in systems with weak oversight. Studies have shown that a lack of adequate internal controls often provides fertile ground for fraudulent activities, making opportunity a critical dimension of fraud (Taofik Hidajat, 2020). For example, in rural banks in Indonesia, weak control environments facilitated fraud, underscoring the need for improved oversight (Hidajat, 2020). Such findings underscore that, in the management

of village funds, the quality of internal controls directly influences the risk of fraudulent behavior (Nusantara & Kuntadi, 2023). In addition, the findings of Ratmono and Frendy (2022) reveal that weaknesses in internal control, such as transactions that do not have adequate authorization, can increase the risk of fraud.

Supervision is another crucial element for mitigating opportunities for fraudulent acts. Adequate supervision can reduce the risk of fraud by ensuring regulatory compliance and responsive oversight of financial operations. Research indicates that stronger supervisory practices can diminish fraudulent activities by altering how individuals perceive opportunities for misconduct (Sun & Chen, 2022; Zeng et al., 2021). In the context of village governance, enhanced supervisory mechanisms could increase accountability and deter opportunistic behavior among fund managers, thereby preventing potential fraud.

Individuals' attitudes toward fraud are equally vital. Individuals possess different predispositions that can either deter or encourage fraudulent behavior. Evidence reveals that personal attitudes shaped by ethical education can significantly influence an individual's likelihood to engage in fraud (Vassiljev, 2020; Tripermata et al., 2021). This distinction underscores the need to foster positive attitudes within organizations, including those managing village funds, to cultivate an ethical culture that inherently discourages fraud. For instance, educational programs aimed at improving ethical standards have been shown to shift attitudes toward fraud, thus mitigating its occurrence (Vassiljev, 2020). In the event of fraud, there must be an appropriate control mechanism, such as a system. The results of research by Yusuf et al. (2020) state that improving and strengthening a payroll system will help combat fraud within a company. The detailed measurements of opportunity can be seen in Table 4.7 below.

Table 4.7
Measurement for Opportunity

No	Question
1	Transactions can be carried out without sufficient authorization.
2	Recorded in an accounting period that does not match the actual transaction date.
3	The separation of duties and responsibilities among officers is unclear and poorly defined.
4	Certain areas are not covered by CCTV, thereby reducing the visibility of the transaction process.
5	Regulations, procedures, and instructions are not well documented.
6	Supervision, control, and audit reviews are inadequate and not conducted regularly.

No	Question
7	There is a lack of an active supervision system in ensuring that all employees carry out their duties in accordance with the standard operating procedures.
8	Fraud can potentially occur in the village fund system.
9	Fraud occurs due to the attitude^ehavior of the system user.
10	Weaknesses in the village fund system create opportunities for fraud to occur.
11	Only one individual has access to the village fund system *(Siskeudes).*

Source: Adapted from Yusuf et al (2020) and Ratmono and Frendy (2022)

4.4.1.3 Rationalization

Rationalization is the cognitive process by which individuals justify fraudulent actions, making it a central theme in the analysis of various forms of fraud associated with village funds. The existence of rationalization for both the giving and the use of funds is fundamental to understanding how fraud manifests in this context. Rationalization for Giving refers to the justifications that individuals or officials may use to legitimize the allocation or distribution of village funds under questionable circumstances. Individuals in positions of authority may rationalize that they are entitled to 'reward' themselves or their community by misallocating funds based on perceived need or under the pretext of tradition and communal benefit. Such views are often informed by broader societal acceptance of corruption or the misuse of government resources, thereby normalizing such behaviors. Studies indicate that when individuals perceive their actions as justified by common local practices or insufficient oversight, their propensity to engage in misappropriation increases (Beilulik et al., 2022; Sulila, 2022). Notably, the community' s attitude toward village fund management significantly influences how community leaders justify their actions regarding fund distribution (Sulila, 2022).

Rationalization for Using Village Funds continues this theme by examining how individuals justify their personal use of these funds. Those involved may argue that they have a right to benefit from the fund either due to financial strain, perceived entitlement, or perceived injustices in their community compared to others. Research indicates that the justification for personal use often stems from a lack of ethical governance frameworks, enabling individuals to convince themselves that their personal financial gains are acceptable (Demetriades & Owusu, 2021; Koomson et al., 2020; Rahmah et al., 2023). Such assertions are frequently reinforced by weak supervisory structures that

fail to challenge or curb the misuse of funds, thereby fostering an environment in which rationalization becomes deeply ingrained (Rahmah et al., 2023). The study of pressure coupled with rationalization reveals that when community members feel entitled due to financial pressures, there is a heightened risk of fraudulent activities (Koomson et al., 2020; Rahmah et al., 2023; Ratmono & Frendy (2022).

Furthermore, the interaction between rationalization and community participation is critical, as effective community engagement can diminish justifications for fraud. Strengthening oversight and creating transparent processes can counteract rationalizations by fostering a sense of accountability among members, effectively promoting ethical standards within the village funds management (Beilulik et al., 2022; Sulila, 2022). Research has shown that enhanced community participation alongside supervisory initiatives significantly reduces the likelihood of fraud through the reinforcement of ethical behavior norms among fund managers (Koomson et al., 2020). The detailed measurements of rationalization can be seen in Table 4.8 below.

Table 4.8
Measurement for Rationalization

No	Question
1	In my opinion, the salary I receive is too low compared to the risks, number of tasks, and responsibilities I have in the village.
2	I believe that no one will be harmed if I use village funds or office assets for personal purposes.
3	I believe it is acceptable to borrow office assets as long as they are returned intact.
4	I believe that gifts from the community, vendors, or co-workers constitute appreciation for the service I have provided.
5	I think it is acceptable to make exceptions to specific rules in order to achieve targets or complete my obligations.
6	I believe the village owes me for my contributions, and I can request reimbursement at any time.
7	I believe that if I take a small amount of money or village assets, the village will not go bankrupt.
8	I feel I deserve a reward for my contributions to the village, which I have not yet received.

Source: Adapted from Ratmono and Frendy (2022) and Koomson et al., (2020)

4.4.1.4 Capability

Capability in the Fraud Diamond denotes an individual's or organization's capacity to commit fraud. It encompasses the knowledge, skills, and resources

necessary to exploit opportunities. In the case of village fund management, the capabilities of individuals in positions of authority can significantly influence the potential for fraudulent activities (Amyulianthy et al., 2023). For instance, those in leadership roles may leverage their position to manipulate fund allocation for personal gain, thereby rationalizing their actions under the guise of promoting community benefits or addressing perceived injustices (Peprah, 2018). Research indicates that a high level of capability can correlate with increased instances of mismanagement or fraud, particularly when internal control measures are weak (Prastyo et al., 2022).

Moreover, the capability associated with perceived superiority—the belief that one deserves to use village funds for personal purposes—often emerges in political and bureaucratic contexts. Officials may rationalize fraudulent acts by claiming that their superior knowledge or experience allows them to use funds as they deem necessary for community development, even when they diverge from established guidelines. This mindset can lead to systematic misappropriation of funds, as officials may believe that their actions serve a higher purpose, thus mitigating their sense of accountability (Sherliana & Nuswantara, 2021).

The capabilities derived from technology are increasingly critical to the effective management of village funds. Enhanced technological tools can improve transparency and oversight in the allocation and expenditure of funds. Research has demonstrated that digital systems can augment the accuracy of financial reporting and curb fraudulent activities (Prastyo et al., 2022). For example, the introduction of blockchain technology in village fund management can create immutable records that deter fraudulent behavior by increasing accountability (Firmanto, 2023). When village officials have the capacity to use such advanced technologies, they are empowered to enhance oversight, thereby potentially reducing the likelihood of fraud facilitated by traditional manual processes. In addition, a person's ability to rationalize their actions as something that is not wrong and is considered legitimate is part of a fraud (Koomson et al., 2020). Another finding from Ratmono states that capability can be realized if there is structured cooperation by several parties in relation to committing fraud (Ratmono & Frendy, 2022). The detailed measurements of capability can be seen in Table 4.9 below.

Table 4.9
Measurement for Capability

No	Question
1	In my current position, I could commit fraud.
2	I have an in-depth understanding of the internal controls related to my current position.
3	I can persuade other staff to adopt my recommendations.
4	My ability to multitask gives me an advantage in the workplace.
5	I manage stress effectively.
6	I find it easy to use the *Siskeudes.*
7	I am proficient in using the village fund system *(Siskeudes).*
8	I consistently participate in training sessions on the use of Siskeudes.
9	I can quickly become familiar with *Siskeudes.*

Source: Adapted from Koomson et al (2020) and Ratmono and Frendy (2022)

4.4.2 Measurement of Moderating Variables

4.4.2.1 Spiritual Work Ethics

Spiritual work ethic functions as a moderating variable in this study. The relationship between spiritual work ethics and fraud incidents can be thoroughly understood through the dimensions of religiosity, wisdom, and ethics. Each dimension contributes to shaping individual behavior and decision-making processes, thereby influencing the likelihood of engaging in fraudulent activities.

Religiosity significantly influences spiritual work ethics, encompassing moral values and a sense of duty that individuals feel toward their work and community. Individuals with high levels of religiosity often align their actions with their spiritual beliefs, which can promote ethical behavior and reduce the propensity for fraud. According to Taufiq and Herdi (2020), religious practices and beliefs are linked to wisdom, and a strong foundation in religious teachings can encourage ethical decision-making among pre-service counselors, thereby enhancing their work ethics. The moral compass provided by religiosity fosters a mindset that is inherently resistant to fraud and unethical behavior. Therefore, the higher a person's religiosity, the lower the likelihood of being involved in academic misconduct (Said et al., 2018).

In relation to the dimension of wisdom, it is essential to examine how wisdom, particularly its cognitive and compassionate dimensions, influences work ethics and ethical decision-making in contexts prone to fraudulent behavior. As noted by Ardelt and Jeste (2016), wisdom encompasses cognitive processes that promote personal

growth and ethical behavior. The cognitive dimension involves applying knowledge and experience to discern right from wrong, which is crucial for minimizing fraud incidents. Wisdom and its components can hypothetically be assessed using self-reports, informant-based, or performance-based measurements (Thomas et al., 2017). The compassionate dimension correlates strongly with ethical attitudes, promoting forgiveness and understanding that can deter fraud by fostering a supportive environment where ethical behavior is valued and rewarded.

Ethics serves as a guiding framework for decision-making in professional environments. According to Valentine et al., (2010), the ethical climate within an organization significantly affects job satisfaction and turnover intentions, emphasizing how a strong ethical framework can mitigate unethical behavior, including fraud. Organizations that promote ethical values, supported by strong leadership and a commitment to integrity, tend to foster a culture that discourages fraudulent activities. Ethical values are proven to be able to become an anti-fraud strategy in conditions where there is competence and arrogance that trigger fraud tendencies (Sahla & Ardianto, 2022). Practical wisdom, as discussed by Mele (2010), is essential in managerial decision-making; it emphasizes considering ethical dimensions and moral virtues when making decisions that could impact organizational integrity and stakeholder trust.

Furthermore, understanding the broader implications of ethical climates demonstrates how these environments can reduce the incidence of fraud. Research indicates that positive ethical climates lead to shared values among employees, thereby cultivating resilience against fraudulent practices, and it all comes back to the perception of each individual's ethical values (Koomson et al., 2020). The establishment of a supportive ethical environment allows individuals to navigate ethical dilemmas more effectively, as noted in various studies exploring ethical perceptions across multiple organizational contexts (Shafipour et al., 2016; AV£IN et al., 2021). The detailed measurements of the spiritual work ethic can be seen in Table 4.10 below.

Table 4.10
Measurement for Spiritual Work Ethic

No	Question
1	I believe in God and am committed to living in accordance with God's principles.
2	I allocate a portion of my income each month to donations or charitable purposes.
3	I acknowledge that challenges at work may arise and strive to respond appropriately.

No	Question
4	I seek to improve my circumstances through ethical means.
5	Before criticizing someone, I try to put myself in their position.
6	When facing a problem, I consider all relevant information before making a decision.
7	I remain calm and think clearly when solving problems, even under emotional stress.
8	I try to let go of resentment and focus on constructive solutions.
9	I manage my emotions and maintain professionalism when issues arise.
10	I do not compromise on my ethical principles.
11	It is not acceptable for village officials to be involved in the improper management of village funds.
12	When a choice has to be made between what is right and what works in my favor, I will choose what is right.
13	My ethical actions are consistent across situations.
14	I tell the truth even if it comes with personal consequences.
15	Using the village fund system (siskeudes) motivates me to maintain a strong work ethic.

Source: Adapted from (Thomas et al., 2017; Said et al., 2018; Koomsonetal., 2020; and (Sahla & Ardianto, 2022)

4.4.3 Measurement of the Dependent Variable

4.4.3.1 Fraud Incidents in the Village Fund System

In this study, the dependent variable is fraud incidents in the village fund system. The first dimension is seen from the perspective of Occupational Factors, which are critical in shaping the internal environment of organizations managing village funds (Ratmono & Frendy, 2022). Factors such as the competence of village officials play a significant role in the effective management and safeguarding of resources against fraudulent activities. According to Damayanti and Sujana, (2024), the competency of village officials, combined with community participation and an effective fund system, directly influences accountability in village fund management (Yusuf et al., 2020). A lack of competent personnel increases the risk of fraudulent practices, as they may not fully understand or comply with the regulations governing fund allocations and use.

Fraud incidents can also be interpreted through the lens of organizational culture and ethical practices within the villages. The literature suggests that ethical climates shape the behaviors of individuals within organizations, including those responsible for managing funds (Abdullahi & Mansor, 2018). Research by Pahlawan et al. (2020) emphasizes the relationship between internal control systems and accountability, suggesting that deficiencies in these systems often correlate with increased fraud

incidents. Creating a strong ethical culture can help prevent fraud by promoting transparency, fostering accountability, and aligning individual behavior with organizational values.

Additionally, the integration of various advanced systems can support effective management of village funds. Effective digital fund systems enhance monitoring and reporting processes, thereby reducing opportunities for misconduct (Yusuf et al., 2020). For instance, technology can be utilized to enforce compliance with regulations, which further underscores the importance of organizational capacity in addressing fraud risks (Suh et al., 2019; Omair & Alturki, 2020). The ability to use advanced auditing and monitoring tools means that, even when an individual has the opportunity, the systems in place can deter fraudulent behavior. The detailed measurements of fraud in the village fund system can be seen in Table 4.11 below.

Table 4.11
Measurement for Fraud Incidents in the Village Fund System

No	Question
1	Fraud incidents have occurred within the village fund system.
2	The level of fraud incidents in the village fund is high.
3	Many village sectors are susceptible to fraud incidents.
4	Corruption, collusion, and nepotism are common types of fraud in village sectors.
5	In this village, I have observed or believed that office assets are used for personal purposes (e.g., vehicles, printers, computers).
6	In this village, I have observed or believed that cash is borrowed or stolen.
7	I believe some information in the village's financial statements is concealed or presented inaccurately.
8	I am aware of frequent misstatements, and they are corrected a few days later.
9	Even with the use of the Village Fund System *(siskeudes)*, fraud can still occur.

Source: Adapted from Abdullahi and Mansor (2018), Yusuf et al (2020), andRatmono andFrendy (2022)

4.5 Element of Coping Mechanism

This section aims to identify fraud-coping mechanisms that exist in the village so that they can be minimized or even prevented from happening again in the future. The questions in this section are integrated into the provided questionnaire, in which respondents will be asked to answer several items using the available options. In addition, respondents may provide their own opinions if the alternatives provided do not align with their perceptions. Table 4.12 presents the questions designed to elicit information from respondents regarding R03.

Table 4.12
Elements of Coping Mechanisms in the Village Fund System

Coping Mechanism	Details
Internal control	Segregation of duties
	Approval hierarchies
	System access restrictions
	disbursement of fund by stages
	verification from stakeholders
Policies and procedures	Clear code of conduct
	System update
	System maintenance
	Transparent report to stakeholders
	Budget monitoring by independent parties
	Accountability report
Training and awareness	Ethics trainings
	Ethics campaign
	Qualified employees
Audit and inspection	Audit from the inspectorate (regency/district auditor)
	Audit KAP (Audit Firm)
Disciplinary actions	Sanctions
	Terminations
	Legal actions
Others	

4.6 Data Analysis

The data analysis process in this study comprises two main components: descriptive statistics and inferential statistics, which are used sequentially to ensure data quality and to test the relationship between research variables. The initial stage of analysis was conducted using descriptive statistics in the Statistical Package for the Social Sciences (SPSS). This initial stage included testing for Common Method Bias (CMB) and Non-Response Bias, which are important to ensure that the data do not contain systematic biases that could threaten the study's internal validity (Podsakoff et al., 2022). Furthermore, descriptive statistics, such as the mean and standard deviation, were calculated to characterize the general trends and variations in respondents' responses to each construct (Creswell & Creswell, 2022). This stage ensured that the data were suitable for further analysis at the inferential stage. A complete overview of all stages of data analysis is shown in Figure 4.1.

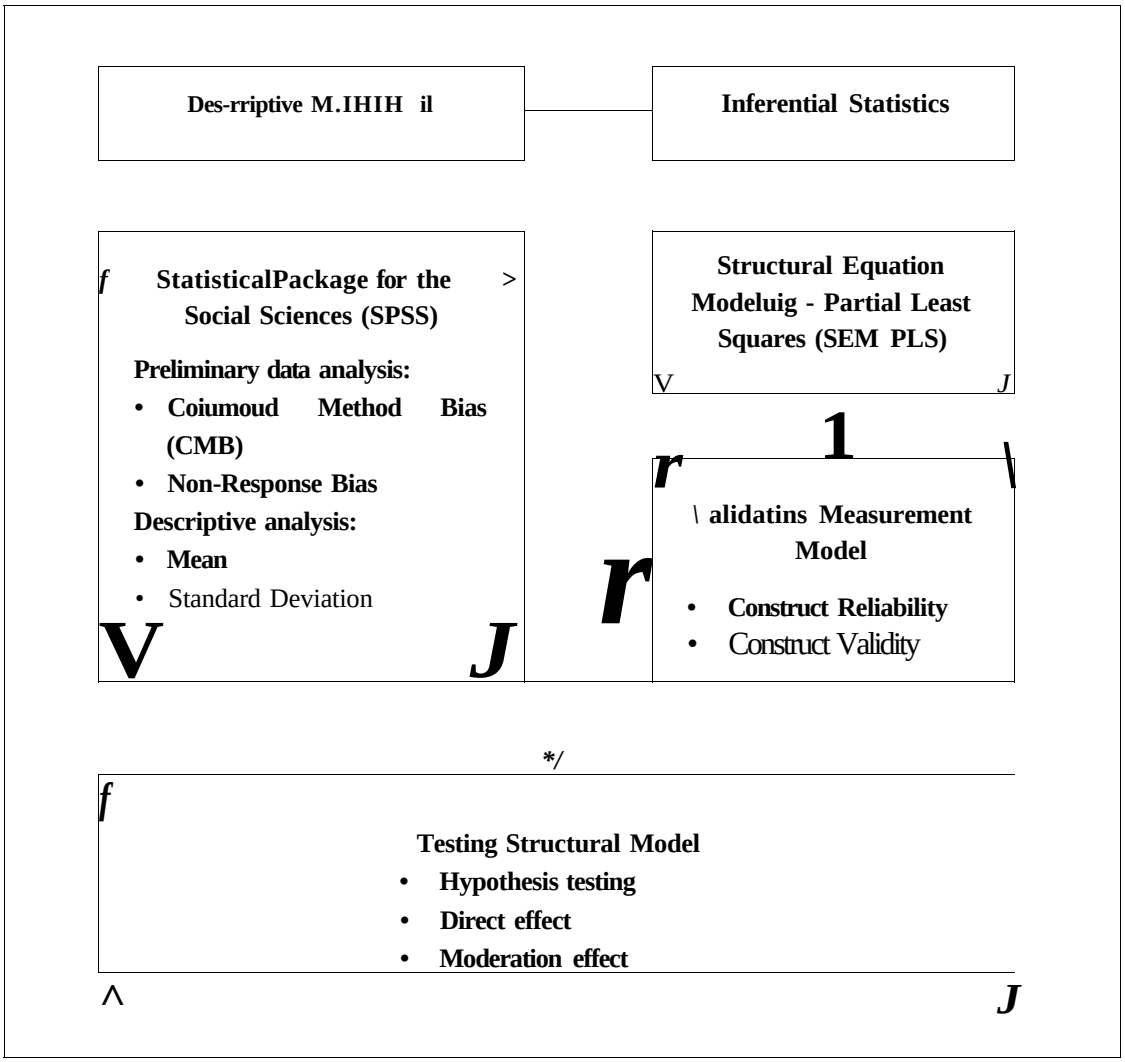


Figure 4.1 Data analysis stages

After the descriptive stage is complete, the study proceeds to the inferential statistics stage, employing the Structural Equation Modelling-Partial Least Squares (SEM-PLS) approach. This method was chosen because it can handle complex models with multiple latent constructs and is well-suited for strong predictive purposes (Hair et al., 2022). In the first stage, measurement model validation was conducted, including tests of construct reliability and construct validity, including convergent and discriminant validity, to ensure that each indicator consistently measured the intended construct (Henseler et al., 2015). Once the measurement model met the statistical requirements, the analysis proceeded to structural model testing, including hypothesis testing, direct effects, and moderating effects, as recommended in modern SEM modelling (Kline, 2016). This approach enabled a comprehensive empirical evaluation of the relationships among constructs within the proposed theoretical framework.

4.6.1 Preliminary Data Analysis

This preliminary analysis is conducted before proceeding to the inferential analysis. At this stage of the analysis, it begins with coding and formatting precisely for statistical analysis of the data obtained from the survey; the appropriate coding and formatting are intended so that the data can be processed further into computer-aided analysis. This coding and formatting is a crucial step in preparing data on a computer using the selected statistical software, as it does not rule out the possibility that data are missing or incomplete. Doutres et al. (2020) reveal that correct data formatting will help in managing data in more complicated statistical tools.

After all the data is ready, the next step is to enter the data into SPSS software to check for common method bias, non-response bias and descriptive statistical analysis. The first is the Common Method Bias test. Common Method Bias (CMB) is a significant problem in empirical research, especially when data for several constructs are collected from the same source or using the same method, such as a single questionnaire. This bias can distort the observed relationship between variables, potentially resulting in invalid conclusions (Kock & Hadaya, 2021). Highlight that CMB arises from the measurement methods used in combination, rather than from the actual relationship between constructs, thereby requiring careful consideration in research design and analysis (Podsakoff et al., 2022). CMB affects the accuracy of results by introducing systematic variance attributable to the measurement method rather than to the actual construct being assessed. Podsakoff et al. (2022) underscore that the significant correlations observed in research can be inflated by these methodological artifacts, leading to misinterpretations of the nature and strength of relationships between variables. The method used to assess CMB in this study is Harman's single-factor test. This test assesses whether a single latent factor accounts for most of the variance in the data. During testing, all measured items are analyzed using factor analysis to determine whether a single factor accounts for most of the variance (typically using a 50% threshold). If one factor accounts for most of the variance, it indicates the presence of CMB (Bucic et al., 2016; Wang et al., 2022).

The second stage is the Non-Response Bias test, as non-response bias can compromise the validity of survey findings and limit the ability to generalize from the results. In this study, which uses survey data, the identification and handling of non-response bias are essential to ensure the accuracy of the findings derived from the data.

The method used to assess non-response bias is an Independent T-Test. This statistical test is carried out by comparing the averages of two groups, namely the group that filled out the survey offline and the group that filled out the survey online, against the main variables under study. If a significant difference is found between the two groups, this indicates the potential for non-response bias. The study by Talukder et al. (2024) proved this approach by dividing their survey participants into two groups based on the average time to complete the survey. They conducted an Independent T-Test Application to compare responses between groups. The results of their study indicate that non-response bias is acceptable, as there are no statistically significant differences in the construct between the two groups, thereby supporting the validity of their findings (Sarstedt et al., 2019).

In the final stage, Descriptive Analysis for Items on Variables: Descriptive analysis is a method used to describe, analyze, and summarize data for each variable in a study. This method aims to provide an overview of data characteristics through descriptive statistics, such as mean, median, mode, standard deviation, and frequency distribution (Loeb et al., 2017). Thus, this analysis helps researchers understand the contribution of each item to the variable under study. In addition, descriptive analysis plays an important role in validating and assessing the reliability of research instruments. Researchers can examine central tendency values (such as the mean) and dispersions (such as standard deviation) to determine whether each item on the variable is relevant and representative of the concept being measured (Hair et al., 2022). This analysis can also be used to assess the consistency of data across items using methods such as item-total correlation or Cronbach's alpha. Thus, descriptive analysis is a critical step in ensuring data quality. Furthermore, after the initial analysis step is completed, the subsection presents a brief explanation of PLS-SEM, its rationale, and an assessment of the measurement and structural models.

4.6.2 Structural Equation Model Using Partial Least Squares

Structural Equation Modeling (SEM) is a second-generation multivariate method used in data analysis. This method offers advanced statistical techniques that are particularly useful for researchers in analyzing large datasets (Hair et al., 2019). SEM is a form of causal modeling that employs mathematical models, computer algorithms, and statistical methods to fit the construct network to the data. SEM is often

used to measure latent constructs that cannot be observed directly. This process usually includes a measurement model that defines latent variables based on one or more observable variables, as well as a structural model that describes the relationship between latent variables. SEM has the advantage of simultaneously testing and estimating relationships among exogenous and endogenous constructs. This method enables various analyses, such as confirmatory factor analysis, path analysis, Partial Least Squares (PLS-SEM)- based path modeling, and latent growth modeling (Hair et al., 2022).

The application of SEM allows researchers not only to assess structural models (relationships between exogenous and endogenous constructs) but also to evaluate measurement models based on the loadings of the observed indicators on the expected latent variables. Analysis using SEM, based on the proposed research model, is considered more rigorous and often superior in methodological assessments. SEM allows researchers to answer various interrelated research questions in one systematic and comprehensive analysis, which better reflects real-world processes compared to simple correlation models. Recently, the use of SEM has increased in social science research (Hair et al., 2022).

The use of SEM in social science research is typically grounded in its ability to model relationships between latent and observable variables. In SEM, there are two main approaches supported by different software. The first approach is Covariance-Based SEM (CB-SEM), which uses software such as AMOS, EQS, LISREL, and Mplus. The second approach is Variance-Based SEM, also known as Component-Based SEM, better known as Partial Least Squares SEM (PLS-SEM), which is implemented using software such as SmartPLS and WarpPLS. The detailed comparison can be seen in Table 4.13 below.

Table 4.13
Comparison between CB-SEM and PLS-SEM

Feature	CB-SEM	PLS-SEM
Distributional assumptions	Multivariate normal distribution	None
Purpose	Theory oriented	Prediction oriented
Parameter estimates	Consistency	Consistency at large
Hypothesis testing	Available	References require jackknife or bootstrapping
Sample requirement	Large	Small

Feature	CB-SEM	PLS-SEM
Parameter identification problem	Not convergence or proper solutions	Few
LV scores	Factor intermediacy	Explicitly estimated
Reflective and formative relations	Only reflective relations	Both

Source: Hsu et al., (2006)

These two approaches, Covariance-Based Structural Equation Model (CB-SEM) and Partial Least Squares Structural Equation Model (PLS-SEM), differ in their objectives: CB-SEM is used in research aimed at testing confirmatory models, whereas PLS-SEM is used for exploratory research. In this study, PLS-SEM was selected given the exploratory nature of the research. PLS-SEM is suitable for studies that not only seek to confirm existing theories but also explore patterns and relationships within a dataset. This study uses SmartPLS version 3 for data processing, although many other software tools are available for conducting PLS-SEM analysis. The reasons for selecting Smart PLS as the analytical tool lie in its user-friendly interface, strong capabilities for handling exploratory research designs, and the ability to effectively manage complex relationships within datasets. The factors underlying the selection of PLS-SEM for this study's analysis will be discussed in more detail in the following section.

4.6.3 Rationale for the use of PLS-SEM

In the context of this study, several strong considerations underlie the use of PLS-SEM as a statistical tool. *First*, this study involves several constructs, each comprising four elements of the fraud diamond, with several dimensions used to measure each element. In addition, the study uses the spiritual work ethic variable, comprising dimensions such as religiosity, work ethic, and wisdom, and the fraud incidents in the village fund system variable, measured by fraud incidents and occupational fraud. This study aims to predict; therefore, PLS-SEM is considered the most appropriate method because it is well-suited to models with many constructs (Hair et al., 2022). *Second*, the model in this study belongs to the complicated category, where this model studies the testing of direct and moderating effects with each dimension in each variable. Therefore, robust and complex test tools are needed, and PLS-SEM is

believed to be suitable for testing diverse models such as this one (Hair et al., 2022). In addition to the many latent variables that interact, PLS-SEM enables researchers to develop more comprehensive models comprising multiple indicators. As shown by Khan et al. (2023), PLS-SEM can be used to explore the complex relationship between corporate social responsibility and pro-environmental actions in an organizational context.

Third, this study falls under the category of developing and exploring a new indicator and expanding the scope of research with various research objects. This exploratory nature aligns with the strengths of PLS-SEM in accommodating such research objectives. Finally, the most important reason is that PLS-SEM has an exceptional ability to handle non-normally distributed data and small sample sizes, which are common in village government research. PLS-SEM does not rely on the assumption of normality, thus allowing researchers to draw valid conclusions from data that may not meet this criterion. Moreover, if a larger accumulation of data is found, it will have a positive impact, where the level of calculation accuracy is better and increases (Hair et al., 2022). Based on these considerations, which have many advantages when using PLS-SEM, namely the ability to handle abnormal data sets, the focus on complex predictions, and effective construct validation, it is clear that PLS-SEM is a strong choice for researchers. Moreover, this research is based on primary data and an exploration of complex relationships among village officials involved in using the *Siskeudes* application in Central Java.

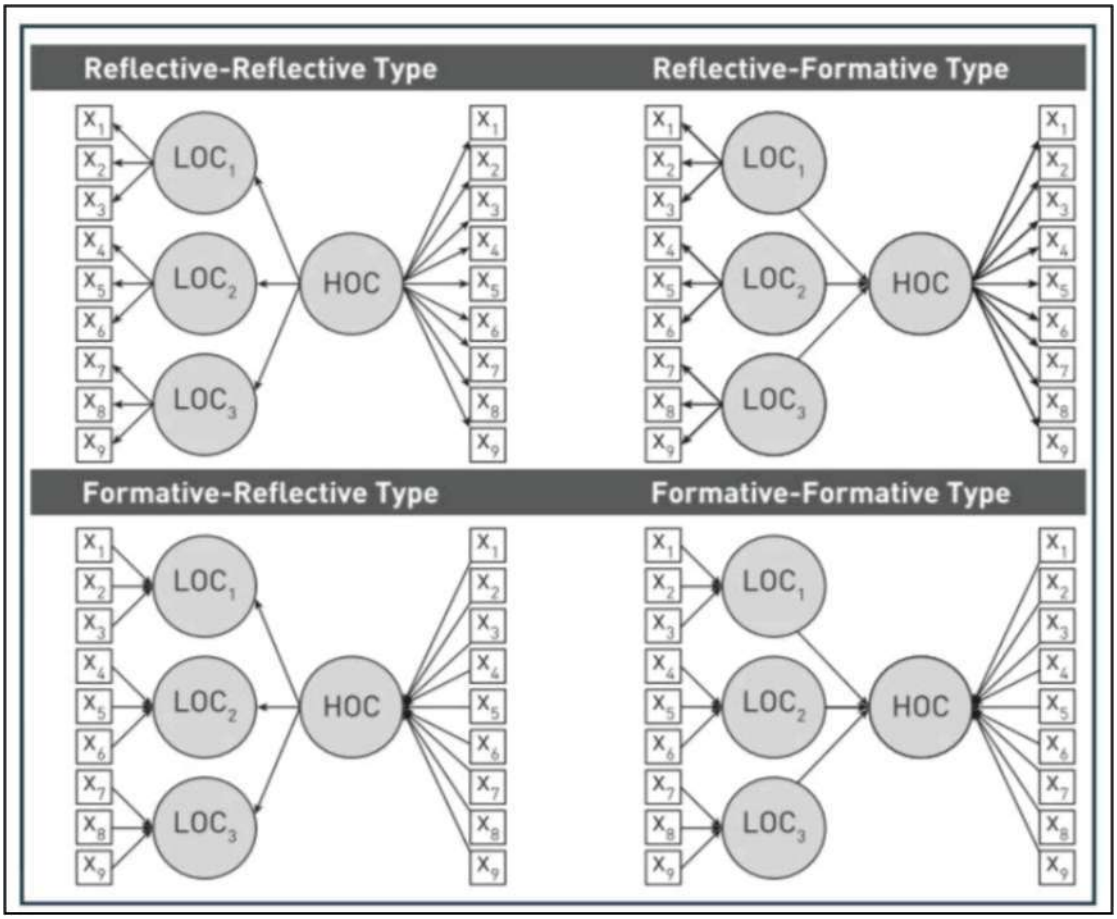
4.6.4 PLS Path Modelling

PLS Path Modeling is a component-based estimation method that uses iterative algorithms and is typically divided into two stages of analysis. The initial stage involves examining the measurement model, with the primary objective of ensuring the reliability and validity of the research instrument. Furthermore, the second stage involves examining the structural model, which aims to estimate the path coefficients in the model framework (Hair et al., 2022). Considering the use of the Hierarchical Component Model (HCM) in this study, validity and reliability assessment are very important, with a focus on high-level constructs (HOC) and low-level constructs (LOC) (Hair et al., 2022). Higher-order constructs in PLS-SEM analysis refer to models in

which latent variables consist of several dimensions measured by lower-order constructs (first-order constructs).

Research by Hair et al. (2022) shows that the use of higher-order constructs can increase theoretical parsimony and reduce model complexity. Given the complex nature of the variables in this study, including pressure, opportunity, rationalization, capability, and spiritual work ethic, HCM plays an important role in capturing the dynamics of this construct. HCM, a multidimensional construct, is defined as a construct with more than one dimension. Many of these constructs exhibit a high level of abstraction, requiring the integration of multiple dimensions for accurate measurement (Hair et al., 2022).

The main reason behind the adoption of the HOC concept in this study is to simplify the structural model, making it easier to understand (Hair et al., 2022). This is particularly important for the endogenous dependent variable in this study, which has two dimensions. The second justification stems from the HOC's ability to reduce collinearity among formative indicators, which effectively reduces collinearity across variables (Hair et al., 2022). Given the HOC approach adopted for this study, the next step is to determine the type of HOC model to use. Hair et al. (2022) explain that there are at least four types of higher-order constructs. The first type is classified as a reflective-reflective higher-order construct, the second as a reflective-formative construct, the third as a formative-reflective construct, and the last as a formative-formative construct. The following Figure 4.2 will provide a visual related to the form of each higher-order construct.



Source: (Hair et al., 2022)

Figure 4.2 High-Level Construct Form

In this study, the reflective-reflective type is employed in the constructed model. This type is applied to all primary variables, such as pressure, opportunity, rationalization, capability, and spiritual work ethic. The main reason for choosing this type is that there are similarities in each question item in the lower-level construct to describe the same indicator of the intended variable. Ultimately, each indicator will represent and contribute to a higher construct. The reflective-reflective model is a higher-order construct in which the latent variables at the top level reflect the latent variables measured by those at the bottom level, and all indicators. In this context, if two or more variables are measured on the same scale and are similar, they can be combined into a higher-order construct. This facilitates hypothesis testing in models in which interdimensional relationships must be analyzed. Research by Sarstedt et al. (2019) provides guidelines for the use of hierarchical latent variable models in PLS-SEM, including reflective-reflective measurement.

Methods for specifying higher-order constructs have gained attention in academic literature, with several approaches identified, including the repeated

indicators approach, extended repeated indicators approach, two-stage approach, disjoint two-stage approach, and embedded two-stage approach (Sarstedt et al., 2019; Crocetta et al., 2020). The two-stage approach is particularly highlighted for its systematic handling of complexities associated with HOCs, aligning with recommendations by Hair et al. (2019) and supported by findings from Crocetta et al. (2020), that the two-stage approach provides clearer pathways for establishing relationships between higher- and lower-level components. Specifically, this approach involves estimating the measurement model and the structural model phases, ultimately enhancing the clarity and robustness of the findings (Syoemantri, 2021).

Delving deeper into the choice of the disjoint two-stage approach in this study, this method provides researchers with a detailed framework for disentangling relationships within PLS path models. It serves as an effective tool for understanding and validating complex constructs, particularly those shaped by multiple dimensions or indicators (Riel et al., 2017). The systematic nature of this model helps avoid common pitfalls associated with misinterpretation or misrepresentation of construct relationships, allowing for an accurate capture of how lower-order constructs aggregate to form higher-order constructs (Masocha & Fatoki, 2018).

In conclusion, the use of higher-order constructs and reflective-reflective models in PLS-SEM is highly valuable for research involving multidimensional variables. This methodology not only provides more explicit guidance in understanding the complex relationship between variables but also expands the researcher's ability to develop simpler and more valid theories.

4.6.5 Assessment of the Measurement Model

Structural Equation Modeling (SEM) comprises two main components: the measurement model and the structural model. The measurement model defines the relationship between latent constructs and the indicators that measure them, while the structural model explains the relationship between these constructs in a research model (Hair et al., 2022). In measurement models, two commonly used approaches are the reflective and formative models. The choice between these two models depends on the nature of the construct under study. According to Hair et al. (2022), if the construct under study relates to design or is a combination of several elements, then the

appropriate approach is the formative model. Conversely, if the construct concerns latent behavior or concepts, it is more appropriate to use the reflective model.

Reflective models are often applied in research in the fields of consumer behavior, organizational behavior, and consumer psychology (Hair et al., 2019). In this model, indicators are treated as outcomes of latent constructs; therefore, they must be highly correlated, interchangeable, and removable, provided that reliability is maintained. In contrast, the formative model assumes that the indicators form the construct. Therefore, each indicator plays a distinct role and cannot be eliminated, as doing so would alter the meaning of the construct as a whole. In visual terms, the reflective model is indicated by arrows pointing from the latent construct to its indicators, while in the formative model, the arrows are directed from the indicators to the latent construct (Hair et al., 2021). Errors in determining the measurement model can bias parameter estimates and lead to misinterpretation of the relationships among variables in the PLS-SEM model. Therefore, understanding the distinction between reflective and formative models is essential for developing a valid and reliable conceptual framework for research. The details about the reflective and formative model can be seen in Table 4.14 below.

Table 4.14
Theoretical and Empirical Consideration of the Reflective vs. the Formative Model

Consideration	Reflective Model	Formative Model
Theoretical Consideration		
The direction of causality between items and the latent construct	From the construct to the indicators, Any changes to the construct would affect the indicators. Any changes in the indicators would not affect the construct.	From the indicators to the construct, any changes to the construct would not cause changes in the indicators. Any changes in the indicators would affect the construct.
Nature of constructs and indicators	The indicators manifest construct	The indicators define characteristics of the construct

Consideration	Reflective Model	Formative Model
Characteristics of items used to measure constructs	Indicators or items are mutually interchangeable Indicators or items should have the same or similar content Indicators or items should share a common theme Deletion or omission of the indicators or items would not alter the construct's conceptual domain.	Indicators or items do not need to be mutually interchangeable Indicators or items need not have the same or similar content Indicators or items need not share a common theme Deletion or omission of indicators or items may alter the construct's conceptual domain.
Empirical Consideration		
Covariation among the indicators Nomological net of the construct indicator	They are expected to be highly correlated with each other Should not differ	They are not expected to be highly correlated with each other, and may differ
Item relationships with construct antecedents and consequences	They are required to have the same antecedents and consequences	They are not required to have the same antecedents and consequences.
Measurement error and collinearity	Measurement error is identified using standard factor analysis	Measurement error is identified using the vanishing Tetrad test to determine if the formative items behave as predicted.

Source: Jarvis et al. (2003) and Coltman et al. (2008)

In this study, model testing using reflective measures within Partial Least Squares Structural Equation Modeling (PLS-SEM) is crucial for conducting a series of rigorous validity and reliability tests. Each of these tests plays a unique role in ensuring the strength and structural integrity of the measurement model. The primary tests include reliability indicators, internal consistency, convergent validity, and discriminant validity, as outlined by Hair et al. (2022). A detailed explanation of each criterion is presented below.

The first is the Reliability Indicator, which refers to the extent to which individual indicators accurately measure their respective constructs. This test is mainly assessed through indicator loading. According to Hair et al. (2022), the general

benchmark for acceptable item reliability is that each indicator must have a load of 0.70 or higher on the related construct. Values below this threshold indicate that the indicator does not substantially contribute to the measurement of the construct and may warrant reconsideration or elimination. In PLS-SEM analysis, loadings are generally evaluated through confirmatory factor analysis, which is conducted during the model estimation phase. If an indicator indicates a low load (below 0.40), it should be considered for removal. Indicators between 0.40 and 0.70 should be included in the model, but care should be taken and reviewed if there are indicators that have the potential to be eliminated (Hair et al., 2022).

Second, Internal Consistency, evaluates whether several items intended to measure the same construct produce consistent results. This is usually assessed using Cronbach's alpha or composite reliability (CR). According to Hair et al. (2022), an acceptable measure of internal consistency is a Cronbach's alpha value of 0.70 or higher, although for exploratory research, a lower threshold (around 0.60) may be considered acceptable. Composite reliability is often preferred to Cronbach's alpha in PLS-SEM because it accounts for differences in indicator loadings. A CR value of 0.70 or higher indicates strong internal consistency among the indicators measuring a construct (Hair et al., 2022).

Third, convergent validity, which assesses whether the indicators of a construct are highly correlated. This is usually measured using average variance extracted (AVE). Hair et al. (2022) state that for a construct to demonstrate adequate convergent validity, the AVE must exceed 0.50, indicating that the construct accounts for more than half of the variance in its indicators. In addition, the indicator loadings must be significant ($p < 0.05$), which reinforces that the indicators together effectively measure the predetermined construct.

Fourth, the Discriminant validity test, which assesses the extent to which a construct differs from other constructs in the model. In reflective measurement models, this is assessed holistically using the Fornell-Larcker criterion and the heterotrait-monotrait ratio (HTMT). Based on Fornell-Larcker Criteria, Hair et al. (2022) stated that the AVE square root for each construct must exceed the correlation between that construct and all other constructs. This indicates that the construct exhibits greater variance among its indicators than among indicators of other constructs. Meanwhile, on the HTMT Ratio criteria, Hair et al. (2022) recommend HTMT as a stronger criterion. An HTMT value below 0.85 for a construct is typically considered sufficient evidence

of discriminant validity, whereas values exceeding this threshold suggest potential overlap between constructs. Hair et al. (2022) emphasize the importance of this procedure for the reliable interpretation of discriminant validity. The detailed summary of the criteria and boundaries can be seen in Table 4.15 below.

Table 4.15
Summary of Criteria and Boundaries in the Table

Criteria	Minimum/Maximum Limit	Interpretation
Composite Reliability (CR)	>0.70	Internal consistency is good
Cronbach's Alpha (a)	> 0.70 (good), > 0.60 (fair)	Internal reliability
Average Variance Extracted (AVE)	>0.50	Convergent validity is good.
Fornell-Larcker Criterion	AVE is greater than the correlation between constructs	The discriminant validity is met
Heterotrait-Monotrait Ratio (HTMT)	< 0.85 (conservative) or < 0.90 (liberal)	The discriminant validity is met
Variance Inflation Factor (VIF)	<5	No multicollinearity issues

Source: Hair etal. (2022)

4.6.6 Assessing Structural Model Result

The evaluation of structural models in Partial Least Squares Structural Equation Modeling (PLS-SEM) is an important stage in understanding relationships among constructs within the research framework. This assessment focuses on how effectively each exogenous construct influences the endogenous construct, thereby explaining the interactions and implications of the data under analysis. Based on research conducted by Hair et al. (2022), six critical evaluations are recommended for thorough structural model testing in PLS-SEM. This assessment ensures that the model adequately represents the construct and accurately describes the relationship between constructs. To elaborate, the collinearity assessment ensures that the independent variables are not highly correlated, thereby preventing multicollinearity that could compromise the validity of the results. Significance and relevance evaluation focuses on assessing the statistical significance of relationships between constructs and the importance of these relationships in the context of the research. Explanatory power evaluation aims to assess how well the model accounts for the variance in the endogenous construct, thereby providing insight into the overall explanatory ability. Finally, predictive power is

assessed by evaluating the model's ability to accurately predict the endogenous construct from the given exogenous construct, indicating its predictive power (Hair et. al., 2010, 2019, 2022). Each aspect of the testing procedure will be explained in the following subchapter.

Collinearity Assessment

When assessing structural models, it is important to verify that there are no collinearity issues. Collinearity refers to the extent of correlation among constructs in a model. To determine whether the constructs are distinct and to avoid potential multicollinearity that can increase standard errors and bias coefficient estimates, it is important to evaluate the variance inflation factor (VIF) for each construct. A VIF value above five usually indicates problematic collinearity (Sarstedt et al., 2019). This step ensures that each construct contributes uniquely to the model and does not overlap with others.

Significance and Relevance

The significance of the relationship between constructs is assessed using a hypothesis test based on bootstrapping, which yields the t-statistic and confidence interval. According to Hair et al. (2022), a t-value that exceeds 1.96 (at a significance level of 0.05) indicates a significant relationship. In addition, considering the effect size can help determine the relevance of this relationship. Effect size can reveal how much influence exogenous constructs have on their endogenous constructs (Hair et al., 2019).

Explanatory Power

The model's explanatory power is assessed using the R^2 for the endogenous construct. R^2 shows the proportion of variance in the dependent construct that the independent construct can explain. Hair et al. (2022) state that R^2 values of 0.75, 0.50, and 0.25 indicate substantial, moderate, and weak explanatory power, respectively. This evaluation helps in determining how well the model describes the relationship between constructs (Riel et al., 2017). In addition, the predictive power of the model can be categorized into three categories, namely substantial (0.26), average (0.13), or weak

(0.02) (Cohen, 1988). However, given the varying levels of complexity across models and disciplines, there are no definitive rules of thumb for how strong R^2 should be when evaluating model-prediction accuracy. Different disciplines and levels of model complexity require different thresholds of prediction accuracy to achieve a minimum level of explanatory power. Hair et. al. (2014) stated that although an R^2 value of 0.20 is considered relatively high in the field of consumer behavior, this value is not considered high enough in the field of market studies.

Predictive Power

The predictive power of the model was tested using Stone-Geisser Q^2 statistics, which come from the blindfolding procedure. A Q^2 value greater than zero indicates that the model has predictive relevance for the endogenous construct. This evaluation reveals whether the model can effectively predict results based on the relationship established between constructs (Crocetta et al., 2020).

Effect Size

Effect size measures the strength of the relationship between constructs. Hair et. al. (2014) recommend calculating the f^2 value to assess the relevance of each predictor variable. This is done by determining the change in R^2 when an exogenous construct is removed from the model. The f^2 values of 0.02, 0.15, and 0.35 are interpreted as small, medium, and large effect sizes, respectively (Syoemantri, 2021). Another opinion from Cohen (1988) states that effect size or f^2 is a measure used to assess how strongly an exogenous construct contributes to explaining a particular endogenous construct in a structural model. This is to see the change in the R^2 value when a certain exogenous construct is included (Hair et al., 2014).

According to (Cohen, 1988; Gefen et al., 2000; Hair et al., 2022), an f^2 value of 0.35 indicates a significant effect, while values of 0.15 and 0.02 indicate a moderate and small effect. The size of the effect, large, medium, or small, will depend on how strongly an exogenous construct influences the endogenous construct. If the predictor construct or exogenous construct strongly influences the endogenous construct, then the difference between the *R2* that is issued will be higher, resulting in a high f^2 value. The detailed structural model assessment criteria are presented in Table 4.16.

Table 4.16
Structural Model Assessment Criteria

Assessments	Criteria	Notes
Multicollinearity (VIF)	VIF<5	If VIF > 5, this indicates high multicollinearity, which can affect the interpretation of the results.
Coefficient of Determination (R^2)	R^2 > 0.75 (substantial), > 0.50 (moderate), > 0.25 (weak)	R^2 shows the proportion of variance in the dependent variable explained by the independent variable.
Effect Size (f^2)	0.02 (small), 0.15 (medium), 0.35 (large)	f^2 assesses the magnitude of the effect of the independent variable on the dependent variable.
Predictive Relevance (Q^2)	Q^2 > 0 indicates the predictive relevance of the model	Q^2 is calculated using the blindfolding method and quantifies how well the model reconstructs the observed values.
Path Coefficients	Significant at p-value < 0.05 or based on t-statistic	Measures the strength of the relationship between latent variables in the structural model.

Source: Hair etal. (2022)

4.7 Chapter Summary

This chapter explains the research methodology used in this study, namely, a quantitative approach to address the research objectives holistically. The data collection process in this method uses a questionnaire research instrument consisting of three parts. The first part of the questionnaire is related to the demographics of the respondents; the second part contains research questions to test hypotheses in ROl and R02. In contrast, the third part is related to descriptions from multiple response questions, which are then used to answer research questions in R03. This chapter also explains the process of determining the population and sample, research instruments, data collection process, variable measurement, and data analysis to test the research hypotheses using Smart-PLS3. PLS was chosen because it is considered powerful for testing the influence between the variables used in this study, namely direct influence and moderating effects, where direct influence includes pressure, opportunity, rationalization, and capability to commit fraud incidents in the village fund system, meanwhile the moderating effect measured in this study is spiritual work ethics among village officials in Central Java, Indonesia. Additionally, to address R03 regarding the processing of multiple-response questions, conclusions were drawn comprehensively from the

responses collected through the questionnaire. This stage was conducted to obtain additional information that could not be obtained in the previous stage, which involved testing closed-ended questions using numerical responses. In Chapter Five, the research findings obtained during data collection will be discussed.

To make it easier to understand the content of the research methodology in this chapter, it will be summarized in Table 4.17. This table presents information on the elements of quantitative and qualitative approaches.

Table 4.17
Summarizing the Methodology Used

Methodology	Type of Tool Used
Research Design	A quantitative method
	Cross-sectional approach
	Survey instrument
	Sampling of 384 village fund managers in Central Java, Indonesia
	Unit of analysis: organizational
Variable Measurement	Likert Scale 5-point
	Pressure (9 items)
	Opportunity (11 items)
	Rationalization (9 items)
	Capability (8 items)
	Fraud incidents in the village fund system (9 items)
	Spiritual Work Ethic (15 items)
Multiple responses questions	Element of a fraud-coping mechanism
Statistical method for a quantitative approach	PLS-SEM with Smart PLS 3
Analysis for multiple-response questions	Thematic analysis

CHAPTER 5
FINDINGS

5.1 Introduction

This chapter gives an account of research aspects relating to data analysis. In subsection 5.2, the rate of the questionnaire distribution in this study using face-to-face and online delivery methods is discussed. Additionally, 5.3 Common Method Bias and 5.4 Non-Response Bias describe potential research biases, such as differences in traits between respondents who answered and those who did not. The non-response bias is conducted in terms of the online and the offline methodologies, where the online answers received might be different from the offline received ones in terms of the demographic, the level of involvement and the knowledge of the system under study.

An introduction to respondents is provided in Section 5.5, Individual Respondent Demographics, and Section 5.6 presents the utilization of *Siskeudes*, beginning with the definition of users and proceeding to how *Siskeudes* is assisted—Section 5.7 Challenges in using *Siskeudes.* Also, the factors that led to the study, like pressure, opportunity, rationalization, ability, and spiritual work ethic, have been described in Section 5.8 Descriptive Analysis of Items in Variables. To proceed, 5.9 partial structural equation modeling (PLS-SEM) is employed in a two-step process, involving assessment of the measurement and structural models, to conclude the evaluation of the model results.

Section 5.10 displays the findings of research objective 3 and research question 3 of determining the components of fraud coping mechanisms. Lastly, 5.11 Chapter Summary gives a summary of the key findings of all the analyses carried out. The structure of the undertaken chapter offers such a logical sequence of comprehending the factors that have an impact on behavior within the *Siskeudes* system: beginning with the description of the peculiarities of respondents and possible biases, proceeding to the logical analysis of the interconnection between variables through the PLS-SEM method.

5.2 Response Rate

In this study, the questionnaire distribution process was carried out using two methods, namely the offline method (face-to-face) directly to respondents and the online method (distribution via a Google Form link). The main consideration in distribution across these two approaches is access to each region, which is highly variable; therefore, using these two methods to maximize the return rate of distributed questionnaires. In this study, respondents who were asked to complete the questionnaire were village officials involved in the use of the *Siskeudes* application for village fund management; each village has different policies regarding who is responsible for its use.

The offline questionnaire distribution process was conducted from August 5 to September 22, 2023, for approximately 2 months. At this stage, the researcher distributed 300 questionnaires directly to willing village officials in the districts of Pati and Rembang, Indonesia. In this process, several questionnaires could not be filled out directly by the respondents for various reasons, such as having work that could not be left behind and other considerations, so the questionnaires had to be left first and only about 1 week later did the researchers make a follow-up confirmation to the village authorities regarding the continuation of the questionnaire filling process. On the other hand, village officials who were willing to fill out the questionnaire directly, while confirming with the researcher the purpose of this research, and asking several other questions related to the purpose of some of the items asked, ensured a better understanding of filling out the questionnaire.

In the process of collecting these questionnaires, the researcher managed to obtain 261 questionnaires from respondents, of which 15 questionnaires were not filled in completely. Four questionnaires could not be used because the respondents who filled them in did not meet the predetermined criteria, namely, village officials not related to the use of *Siskeudes* in village fund management, namely, the community, and heads of neighbourhood (RT/RW). The questionnaires in this offline method were unusable because they were not completed directly by the respondents. It took about a week for them to be collected, and when the researcher arrived at the agreed time, the questionnaires were immediately handed over. From the entire offline questionnaire collection process, 238 questionnaires were usable in this approach. Thus, the response rate in this approach is = (3^) *x* 100 = 79%, meaning that 79% of the distributed

questionnaires were completed by the respondents. The detailed summary of the response rate by face-to-face can be seen in Table 5.1 below:

Table 5.1
Response Rate by Face-to-Face

Distributed	Returned	Uncomplete	Usable	Response Rate (%)
^300	261	19	238	79%

Meanwhile, the online dissemination approach (Google Form) was carried out using several techniques, namely the researcher asked for facilitation assistance from related parties, namely village assistants who were under the direct coordination of the Ministry of Villages and Disadvantaged Regions in Central Java province. This was done to obtain comprehensive, targeted results for village officials directly coordinated by village assistants. In addition, the researcher was also directly present at meetings between village officials, which were coordinated directly by the relevant parties, namely between academics and the government, in this case, the village assistants in the Central Java region, in the form of community service. This process was carried out in the period from the end of September 2023 to the end of October 2023. At this time, the link to the questionnaire was sent to 200 WhatsApp contacts obtained by the researcher, of whom 189 completed the questionnaire. In this online questionnaire, all can be used; this is because the respondents cannot skip stages in each item of the questionnaire, so that the questionnaire can be filled in automatically from the beginning to the end. From this number, the response rate for the online questionnaire can be calculated as follows: = Q^) x 100 = 94.5%, which means that 94.5% of the distributed questionnaires were completed by the respondents. The detailed summary of the response rate by online can be seen in Table 5.2 below:

Table 5.2
Response Rate by Online Distribution Questionnaire

Distributed	Returned	Uncomplete	Usable	Response Rate (%)
200	189	0	189	94.5%

As presented in tables 5.1 and 5.2 related to the response rate of the questionnaire distribution in this study, Where the two approaches taken in distributing the questionnaire resulted in a different response rate, namely for the offline method (face to face) as many as 238 respondents or equivalent to 79% of the total

questionnaires distributed, namely 300, while for the online method as many as 189 respondents or equivalent to 94.5% of the total questionnaires distributed, namely 200. Furthermore, the results from the two approaches were combined, yielding a total of 427 respondents for the next step of this study, representing 85.4% of the 500 questionnaires distributed. This number exceeds the minimum requirements stipulated in the research methodology chapter, subchapter 4.3. In addition, a sample size of 427 is considered appropriate for using SEM-PLS. Hair et al. (2022) argue that 200 is the ideal number for using SEM-PLS. The detailed summary of the total response rate can be seen in Table 5.3 below:

Table 5.3
Total Response Rate for Questionnaire Distribution

No	Distribution methods	Distribution amounts	Returned amounts	Incomplete and unusable amounts	Usable total	Percentage (%)
1	Face-to-face distribution	300	261	19	238	79%
2	Distribution via Google Form link	200	189	0	189	94.5%
Total		500	450	19	427	85.4%

5.3 Common Method Bias

Common Method Bias (CMB) is a severe problem in quantitative research that can undermine the validity of research results. To address CMB, researchers use Harman's single-factor test technique, in which all items are measured by exploratory factor analysis to see if one significant factor emerges that explains most of the variance; the steps to carry out this test involve collecting data from all measured variables and performing an exploratory factor analysis (EFA) on all questionnaire items (Podsakoff et al., 2022). In EFA, extraction methods such as Principal Component Analysis (PCA) are used without imposing a limit on the number of factors extracted. The analysis results are then examined to assess the variance explained by the first factor. If the first factor explains more than 50% of the total variance, this indicates the presence of a significant CMB (Simmering et. al., 2015; Chiew et. al., 2019; Aguirre-Urreta & Marakas, 2022). In Table 5.4 below are the detailed results of the test:

Table 5.4
Harman's Single Factor Test

Total Variance Explained

	Initial Eigenvalues			Extraction Sums of Squared Loadings		
Factor	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	12.294	20.153	20.153	11.570	18.967	18.967

The CMB test accounted for most of the variance (18.967%); this result indicates that Common Method Bias is not a significant problem, as the total variance explained by the first factor is below 50%. The results of this analysis are often used as a benchmark in Harman's Single Factor Test to determine if the data variance is dominated by a single factor, which could indicate significant method bias. With CMB values well below this threshold, the analysis indicates that a single factor does not dominate the variance in the data. This indicates that there is no substantial evidence that Common Method Bias (CMB) is a significant problem in these data. The data collected is considered free from biases that could affect the validity of the research results.

5.4 Non-Response Bias

In this study, non-response bias testing was used to assess the data collection process, with questionnaires administered via a mixed-mode approach (offline and online). Testing with this method was presented by Dillman et al. (2014), where they were of the view that it was important to conduct a non-response bias test so that the data could avoid potential bias. In the non-response bias assessment, the statistical approach is a t-test comparing respondents who complete the questionnaire with those who use the offline and online approaches. This testing process is essential to maintain data quality and ensure that the validity assumptions are met, thereby providing a comprehensive and robust overview of the study's results and enabling stronger conclusions, free from potential bias.

The representation of the data tested from this study is divided into two groups: 238 respondents who filled out the questionnaire offline and 189 respondents who filled out the questionnaire online. The data used for this testing process has undergone very

strict sorting to be further tested using SPSS to determine the potential for non-response bias through t-tests. The full results of this test can be seen in Table 5.5 below:

Table 5.5
Independent Sample t-test (offline, n=238 and online, n=189)

Variable	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
OPP	1.140	425	155	^78	^636	2.392
RAT	1.046	425	.296	.565	-.496	1.626
SWE	.947	425	.344	.775	-.833	2.382
FI	-1.145	425	.253	-.543	-1.476	.389

Testing of the four variables used in this study found no significant difference between groups completing the questionnaire offline and those completing it online in their overall responses to the questionnaire. The OPP variable shows a p-value of 0.255, which exceeds the specified threshold of 0.05, indicating no significant difference across filling modes for this variable and no non-response bias in this OPP variable. In addition, the other three variables, namely RAT, SWE, and FI, with significance values of 0.296, 0.344 and 0.253, respectively, have also exceeded 0.05, indicating that there is no evidence of non-response bias in these variables. Therefore, it can be concluded that the sample size used in this study is sufficient to conclude fraud incidents in the village fund system of village governments.

5.5 Demographics by Respondent

5.5.1 Respondent's Profile

In this section, several characteristics emerge as identity data among research respondents. The data were obtained through a direct questionnaire survey administered to respondents across Central Java. Central Java has 7,809 villages in 2022 and 2023, an increase of 1 village, namely 7,810 villages, spread across 29 districts and six cities. (BPS Provinsi Jawa Tengah, 2023). Respondents consist of several categories that are directly related to the Village Fund, including planning the submission of the village fund budget, implementing the village fund budget, and accountability for village funds. The data distributed was 500 data points with statistical calculation adjustment filtering,

so that the data used was 427 data points. The detailed summary of the distribution of respondents can be seen in Table 5.6 below:

Table 5.6
Distribution of Respondents

Description	Category	Total	Percentage (%)
Gender	Male	289	67.68%
	Female	138	32.32%
	Total	427	100%
Status	Single	**47**	11.01%
	Married	380	88.99%
	Total	427	100%
Number of Family Dependents	0 - 2	219	51.30%
	3 - 5	199	46.50%
	6 - 7	**9**	2.10%
	Total	427	100%
Education Level	Elementary school	**0**	0.00%
	Junior high school	**8**	1.87%
	Senior high school	213	49.88%
	Diploma Degree	**26**	6.09%
	Bachelor Degree	**178**	41.69%
	Master Degree	**2**	0.47%
	Total	427	100%
Age	< 20 years	**2**	0.47%
	21 - 30 years	**84**	19.67%
	31 - 40 years	**142**	33.26%
	41 - 50 years	132	30.91%
	51 - 60 years	**57**	13.35%
	> 60 years	**10**	2.34%
	Total	427	100%
Length of Service	< 1 year	**9**	2.11%
	1-2 years	**61**	14.29%
	2 - 5 years	**98**	22.95%
	> 5 years	259	60.66%
	Total	427	100%

Description	Category	Total	Percentage (%)
Position in the Village	Head of the Village	47	11.1%
	Village Treasurer	65	15.22%
	Village Secretary	93	21.78%
	Head of Finance	61	14.29%
	Head of Government	17	3.98%
	Head of General Affairs and Planning	26	6.09%
	Siskeudes Operator	96	22.48%
	Others	22	5.15%
	Total	427	100%

Table 5.6 presents the distribution of respondents by demographic and occupational characteristics. The majority were male (67.68%>), married (88.99%>), and had 0-2 dependents (51.30%). High school and bachelor's degrees were the most common, followed by diplomas and master's degrees (41.69%>). The largest age group was 31-40 years (33.26%), followed by 41-50 years (30.91%).

The majority of respondents (60.66%>) have worked for over 5 years, with *Siskeudes* Operator (22.48%), Village Secretary (21.78%), and Village Treasurer (15.22%)) being the most common positions. The majority are married men, have a high school or bachelor's degree, and are in the productive age range (31-50 years).

5.6 Overview of *Siskeudes* System Usage

This section presents an analysis of how the *Siskeudes* is implemented and utilized within village administrations, based on the data collected from 427 respondents. The questionnaire included items designed to capture *Siskeudes* usage, including user roles, frequency of use, duration of experience, perceived effectiveness, technical challenges, and support mechanisms. While each respondent provided individual insights, the data also reflect broader institutional practices, as many aspects of *Siskeudes* usage involve multiple actors within the same village. Accordingly, it is important to note that for specific items, such as user roles, the total number of responses exceeds the number of individual respondents. This is because participants were permitted to select multiple roles to reflect the collaborative use of the *Siskeudes* in practice. For instance, while one village might have a designated operator, other users

such as the treasurer, secretary, or financial officer might also use the system regularly. This is similar to the usability of the *Siskeudes* application. Table 5.7 below summarises the *Siskeudes* usage.

Table 5.7
Siskeudes System Usage (n= 427)

Category	Item		%
User Role	Head of Village	41	9.60%
	Village Treasurer	191	44.73%
	Village Secretary	150	35.13%
	Head of Finance	164	38.41%
	Siskeudes Operator	245	57.38%
	Others	41	9.60%
Length of Use	Less than 1 year	11	2.58%
	1 to less than 2 years	18	4.22%
	2 to less than 5 years	131	30.68%
	5 years and above	267	62.53%
System Usage Perception	Optimal	409	95.78%
	Not yet optimal	18	4.22%
Frequency of Use / Month	Less than 10 times	111	26.00%
	10 to less than 20 times	134	31.38%
	20 to less than 30 times	94	22.01%
	More than 30 times	88	20.61%
Usability Features	Recording budget and funds allocation	362	84.77%
	Recording the budget received from the government	331	77.52%
	Recording village income	323	75.64%
	Recording village expenditure	329	77.05%
	Others	93	21.78%
Technical Assistance Received	3 times or more	231	54.10%
	2 times	71	16.63%
	1 time	79	18.50%
	Never	46	10.77%

The findings suggest that *Siskeudes* is deeply embedded in village fund operations. Most respondents (62.53%) have used the application for 5 years or more, demonstrating long-term institutional adoption. An additional 30.68%) reported usage

between two and less than five years, while a minority (6.80%) had experience of less than two years. These trends suggest that, although the system is widely familiar, a small subset of users may still be in the early stages of adaptation.

The system is most commonly used by *Siskeudes* Operators (57.39%), Village Treasurers (44.73%) and Heads of Finance (38.40%). This reflects the shared responsibility among various roles in managing village finances. Furthermore, the high level of perceived optimal usage (95.78%) indicates that most users perceive the application as functional and practical. Only a small percentage (4.22%) reported suboptimal use points to issues such as inadequate internet access, lack of training, or insufficient personnel.

The respondents also identified the system's key functionalities. The most frequently used features were recording village and budget allocations (84.77%), followed by documenting government disbursement (77.51%), village expenditures (77.05%)) and income (75.65%). This demonstrates that the application plays a critical role in enabling full-cycle financial tracking and reporting at the village level. The inclusion of additional use cases under the "others" further highlights the system's versatility in managing various aspects of village finance.

Regarding frequency of use, 22.01%> of respondents access the system between 20 and 30 times per month, while about 20.61%) reported using it more than 30 times per month, indicating near-daily engagement. This frequency likely enhances user proficiency and contributes to effective system utilization.

5.7 **Challenges in Using *Siskeudes***

Although the overall reception of *Sikeudes* is positive, 72 respondents (16.86%) reported experiencing difficulties in using the system. Among those who reported difficulties, the most cited issue was unstable internet or Wi-Fi (36.36%), which is particularly problematic in rural areas. This was followed by constraints in human resources (19.70%) and insufficient training (18.18%). Some respondents also pointed to the system's complexity and inadequate infrastructure as barriers to practical use.

Additional responses highlighted specific challenges, including server errors, limited experience among new users, and a perceived lack of user-friendliness for non-technical staff. These findings underscore the need for continued investment in digital

infrastructure, targeted training programs and system enhancement to support broader and more efficient use of *Siskeudes*.

5.8 Descriptive Analysis for Item on Variables

At this stage, the descriptive analysis of the variables measured in fraud incidents involving *Siskeudes* will be presented. Table 5.8 - 5.13 presents descriptive statistics of pressure, opportunity, rationalization, spiritual work ethics and fraud incidents.

5.8.1 Pressure

Table 5.8 presents measurement results for several items related to the pressure experienced by employees in the work environment, particularly in the context of using the *Siskeudes* application. Each item in this variable is measured using mean statistics and standard deviation. The average values that measure items related to the pressure variable are presented in Table 5.8.

Table 5.8
Descriptive Statistics of Pressure Variable

Code	Measure Items	Mean Statistic	Standard Deviation
P1Fin	I am experiencing unexpected expenses such as illness, accidents, or other emergencies.	3.55	0.855
P2_Fin	I feel depressed because my workload is too heavy.	3.60	0.764
P3_Fin	I need to reduce my expenses to ensure I have sufficient funds for the month.	3.55	0.799
P4_Fin	I am the main financial provider for my family.	3.45	0.787
P5_Fin	I maintain a relatively high- or expensive-lifestyle.	3.49	0.773
P6_Wrk	I need to take a part-time job to support my monthly.	3.55	0.828
P7_Wrk	I operate *Siskeudes* while also having other work responsibilities that must be carried out simultaneously in the village.	3.24	0.959
P8_Wrk	I feel uncomfortable at work due to the existence of *Siskeudes*.	3.33	0.856
P9_Wrk	I have clear information on the amounts of salary increases, benefits, promotions, and penalties for fraudsters.	3.48	0.791

The descriptive analysis of the Pressure variable indicates that the highest mean score is for code P2_Fin, with a mean of 3.60 and a standard deviation of 0.764. This indicates that excessive work demands significantly contribute to pressure among respondents. Additionally, financial issues with codes P1_Fin and P3_Fin have a mean score of 3.55, underscoring financial pressure as another important factor. These findings suggest the need for better workload management and financial support to reduce stress among *Siskeudes* users.

5.8.2 Opportunity

Table 5.9 shows the overall mean value and standard deviation for the opportunity variable. In this construct, opportunity is measured using eleven statement items: supervision items (O1_Spv-O7_Spv) and attitudes (O8_Attd-O11_Attd). Based on the analysis presented in Table 5.8, the opportunity measurement items in relation to supervision and the possibility of fraud incidents in the *siskeudes* application.

Table 5.9
Descriptive Statistics of Opportunity Variable

Code	Measure Items	Mean Statistic	Standard Deviation
O1_Spv	Transactions can be carried out without sufficient authorization.	3.47	0.800
O2_Spv	Recorded in an accounting period that does not match the actual transaction date.	3.53	0.831
O3_Spv	The separation of duties and responsibilities among officers is unclear and poorly defined.	3.54	0.836
O4_Spv	Certain areas are not covered by CCTV, thereby reducing the visibility of the transaction process.	3.47	0.843
O5_Spv	Regulations, procedures, and instructions are not well-documented	3.43	0.840
O6_Spv	Supervision, control, and audit reviews are inadequate and not conducted regularly.	3.44	0.890
O7_Spv	In my opinion, there is a lack of an active supervision system in ensuring that all employees carry out their duties in accordance with the standard operating procedures	3.42	0.848
O8_Attd	Fraud can potentially occur in the village fund system.	3.43	0.881

Code	Measure Items	Mean Statistic	Standard Deviation
O9_Attd	Fraud occurs due to the system user's attitude or behavior.	3.52	0.854
O10_Attd	Weaknesses in the village fund system create opportunities for fraud.	3.39	0.911
O11_Attd	Only one individual has access to the village fund system (*Siskeudes*).	3.52	0.823

The highest average score for the opportunity variable, within the Supervision and Attitude dimensions, is 3.54 for code O3_Spv, with a standard deviation of 0.836. This indicates that the unclear division of duties and responsibilities is a significant problem affecting internal control. In addition, concerns about the mismatch of transaction inputs with the correct accounting period and fraud due to user behavior have high average values, 3.53 and 3.52, respectively, in codes O2_Spv, O9_Attd and O11_Attd. These findings highlight the need for clearer role delineation, stricter supervision, and enhanced compliance measures to minimize the risk of fraud.

5.8.3 Rationalization

Table 5.10 shows the mean value and standard deviation for Rationalization items. In this construct, rationalization is measured using 8 statement items: Giving (R1_Giv-R4_Giv) and Using (R5_Use-R8_Use).

Table 5.10
Descriptive Statistics of the Rationalization Variable

Code	Measure Items	Mean Statistic	Standard Deviation
R1_Giv	In my opinion, the salary I receive is too low compared to the risks, number of tasks, and responsibilities I have in the village.	3.46	0.802
R2_Giv	I believe that no one will be harmed if I use village funds or office assets for personal purposes.	3.35	0.858
R3_Giv	I believe it is acceptable to borrow office assets as long as they are returned intact.	3.55	0.766
R4_Giv	I believe that gifts from the community, vendors, or co-workers constitute appreciation for the service I have	3.56	0.771

Code	Measure Items	Mean Statistic	Standard Deviation
	provided.		
R5_Use	I think it is acceptable to make exceptions to certain rules in order to achieve targets or complete my obligations.	3.40	0.826
R6_Use	I believe the village owes me for my contributions, and I can request reimbursement at any time.	3.47	0.788
R7_Use	I believe that if I take a small amount of money or village assets, the village will not go bankrupt.	3.58	0.763
R8_Use	I feel I deserve a reward for my contributions to the village, which I have not yet received.	3.53	0.814

Based on the data in Table 5.10, Descriptive Statistics of Variable Rationalization, the highest value is in R7_Use with a mean of 3.58 and a standard deviation of 0.763. This statement indicates that respondents believe that if they take a small amount of money or village assets, the village will not go bankrupt. Meanwhile, the lowest value is in R2_Giv with a mean of 3.35 and a standard deviation of 0.858. This statement states that no one is harmed if someone uses money or office assets for personal gain. From these results, it can be concluded that the highest rationalization is based on the assumption that theft in small amounts will not have a significant impact, whereas the lowest rationalization is based on the perception that using office assets for personal gain is acceptable.

5.8.4 Capability

Table 5.11 shows the mean value and standard deviation for Capability items. In this construct, capability is measured using 9 statement items: Position (C1_Pos-C2_Pos), Superiority (C3_Spr-C5_Spr), and Technology (C6_Tech-C9_Tech).

Table 5.11
Descriptive Statistic of Capability Variable

Code	Measure Items	Mean Statistic	Standard Deviation
C1_Pos	In my current position, I could commit fraud.	3.60	0.764
C2_Pos	I have an in-depth understanding of the internal controls related to my current position.	3.54	0.828
C3_Spr	I can persuade other staff to adopt my	3.52	0.809

Code	Measure Items	Mean Statistic	Standard Deviation
	recommendations.		
C4_Spr	My ability to multitask gives me an advantage in the workplace.	3.60	0.782
C5_Spr	I manage stress effectively.	3.54	0.820
C6_Tech	I find it easy to use the *Siskeudes*.	3.27	0.978
C7_Tech	I am proficient in using the village fund system (*Siskeudes*).	3.60	0.803
C8_Tech	I consistently participate in training sessions on the use of *Siskeudes*.	3.58	0.853
C9_Tech	I can quickly become familiar with *Siskeudes*.	3.52	0.848

The highest average score in the Ability variable was 3.60 for the three question items with codes C1_Pos, C4_Spr, and C7_Tech. This indicates that the respondents acknowledged that their position created opportunities for fraud, while also highlighting their multitasking abilities and proficiency with the *Siskeudes* system. This indicates potential risks and strengths in their abilities in the village fund system.

5.8.5 Spiritual Work Ethics

Table 5.12 shows the mean value and standard deviation for Spiritual Work Ethic (SWE) items in this construct. SWE is measured by 15 statement items, consisting of Religiosity (SWE_1 - SWE_2), Wisdom (SWE_3 - SWE_8) and Ethic (SWE_9 - SWE_15) items.

Table 5.12
Descriptive Statistics of Spiritual Work Ethic Variable

Code	Measure Items	Mean Statistic	Standard Deviation
SWE1_Rel	I believe in God and am committed to living in accordance with God's principles.	3.66	0.705
SWE2_Rel	I allocate a portion of my income each month to donations or charitable purposes.	3.69	0.709
SWE3_Wis	I acknowledge that challenges at work may arise and strive to respond appropriately.	3.67	0.709
SWE4_Wis	I seek to improve my circumstances through ethical means.	3.66	0.705

Code	Measure Items	Mean Statistic	Standard Deviation
SWE5_Wis	Before criticizing someone, I try to put myself in their position.	3.56	0.768
SWE6_Wis	When facing a problem, I consider all relevant information before making a decision.	3.59	0.756
SWE7_Wis	I remain calm and think clearly when solving problems, even under emotional stress.	3.60	0.719
SWE8_Wis	I try to let go of resentment and focus on constructive solutions.	3.62	0.726
SWE9_Etc	I manage my emotions and maintain professionalism when issues arise.	3.60	0.733
SWE10Etc	I do not compromise on my ethical principles.	3.65	0.687
SWE11Etc	It is not acceptable for village officials to be involved in the improper management of village funds.	3.65	0.733
SWE12_Etc	When a choice has to be made between what is right and what works in my favor, I will choose what is right	3.73	0.678
SWE13_Etc	My ethical actions are consistent across situations.	3.67	0.708
SWE14_Etc	I tell the truth even if it comes with personal consequences.	3.61	0.718
SWE15_Etc	Using the village fund system (*siskeudes*) motivates me to maintain a strong work ethic.	3.55	0.759

The highest average score in the Spiritual and Work Ethics (SWE) variable was 3.73 for the statement coded SWE 12_Etc. In addition, another high score was on the statement item coded SWE2_Rel, with a score of 3.69. This finding indicates that although respondents emphasized ethical decision-making and religious values, some also felt that external circumstances adversely affected the situations they faced while working in the village.

5.8.6 Fraud Incidents in the Village Fund System

Table 5.13 shows the mean value and standard deviation for Fraud items. In this construct, fraud is measured using 9 statement items: Fraud Incident (F1_Inc-F6_Inc) and Fraud Occurrence (F7_Occ-F9_Occ).

Table 5.13
Descriptive Statistics of Fraud Incidents in the Village Fund System Variable

Code	Measure Items	Mean Statistic	Standard Deviation
F1Inc	Fraud incidents have occurred within the village fund system.	3.53	0.797
F2_Inc	The level of fraud incidents in the village fund is high.	3.58	0.781
F3_Inc	Many village sectors are susceptible to fraud incidents.	3.59	0.714
F4_Inc	Corruption, collusion, and nepotism are the most common types of fraud in village sectors.	3.53	0.808
F5_Inc	In this village, I have observed or believed that office assets are used for personal purposes (e.g., vehicles, printers, computers).	3.54	0.788
F6_Inc	In this village, I have observed or believed that cash is borrowed or stolen.	3.53	0.788
F7_0cc	I believe some information in the village's financial statements is concealed or presented inaccurately.	3.39	0.842
F8_0cc	I am aware of frequent misstatements, and they are corrected a few days later.	3.49	0.806
F9 Occ	Even with the use of the Village Fund System *(siskeudes),* fraud can still occur.	3.58	0.772

The highest average score in the Fraud Incidences variable is 3.59 with the code F3_Inc for the statement "Many village sectors are susceptible to fraud incidents", which indicates widespread concern about the risk of fraud. Other high values include "The level of fraud incidents in the village fund is high" at 3.58 with the code F9_0cc, and on the question item "Even with the use of the Village Fund System *(siskeudes),* fraud can still occur." with a value of 3.58 on the code F9_0cc. This finding indicates that respondents perceive fraud as an ongoing problem in the management of village funds, despite the presence of controls.

5.9 Partial Least Squares- Structural Equation Modelling (PLS-SEM)

The data processing stage in this study uses a Two-Stage Approach. The two-stage approach in Structural Equation Modeling - Partial Least Squares (SEM-PLS) analysis is a method used to handle complex models, especially those involving moderation or hierarchy of constructs. This approach is divided into two main stages: first stage and second stage (Hair et al. 2022; Sarstedt et al., 2017; Becker et al., 2012).

In this study, the two-stage model used is the reflective-reflective model, which means that both first-order constructs and second-order constructs are measured using reflective indicators. This means that these indicators are influenced by the latent construct being measured (Henseler et al., 2015; Sarstedt et al., 2020; Hair et al. 2022; Wong, 2019). The following is an explanation of the stages:

First Stage: In the first stage, the focus is on the measurement model (outer model). The steps taken at this stage include: Measurement Model Estimation; All first-order constructs are measured using relevant indicators. Convergent validity is evaluated through the Average Variance Extracted (AVE) value, while Composite Reliability and Cronbach's Alpha measure reliability. Discriminant validity was tested using the Fornell-Larcker criterion and the Heterotrait-Monotrait Ratio (HTMT). Next is the Evaluation of Results: Indicators that have a loading value of more than 0.7 indicate good convergent validity Hair et al. (2022). Constructs are considered reliable if the Composite Reliability value is more than 0.7 and Cronbach's Alpha is more than 0.6. Discriminant validity is achieved if the AVE value of each construct is greater than the squared correlations with other constructs (Fornell & Larcker, 1981).

Second Stage: Once the measurement model has been evaluated and its validity and reliability have been assured in the first stage, the second stage involves the Use of Latent Scores: latent scores obtained in the first stage are used as indicators of higher-order constructs (second-order constructs). It aims to build a more complex model with moderating or hierarchical constructs. Furthermore, the Structural Model Estimation: At this stage, estimation is carried out on the structural model (inner model). Path coefficients are calculated to determine the direct effect between latent constructs. The moderating effect is tested by examining the interaction between latent constructs.

5.9.1 Measurement Model Analysis (Stage 1)

The stage of evaluating the results of this study goes through two steps, or better known as the two-stage approach, namely evaluating the measurement model until it meets the adequacy requirements and then proceeding to evaluate the structural model for the quality of the research model. In this study, the stage of evaluating research results employs the reflective-reflective method, with two stages of measurement model testing. In stage 1 of the measurement model evaluation, the convergent validity and discriminant validity values of the research data must meet predetermined requirements.

The convergent validity test is conducted by examining the outer loading of each indicator on its construct and the average variance extracted (AVE). Indicators are said to be valid if the loading factor value is greater than 0.60 and the AVE value must be greater than 0.5. Furthermore, to assess discriminant validity in this research data, it is seen from the cross-loading between indicators and other constructs. After the testing process is complete, the next step in stage 1 is to look at the value of Cronbach's Alpha and composite reliability which has a limit of greater than 0.70 for confirmatory research or a value greater than 0.6 for explanatory research and see the HTMT value of the processed data with the specified requirement, namely the HTMT value of the dimension below 0.90.

5.9.1.1 Indicator Loading

This study tested the reliability of 61 indicators across six variables: Pressure, Opportunity, Rationalization, Capability, Spiritual Work Ethics (SWE), and Fraud, each consisting of multiple dimensions. All indicators had loading factors above 0.7, confirming their reliability. The lowest loading factor was 0.754 (SWE15_Etc), while the highest was 0.944 (C5_Spr). These results validate the use of all indicators for further analysis. For more details, see Figure 5.1

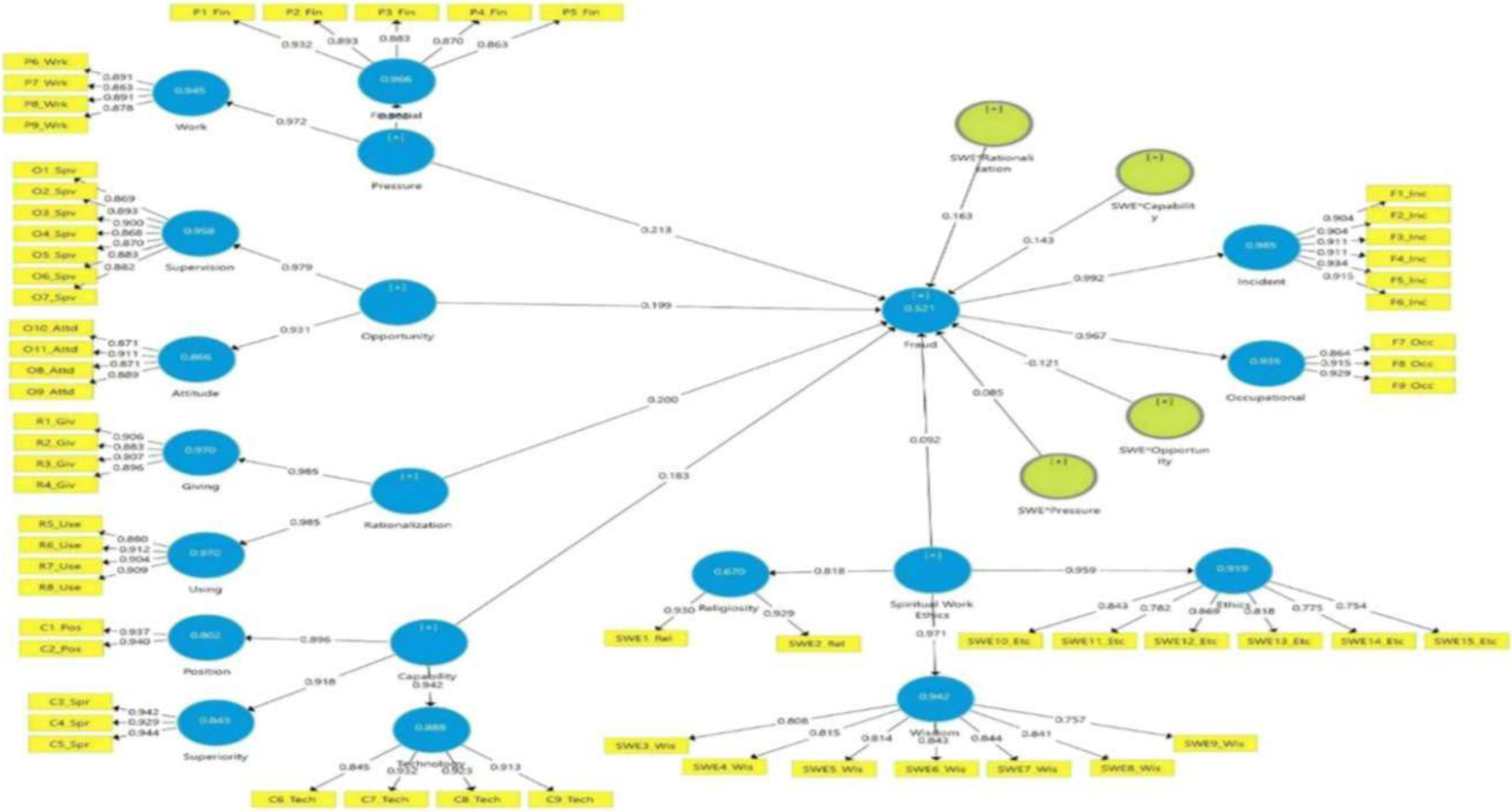


Figure 5.1 Outer Model PLS Algorithm Stage 1

Furthermore, the following table presents the factor-loading results for each dimension of the research model in the first stage. Factor loading is used to evaluate the extent to which each indicator loads the measured construct. A loading value higher than 0.7 indicates that the indicator is valid for measuring the construct in question, according to Hair et al. (2022).

Table 5.14
Factor Loading Result: Stage 1

	Press	Opp	Rat	Cap	SWE	Fraud
Pl_ Fin	0.932					
P2 Fin	0.893					
P3 Fin	0.883					
P4 Fin	0.870					
P5_ Fin	0.863					
P6 _Wrk	0.891					
P7__Wrk	0.863					
P8 _Wrk	0.891					
P9 _Wrk	0.878					
01._Spv		0.869				
02 _Spv		0.893				
03 _Spv		0.900				
04 _Spv		0.868				
05 _Spv		0.870				
06 _Spv		0.883				
07 _Spv		0.882				
08 _Attd		0.871				
09 _Attd		0.889				
OlOAttd		0.871				
011_Attd		0.911				
Ri_ _Giv			0.906			
R2 _Giv			0.883			
R3 _Giv			0.907			
R4 _Giv			0.896			
R5 _Use			0.880			
R6 _Use			0.912			
R7 _Use			0.904			
R8 _Use			0.909			
ci. Pos				0.937		
C2_ Pos				0.940		
C3_ _Spr				0.942		

	Press	Opp	Rat	Cap	SWE	Fraud
C4_Spr				0.929		
C5_Spr				0.944		
C6_Tech				0.845		
C7_Tech				0.932		
C8_Tech				0.923		
C9_Tech				0.913		
SWE2_Rel					0.930	
SWElRel					0.929	
SWE3_Wis					0.808	
SWE4_Wis					0.815	
SWE5_Wis					0.814	
SWE6_Wis					0.843	
SWE7_Wis					0.844	
SWE8_Wis					0.841	
SWE9_Wis					0.757	
SWElOEtc					0.843	
SWEllEtc					0.782	
SWE12_Etc					0.869	
SWE13_Etc					0.818	
SWE14_Etc					0.775	
SWE15_Etc					0.754	
Fllnc						0.904
F2_Inc						0.904
F3_Inc						0.911
F4_Inc						0.911
F5_Inc						0.934
F6_Inc						0.915
F7_0cc						0.864
F8_0cc						0.915
F9_0cc						0.929

From Table 5.14, we can see that all indicators demonstrate high validity for their respective constructs, confirming strong convergent validity in the research model. Each construct, Pressure, Opportunity, Rationalization, Capability, Spiritual Work Ethics (SWE), and Fraud, has the highest loading values from its respective indicators, ensuring their reliability in measurement.

5.9.1.2 Internal Consistency

The next step in testing internal consistency and convergent validity is to examine the value of the average variance extracted (AVE). The test results of the test values for all variables of this study can be described in detail below:

i) Average Extract Variance Value (AVE) Each Dimension

The following table shows the Average Variance Extracted (AVE) value for each dimension in the research model at the first stage. AVE is used to measure the convergent validity of each construct dimension measured in the model. A high AVE indicates that the construct accounts for more than half of the variance in its indicators.

Table 5.15
Value of Average Extract Variance for Each Dimension

Dimension	Average Variance Extracted (AVE)
Pressure - Financial	0.790
Pressure - Work	0.776
Opportunity - Supervision	0.776
Opportunity - Attitude	0.785
Rationalization - Giving	0.806
Rationalization - Using	0.813
Capability - Position	0.881
Capability - Superiority	0.881
Capability - Technology	0.817
SWE - Religiosity	0.864
SWE - Wisdom	0.669
SWE - Ethics	0.653
Fraud - Incident	0.834
Fraud - Occupational	0.815

From Table 5.15, it can be seen that all dimensions in the research model exhibit adequate to excellent convergent validity, as indicated by high AVE values (above 0.5). Each variable, Pressure, Opportunity, Rationalization, Capability, Spiritual Work Ethics (SWE), and Fraud, demonstrates strong validity in explaining the variance of its indicators. The results confirm that the model meets validity assumptions based on (Fornell & Larcker, 1981).

ii) Average Extract Variance (AVE) Each Construct

The following table presents the Average Variance Extracted (AVE) for each construct in the research model at the first stage. AVE is used to measure the convergent validity of the constructs measured in the model. A high AVE indicates that the construct accounts for more than half of the variance in its indicators.

Table 5.16
Value of Average Extract Variance for Each Variable

Construct	Average Variance Extracted (AVE)
Pressure	0.750
Opportunity	0.720
Rationalization	0.785
Capability	0.727
Spiritual Work Ethics	0.610
Fraud	0.801

In Table 5.16, it can be seen that the AVE value of each construct of the variables used in this study, where the overall value of each variable has an AVE value> 0.5, the highest AVE value is in construct fraud with a value of 0.801 and the lowest value is in construct spiritual work ethics with a value of 0. 610. The other four variables, namely opportunity, capability, pressure and rationalization, each have an AVE value of 0.720, 0.727, 0.750 and 0.785, respectively. Thus, it can also be concluded that the AVE for each research variable in this study meets the validity assumptions.

Overall, these results indicate that each variable in the research model exhibits adequate to excellent convergent validity, as evidenced by high AVE values. AVE values above 0.5 indicate that more than half of the variance of the indicators can be explained by the measured construct, in accordance with the criteria proposed by (Fornell & Larcker, 1981).

iii) Internal Consistency and Convergent Validity Result for each Dimension

The following Table 5.17 shows the results of testing internal consistency, reliability, and convergent validity for each dimension in the research model construct. This test includes Cronbach's Alpha, rho_A, Composite Reliability, and Average

Variance Extracted (AVE). These values are used to ensure that each measured construct dimension exhibits good internal consistency and adequate convergent validity.

Table 5.17
Internal Consistency and Convergent Validity Result for Each Dimension

Dimensions	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted
Pressure - Financial	0.933	0.934	0.949	0.790
Pressure - Work	0.904	0.904	0.933	0.776
Opportunity - Supervision	0.952	0.952	0.960	0.776
Opportunity - Attitude	0.909	0.910	0.936	0.785
Rationalization - Giving	0.920	0.920	0.943	0.806
Rationalization - Using	0.923	0.924	0.946	0.813
Capability - Position	0.865	0.866	0.937	0.881
Capability - Superiority	0.932	0.932	0.957	0.881
Capability - Technology	0.925	0.928	0.947	0.817
SWE - Religiosity	0.843	0.843	0.927	0.864
SWE - Wisdom	0.917	0.918	0.934	0.669
SWE - Ethics	0.893	0.894	0.918	0.653
Fraud - Incident	0.960	0.960	0.968	0.834
Fraud - Occupational	0.886	0.892	0.930	0.815

From Table 5.17, it can be seen that all dimensions in the research model demonstrate excellent internal consistency reliability, as indicated by Cronbach's Alpha, rho_A, and Composite Reliability values above 0.7 Hair et al. (2022). The Pressure - Financial dimension (0.933) and Fraud - Incident (0.960) confirm strong reliability. Similarly, rho_A values exceed 0.7, with Capability-Technology reaching 0.928. Composite Reliability values are also above 0.7, confirming high consistency, as seen in Opportunity - Supervision (0.960). Lastly, AVE values exceed 0.5, ensuring good convergent validity (Fornell & Larcker, 1981), with Capability - Position and Capability - Superiority having the highest AVE (0.881). These findings confirm the model's strong reliability and validity.

iv) Internal Consistency and Convergent Validity Result for each Construct

The following Table 5.18 shows the results of testing internal consistency and convergent validity for each construct in the research model. These tests include Cronbach's Alpha, rho_A, Composite Reliability, and Average Variance Extracted (AVE). These values are used to ensure that the measured constructs have good internal consistency and adequate convergent validity.

Table 5.18
Internal Consistency and Convergent Validity Result for Each Construct

Construct	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted
Pressure	0.958	0.959	0.964	0.750
Opportunity	0.961	0.961	0.966	0.720
Rationalization	0.961	0.961	0.967	0.785
Capability	0.953	0.954	0.960	0.727
Spiritual Work Ethics	0.954	0.955	0.959	0.610
Fraud	0.969	0.970	0.973	0.801

The internal consistency test results confirm that all constructs have excellent reliability, with Cronbach's Alpha values above 0.7 Hair et al. (2022). For instance, Pressure has a Cronbach's Alpha of 0.958, while Fraud scores 0.969, meeting reliability standards. Similarly, rho_A values exceed 0.7, with Fraud having the highest at 0.970, confirming strong consistency. Composite Reliability values are also above 0.7, as evidenced by Rationalization (0.967), indicating high consistency. Convergent validity is confirmed by AVE values above 0.5 (Fornell & Larcker, 1981), with Fraud having the highest AVE (0.801). Overall, the model demonstrates strong reliability and validity.

5.9.1.3 Discriminant Validity

In the first stage of this test, the test methods used are the Fornell-Larcker Criterion, cross-loadings, and the value of Heterotrait-Monotrait (HTMT). The overall value of these criteria must meet the predetermined requirements. The following will discuss in detail the results of the assessment:

i) Fornel-Larcker Criterion

The following table presents the results of the Fornell-Larcker Criterion test used to assess discriminant validity in the first stage of the research model. The Fornell-Larcker Criterion is a method used to ensure that a construct shares more variance with its own indicators than with other constructs. This is shown by comparing the square root of the Average Variance Extracted (AVE) along the diagonal with the correlation between constructs off the diagonal.

Table 5.19
Fornel-Larcker Criterion

	Press	Opp	Rat	Cap	SWE	Fraud
Pressure	0.866					
Opportunity	0.731	0.848				
Rationalization	0.729	0.765	0.886			
Capability	0.708	0.680	0.692	0.853		
Spiritual Work Ethics	-0.031	-0.009	0.009	-0.044	0.781	
Fraud	0.633	0.631	0.622	0.600	0.053	0.895

The results of the Fornell-Larcker Criterion test in Table 5.19 indicate that each construct in the research model has good discriminant validity, as the square root of the AVE for each construct is greater than its correlations with other constructs (Hair. Jr et al., 2022). For example, the Pressure construct has a square root AVE of 0.866, which is higher than its correlations with other constructs, such as 0.731 and 0.729. The Opportunity construct also demonstrates good discriminant validity, with a square root AVE of 0.848, which exceeds its correlations with other constructs, including 0.731 and 0.765. Similarly, Rationalization has a square-root AVE of 0.886, whereas Capability has a square-root AVE of 0.853, both confirming discriminant validity. The Spiritual Work Ethics (SWE) construct also meets the discriminant validity criteria with a square root AVE of 0.781. Lastly, the Fraud construct has the highest square root AVE (0.895), which exceeds the square roots of all its correlations with other constructs. Thus, these results confirm that each construct in the research model exhibits strong discriminant validity, in accordance with the criteria proposed by Fornell and Larcker (1981).

ii) Cross Loading

The following table shows the results of testing cross-loadings to evaluate discriminant validity in the first stage of the research model. Cross-loadings are a method used to measure the extent to which indicators on a particular construct load higher on that construct compared to other constructs (Sarstedt et al., 2020). A higher loading value on the supposed construct compared to other constructs indicates that the indicator is valid for the measured construct.

Table 5.20
Cross Loadin

	Press	Opp	Rat	Cap	SWE	Fraud
PIFin	0.912	0.661	0.681	0.634	-0.039	0.624
P2_Fin	0.870	0.658	0.652	0.645	-0.070	0.592
P3_Fin	0.881	0.608	0.619	0.575	0.006	0.521
P4_Fin	0.856	0.657	0.654	0.581	-0.013	0.537
P5_Fin	0.849	0.633	0.590	0.592	-0.096	0.506
P6_Wrk	0.881	0.621	0.667	0.628	-0.029	0.593
P7_Wrk	0.818	0.598	0.589	0.587	-0.034	0.501
P8_Wrk	0.859	0.642	0.629	0.652	0.020	0.536
P9_Wrk	0.864	0.616	0.595	0.618	0.012	0.509
01_Spv	0.634	0.842	0.656	0.572	-0.011	0.519
02_Spv	0.631	0.876	0.674	0.573	-0.036	0.585
03_Spv	0.668	0.889	0.687	0.615	-0.030	0.596
04_Spv	0.618	0.838	0.665	0.570	0.041	0.524
05_Spv	0.623	0.849	0.644	0.610	-0.010	0.569
06_Spv	0.619	0.864	0.653	0.599	-0.021	0.546
07_Spv	0.642	0.872	0.691	0.614	0.036	0.593
08_Attd	0.591	0.817	0.602	0.568	-0.021	0.476
09_Attd	0.591	0.828	0.619	0.525	-0.017	0.490
OlOAttd	0.555	0.782	0.607	0.514	0.044	0.446
011_Attd	0.640	0.868	0.637	0.578	-0.051	0.534
RIGiv	0.612	0.686	0.895	0.569	0.055	0.506
R2_Giv	0.613	0.668	0.856	0.604	0.005	0.517
R3_Giv	0.650	0.690	0.898	0.636	-0.020	0.575
R4_Giv	0.673	0.649	0.886	0.630	-0.054	0.607
R5_Use	0.600	0.657	0.864	0.589	0.035	0.497
R6_Use	0.640	0.697	0.896	0.609	0.022	0.519

	Press	Opp	Rat	Cap	SWE	Fraud
R7_Use	0.692	0.687	0.897	0.637	0.007	0.595
R8_Use	0.684	0.689	0.894	0.626	0.014	0.589
Cl_Pos	0.612	0.585	0.612	0.829	-0.082	0.530
C2_Pos	0.586	0.587	0.566	0.852	-0.081	0.467
C3_Spr	0.621	0.601	0.595	0.861	-0.032	0.571
C4_Spr	0.609	0.592	0.620	0.852	-0.012	0.530
C5_Spr	0.631	0.603	0.602	0.871	-0.011	0.559
C6_Tech	0.501	0.508	0.480	0.779	0.020	0.374
C7_Tech	0.638	0.580	0.622	0.872	-0.031	0.534
C8_Tech	0.635	0.592	0.616	0.867	-0.036	0.543
C9_Tech	0.586	0.562	0.583	0.884	-0.064	0.481
SWElRel	0.040	0.047	0.020	-0.009	0.764	0.073
SWE2_Rel	0.010	0.031	0.029	-0.020	0.758	0.067
SWE3_Wis	-0.031	0.000	0.004	-0.057	0.777	0.050
SWE4_Wis	0.023	0.032	0.042	-0.018	0.781	0.092
SWE5_Wis	-0.073	-0.059	-0.048	-0.092	0.797	-0.015
SWE6_Wis	-0.040	-0.041	-0.037	-0.056	0.803	0.008
SWE7_Wis	-0.074	-0.051	-0.007	-0.058	0.818	-0.014
SWE8_Wis	-0.008	0.037	0.036	0.007	0.800	0.039
SWE9_Wis	-0.056	-0.012	-0.004	-0.043	0.778	0.047
SWElOEtc	-0.018	0.029	0.047	0.000	0.800	0.067
SWEllEtc	-0.033	-0.031	-0.010	-0.080	0.728	0.042
SWE12_Etc	-0.033	-0.011	-0.007	0.007	0.802	0.068
SWE13_Etc	0.055	0.029	0.083	0.026	0.737	0.101
SWE14_Etc	-0.052	-0.029	0.009	-0.022	0.788	0.019
SWE15_Etc	-0.075	-0.078	-0.054	-0.101	0.782	-0.018
Fllnc	0.570	0.569	0.566	0.539	0.065	0.891
F2_Inc	0.588	0.581	0.573	0.531	0.046	0.902
F3_Inc	0.587	0.590	0.578	0.546	0.067	0.903
F4_Inc	0.529	0.539	0.545	0.532	0.022	0.903
F5_Inc	0.604	0.600	0.584	0.580	0.046	0.931
F6_Inc	0.583	0.563	0.558	0.568	0.038	0.907
F7_0cc	0.473	0.499	0.457	0.439	0.056	0.810
F8_0cc	0.541	0.535	0.534	0.509	0.042	0.877
F9_0cc	0.611	0.602	0.609	0.583	0.052	0.927

The results from Table 5.20 indicate that each indicator has the highest loading value on its respective construct, confirming excellent convergent validity. For the

Pressure construct, indicators such as PIFin to P9_Wrk have the highest loadings, indicating strong validity in measuring Pressure. Similarly, Opportunity indicators (OlSpv to OllAttd) exhibit the highest loadings on the Opportunity construct. The Rationalization construct, with indicators RIGiv to R8_Use, also shows strong validity. The Capability construct, measured by CIPos to C9_Tech, demonstrates high loadings on its respective construct. The Spiritual Work Ethic (SWE) construct, which comprises indicators SWElRel to SWE15_Etc, exhibits the highest loadings, supporting its validity. Lastly, the Fraud construct, with indicators Fllnc to F9_0cc, also has the highest loadings on the construct. Overall, these findings confirm that all indicators effectively measure their intended constructs, ensuring strong convergent validity within the research model.

iii) Heterotrait - Monotrait Ratio (HTMT)

The following Table 5.21 shows the results of the Heterotrait-Monotrait Ratio (HTMT) test to evaluate discriminant validity in the first stage of the research model. HTMT is a method used to assess the extent to which the constructs in the research model can be distinguished from one another. A high HTMT value indicates a potential problem in discriminant validity, while a lower value indicates that the constructs can be distinguished well, according to Hair et al. (2022).

Table 5.21
Heterotrait - Monotrait Ratio (HTMT)

	Press	Opp	Rat	Cap	SWE	Fraud
Pressure						
Opportunity	0.762					
Rationalization	0.759	0.796				
Capability	0.740	0.710	0.722			
Spiritual Work Ethic	0.064	0.057	0.054	0.068		
Fraud	0.655	0.653	0.644	0.622	0.067	

The research model's HTMT results show good discriminant validity, with values below the 0.85 threshold. The Pressure, Opportunity, Rationalization, and Capability constructs are distinct, whereas the Spiritual Work Ethic (SWE) construct exhibits excellent discriminant validity. The Fraud construct exhibits low HTMT

values, supporting its distinctiveness. Overall, these results validate that the constructs in the model are well distinguished from each other (Sarstedt et al., 2020).

5.9.2 Measurement Model Analysis (Stage 2)

In this second stage, the evaluation is a continuation process of the first stage measurement model, which has been tested for validity and reliability and declared to meet all the required assumptions. In the second stage of SEM-PLS testing, with an embedded two-stage reflective-reflective approach, the focus is on testing the structural model. However, the validity and reliability testing process will still be carried out to ensure that the required assumptions are still met, even though the data is tested using latent scores. Convergence, discriminant, and reliability tests conducted in the first stage still need to be retested to ensure that the latent score used in the second stage does not alter the characteristics of the existing constructs. The retest includes evaluating the Average Variance Extracted (AVE), Fornell-Larcker, and Composite Reliability and Cronbach's Alpha values. The latent scores from the first stage of testing are also used to test the causal relationships among constructs, to calculate the R-squared (R2) to assess the model's strength in explaining the variance of the endogenous constructs, and to test the role of moderating variables in this study. Evaluation in this second stage, using latent scores, is expected to yield reliable results and sufficient predictive power, thereby providing a strong basis for interpreting the relationships among the variables used in this research model.

5.9.2.1 Indicator Loadings

Table 5.22 show the results of testing Indicator Loadings to evaluate the strength of the relationship between the indicators and the constructs measured in the research model. Indicator Loadings measure the contribution of each indicator to the construct it represents. A high loading value indicates that the indicator significantly loads the measured construct, with values above 0.7 generally considered good, as stated by Hair et al. (2022).

Table 5.22
Indicator Loadings Result: Stage 2

	Press	Opp	Rat	Cap	SWE	Fraud
Financial	0.978					
Work	0.977					
Supervision		0.964				
Attitude		0.951				
Giving			0.985			
Using			0.985			
Position				0.919		
Superiority				0.923		
Technology				0.920		
Religiosity					0.922	
Wisdom					0.915	
Ethics					0.922	
Incident						0.983
Occupational						0.981

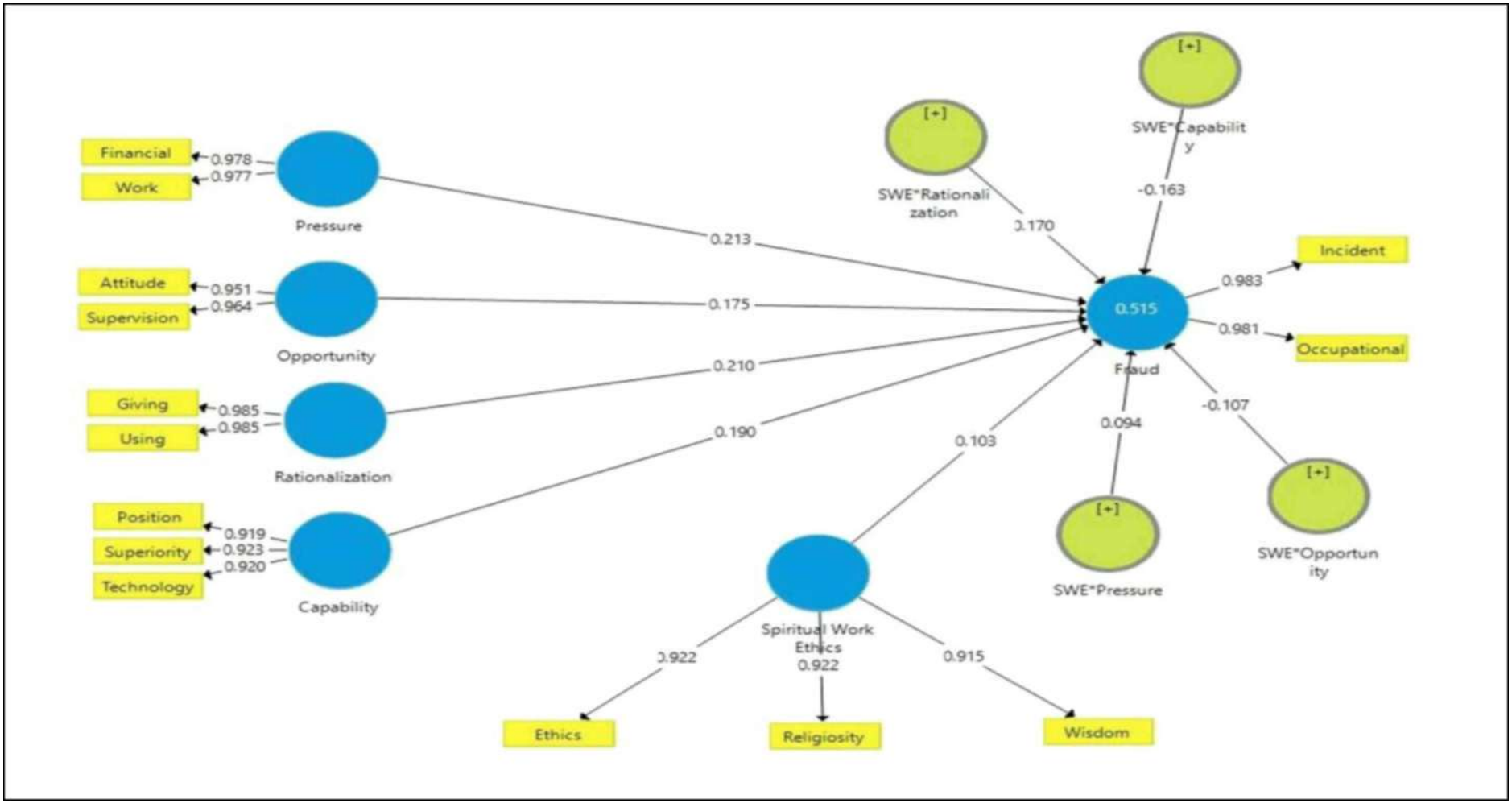


Figure 5.2 Outer Model PLS Algorithm Stage 2

The results indicate high convergent validity for each construct in the research model. The Pressure construct is well measured by the Financial (0.978) and Work (0.977) dimensions. For Opportunity, Supervision (0.964) and Attitude (0.951) show strong validity. Similarly, the Rationalization construct is effectively measured by Giving and Using (both 0.985). The Capability construct is supported by Position (0.919), Superiority (0.923), and Technology (0.920). In the Spiritual Work Ethics construct, the moderating variables Religiosity (0.922), Wisdom (0.915), and Ethics (0.922) confirm strong validity. Lastly, Fraud is well-represented by Incident (0.983) and Occupational (0.981). Overall, all indicators demonstrate high loading values, confirming excellent convergent validity in the model, as stated by Hair et al. (2022). For more detail see Figure 5.2.

5.9.2.2 Internal Consistency

The following Table 5.23 shows the results of testing internal consistency, reliability, and convergent validity for the constructs in the research model. These tests include Cronbach's Alpha, rho_A, Composite Reliability, and Average Variance Extracted (AVE). These values are used to ensure that the measured constructs have good internal consistency and adequate convergent validity.

Table 5.23
Internal Consistency Reliability Result and Convergent Validity Result

Construct	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted
Pressure	0.954	0.955	0.978	0.956
Opportunity	0.910	0.925	0.957	0.917
Rationalization	0.969	0.969	0.985	0.970
Capability	0.911	0.913	0.944	0.848
Spiritual Work Ethics	0.914	1.005	0.943	0.846
Fraud incident in the village fund system	0.963	0.964	0.982	0.964

Table 5.23 shows good internal consistency in the study, with Cronbach's alpha value exceeding 0.7. The pressure construct has a value greater than 0.7, indicating good internal consistency. The rho_A value, which assesses construct reliability, exceeds the minimum acceptable value, indicating that overall consistency meets the predetermined assumptions. The spiritual work ethics construct has the highest value of 1.005.

The study's third reliability assessment evaluates the composite reliability of the construct; rationalization has a composite reliability of 0.985, indicating high consistency. The Convergent Validity test, based on the Average Variance Extracted (AVE), indicates good convergent validity, with all constructs having AVE values above 0.5. The results indicate excellent internal consistency reliability and sufficient convergent validity, with high values of Cronbach's Alpha, rho_A, Composite Reliability, and AVE.

5.9.2.3 Discriminant Validity

In the second stage of this test, the test methods used are the Fornell-Larcker Criterion, cross-loadings, and the value of Heterotrait-Monotrait (HTMT). The overall value of these criteria must meet the predetermined requirements. The following will discuss in detail the results of the assessment:

i) Fornel-Larcker Criterion

The first test for discriminant validity assessment is the Fornell-Larcker Criterion. The following table presents the results of the Fornell-Larcker Criterion test used to assess discriminant validity in the research model. The Fornell-Larcker Criterion is a method used to ensure that a construct shares more variance with its own indicators than with other constructs. This is shown by comparing the square root of the Average Variance Extracted (AVE) along the diagonal with the correlation between constructs outside the diagonal.

Table 5.24
Fornell-Larcker Criterion

	Press	Opp	Rat	Cap	SWE	Fraud
Pressure	0.978					
Opportunity	0.727	0.958				

	Press	Opp	Rat	Cap	SWE	Fraud
Rationalization	0.728	0.761	0.985			
Capability	0.709	0.678	0.692	0.921		
Spiritual Work Ethics	-0.007	0.010	0.017	-0.038	0.920	
Fraud	**0.628**	**0.621**	**0.619**	**0.597**	**0.067**	0.982

The results of the Fornell-Larcker Criterion analysis in Table 5.24 confirm that each construct in the research model exhibits good discriminant validity, as the square root of the AVE for each construct is higher than its correlation with other constructs (Fornell & Larcker, 1981). The Pressure construct, with an AVE of 0.978, has higher loadings than its correlations with other constructs, indicating strong construct validity. Similarly, Opportunity (VAVE = 0.958), Rationalization (VAVE = 0.985), and Capability (VAVE = 0.921) all demonstrate discriminant validity by exceeding their respective correlation values. The Spiritual Work Ethics (SWE) construct, used as a moderating variable, also shows good discriminant validity with an VAVE of 0.920, indicating that it is distinct from other constructs. Finally, the Fraud construct (AVE = 0.982) exceeds the correlation coefficients, further supporting its distinctiveness within the model. Overall, these findings indicate that the constructs in the research model are well distinguished, confirming compliance with the Fornell-Larcker Criterion.

ii) Cross Loadings

The following Table 5.25 shows the results of testing cross-loadings to evaluate discriminant validity in the research model in the second stage. Cross-loadings are a method used to measure the extent to which items or indicators on a particular construct load higher on that construct compared to other constructs. A higher loading value on the supposed construct compared to other constructs indicates that the indicator is valid for the measured construct.

Table 5.25
Cross loadings

Construct	Press	Opp	Rat	Cap	SWE	Fraud
Financial	0.978	0.722	0.719	0.682	-0.025	0.622
Work	0.977	0.700	0.704	0.705	0.012	0.605
Supervision	0.719	0.964	0.758	0.676	0.009	0.636
Attitude	0.671	0.951	0.696	0.618	0.009	0.547

Construct	Press	Opp	Rat	Cap	SWE	Fraud
Giving	0.709	0.747	0.985	0.680	0.006	0.611
Using	0.725	0.752	0.985	0.683	0.028	0.608
Position	0.639	0.619	0.627	0.919	-0.074	0.527
Superiority	0.663	0.635	0.645	0.923	-0.014	0.585
Technology	0.657	0.617	0.639	0.920	-0.021	0.534
Religiosity	0.029	0.043	0.026	-0.019	0.922	0.077
Wisdom	-0.044	-0.020	-0.002	-0.060	0.915	0.036
Ethics	-0.031	-0.019	0.014	-0.041	0.922	0.058
Incident	0.631	0.621	0.621	0.603	0.063	0.983
Occupational	0.602	0.598	0.593	0.569	0.069	0.981

The results from Table 5.25 show that each indicator has the highest loading value on its respective construct, confirming good discriminant validity. The Pressure construct, measured by Financial (0.978) and Work (0.977) dimensions, exhibits strong validity. Similarly, Opportunity, measured by Supervision (0.964) and Attitude (0.951), also shows high validity. The Rationalization construct, assessed through Giving and Using, with loadings of 0.985, confirms its reliability. The Capability construct, represented by Position (0.919), Superiority (0.923), and Technology (0.920), maintains high validity. Lastly, the Spiritual Work Ethics (SWE) construct, measured by Religiosity (0.922), Wisdom (0.915), and Ethics (0.922), further confirms strong discriminant validity in the research model.

iii) Heterotrait-Monotrait Ratio (HTMT)

The following Table 5.26 shows the results of testing the Heterotrait-Monotrait Ratio (HTMT) approach, which serves to evaluate discriminant validity in the second-order research model. HTMT is a method used to measure the extent to which the constructs in the research model can be distinguished from one another. A high HTMT value indicates potential problems with discriminant validity, whereas a lower value indicates that the constructs are well distinguished (Sarstedt et al., 2020).

Table 5.26
Heterotrait-Monotrait Ratio (HTMT)

	Press	Opp	Rat	Cap	SWE	Fraud
Pressure						
Opportunity	0.778					

	Press	Opp	Rat	Cap	SWE	Fraud
Rationalization	0.757	0.808				
Capability	0.760	0.742	0.736			
Spiritual Work Ethics	0.040	0.032	0.021	0.049		
Fraud	0.655	0.660	0.640	0.636	0.066	

The HTMT value for the research model indicates good discriminant validity among constructs, with values below the accepted threshold. Pressure and Opportunity have a correlation coefficient of 0.778, whereas Opportunity and Rationalization have correlation coefficients of 0.808 and 0.736, respectively. Rationalization and Capability have 0.736 and 0.736, respectively. Spiritual Work Ethics (SWE) exhibits low HTMT values but maintains good discriminant validity. Fraud has low HTMT values, but is well differentiated from other constructs. Overall, the second-order method research model has good discriminant validity. This value is below the accepted threshold of 0.85 for the second-order model (Henseler et al., 2015).

5.9.3 Assessing Structural Model Result

i) Collinearity (VIF)

The following Table 5.27 shows the results of testing the Variance Inflation Factor (VIF) value for the independent variables in the model that affect the dependent variable Fraud. The VIF is used to detect multicollinearity among the independent variables. Multicollinearity occurs when independent variables are highly correlated, which can affect the stability and interpretation of the regression model.

Table 5.27
Colinearity (VIF) Result

Variable	Fraud
Pressure	2.835
Opportunity	2.969
Rationalization	3.043
Capability	2.525
Spiritual Work Ethics	1.072

Table 5.27 shows that the VIF values are 2.835 for the Pressure variable, 2.969 for the Opportunity variable, 3.043 for the Rationalization variable, 2.525 for the Capability variable, and 1.072 for the Spiritual Work Ethics variable. The conclusion that can be drawn is that the VIF value, which is below 10, is considered not to show a serious multicollinearity problem (Hair et al., 2022). Based on this reference, all VIF values reported in the table above are below the predetermined limits, indicating no strong evidence of serious multicollinearity among the variables used in this research model.

In this study, the VIF for the rationalization variable is 3.043, which is within acceptable limits. In addition, although the Spiritual Work Ethics variable has the lowest VIF (1.072), this value is still not indicative of a significant multicollinearity problem. The results presented in the table indicate that the VIF value is below the recommended threshold value of 5, which indicates no significant level of collinearity between exogenous constructs (Sarstedt et al., 2020). Therefore, all existing constructs are retained, and the conclusion is that the independent variables used in this research model do not experience significant multicollinearity symptoms, so that the resulting model can be considered stable and can be appropriately interpreted.

ii) Coefficient Determination (R^2 value)

In the following Table 5.28, the test results of the R^2 value for the research model using the dependent variable fraud can be presented. The R^2 value can be interpreted as a measure of how well the model explains the variability of the dependent variable under study.

Table 5.28
R^2 Value Result

	R Square	R Square Adjusted	Remark
Fraud	0.515	0.505	Average

In Table 5.28, the R^2 for the fraud variable is 0.515. This indicates that 51.5% of the variability in the fraud variable can be explained by the model used in this study. Meanwhile, the Adjusted R^2 value is 0.505, which serves to correct the R^2 value based on the number of predictors in the model; in this case, the value provides a more

accurate picture of the model's ability to explain the variability of the data used in this study.

The conclusion that can be drawn from the table is that the R^2 and Adjusted R^2 values obtained are categorized as "Average." This indicates that the existing model in this study has a relatively strong ability to explain the variability of the fraud variable. However, there remains space to enhance its predictive performance. This "average" category refers to general guidelines in the statistical literature, which state that R^2 values between 0.33 and 0.67 are considered moderate or average (Cohen, 1988; Hair et al. 2022). The categorization is based on the generally accepted literature, where R^2 values around 0.26 are categorized as low, 0.33-0.67 as moderate or average, and above 0.67 as high.

iii) Effect Size (f^2 value)

The following Table 5.29 shows the results of testing the f^2 value for the dependent variable, namely fraud, while controlling for the independent variables: Pressure, Opportunity, Rationalization, Capability, and Spiritual Work Ethic (SWE). Please note that the f^2 value measures the effect size of each independent variable on the dependent variable. The categorization of the effect size is based on expert opinion by (Cohen, 1988; Henseler et al., 2009; Sarstedt et al., 2020), that the value category < 0.02 is said to be very small, the value of 0.02 < F2 value < 0.15 is said to be small, the value of 0.15 < f^2 value < 0.35 is categorized as medium and the f^2 value > 0.35 is categorized as large.

Table 5.29
F^2 Value Result

Construct Path	lvalue	Effect Size
Pressure --> Fraud	0.033	Small
Opportunity --> Fraud	0.021	Small
Rationalization --> Fraud	0.030	Small
Capability --> Fraud	0.029	Small
SWE*Pressure --> Fraud	0.007	Very Small
SWE*Opportunity --> Fraud	0.008	Very Small
SWE*Rationalization --> Fraud	0.034	Small
SWE*Capability --> Fraud	0.019	Very Small

Table 5.29 indicates that the effect sizes (f^2) for the relationships between Pressure, Opportunity, Rationalization, and Capability on Fraud are small, with values of 0.033, 0.021, 0.030, and 0.029, respectively. This suggests that while these variables significantly influence fraud, their individual contributions are minimal. Similarly, interactions involving Spiritual Work Ethics (SWE)—namely SWE * Pressure (0.007), SWE * Opportunity (0.008), and SWE * Capability (0.019)—are categorized as minimal effects. However, SWE * Rationalization (0.034) shows a slightly larger but still small effect, indicating that spiritual work ethics moderately strengthen the rationalization-fraud relationship. Overall, although the variables help explain fraud, their effect sizes remain small.

iv) Assessment of Predictive Relevance (Q2)

The assessment of predictive relevance (Q^2) in this study uses Partial Least Squares Structural Equation Modeling (PLS-SEM). Predictive relevance is assessed using the Q^2 statistic obtained via blindfolding. The following Table 5.30 presents the results of the predictive relevance assessment for the "Fraud" construct.

Table 5.30
Assessment of Predictive Relevance (Q^2)

Construct	Q^2 Value	Remarks
Fraud	0.477	High predictive relevance of the PLS path model

The Q^2 value of 0.477 for the "Fraud" construct indicates that the PLS path model has moderate predictive relevance. According to (Sarstedt, M., et. al., 2020), $Q^2 > 0$ indicates that the model has predictive relevance, with the following categories:

$Q^2 < 0$: There is no predictive relevance.
$0 < Q^2 < 0.02$: Predictive relevance is very low.
$0.02 < Q^2 < 0.15$: Small predictive relevance.
$0.15 < Q^2 < 0.35$: Medium predictive relevance.
$Q^2 > 0.35$: High predictive relevance.

With a Q^2 value of 0.477, this model demonstrates strong predictive ability for the "Fraud" construct, although further improvement is still warranted. Based on the

results of the predictive relevance assessment, the PLS path model used in this study has a very adequate predictive ability with moderate predictive relevance for the "Fraud" construct. This indicates that the model is reliable in predicting fraud incidence, but further improvements could increase prediction accuracy.

5.9.4 Assessment of Path Coefficient

After all stages of testing have been completed, namely convergent validity, discriminant validity, and reliability have met the predetermined criteria, and the research model has avoided multicollinearity symptoms, escaped the assumptions of common method bias and response bias, then the next step is the assessment of the structural model (inner model). This assessment is carried out with the bootstrapping step in the SEM-PLS software, which aims to assess the path coefficient and confidence intervals of the results. Figure 5.3 is the result of the bootstrapping process conducted. Furthermore, tables 5.31 and 5.32 present a summary of the path coefficient results for the research model, as well as the significance of the findings and evidence supporting the previously formulated hypothesis.

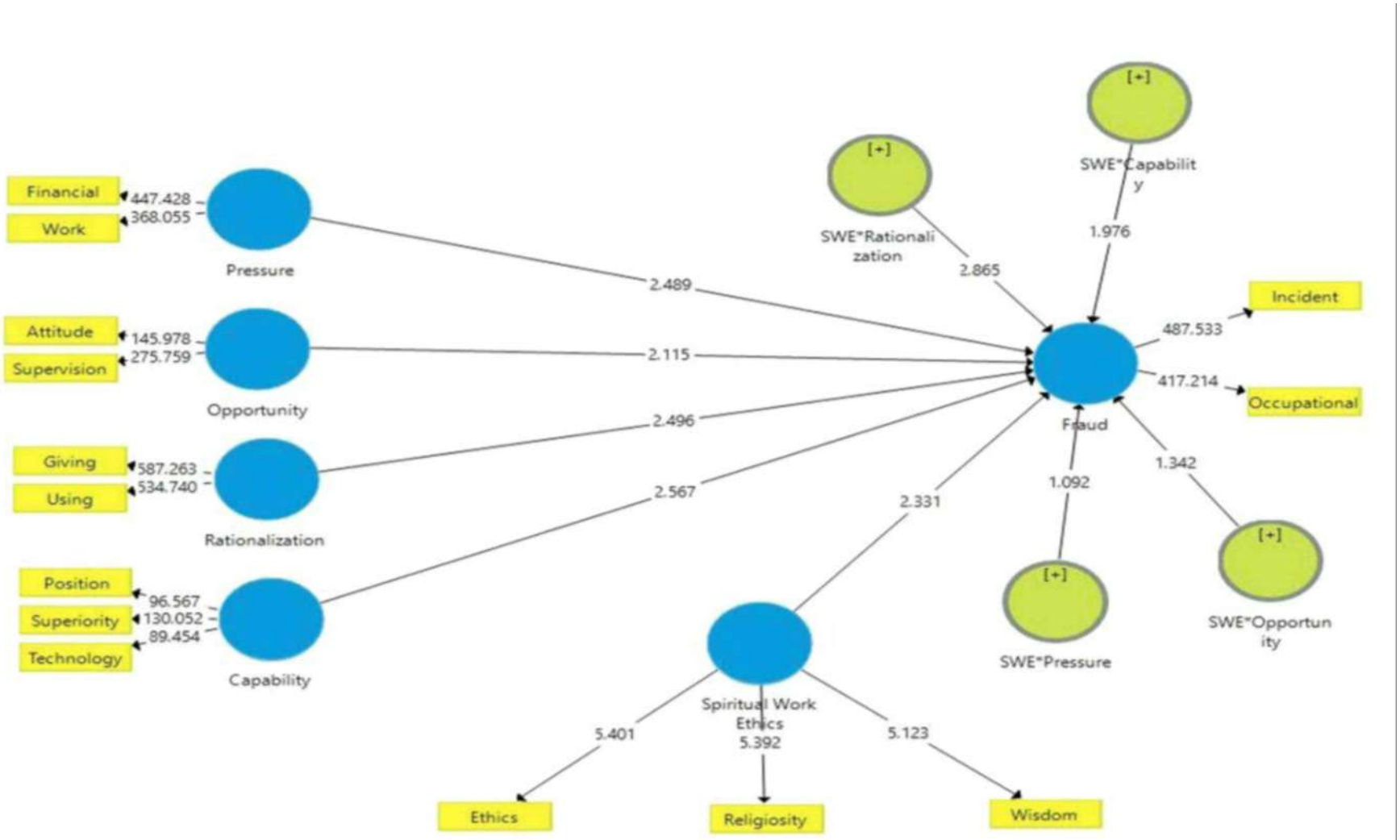


Figure 5.3 Structural Model Result

5.9.4.1 Results on R01 and RQ1 - Effect of Pressure, Opportunity, Rationalization and Capability to Fraud

Based on the path coefficient results presented in Figure 5.3 above, it can be summarized in the form of Table 5.31 regarding the influence of the variables of pressure, opportunity, rationalization and capability on fraud incidents.

Table 5.31
Hypothesis Testing Results for Direct Effect

Relationship	P	Standard Deviation	T Statistics	P Values	Decision
Pressure -> Fraud	0.213	0.085	2.489	0.013	Support
Opportunity -> Fraud	0.175	0.083	2.115	0.034	Support
Rationalization -> Fraud	0.210	0.084	2.496	0.013	Support
Capability -> Fraud	0.190	0.074	2.567	0.010	Support

This study analyzes the influence of four main factors, namely pressure, opportunity, rationalization, and capability, on the occurrence of fraud incidents in the village fund system *{Siskeudes)* using the Structural Equation Modelling-Partial Least Squares (SEM-PLS) method.

Based on Table 5.31, Hypothesis HI (Pressure -> Fraud) found that pressure has a significant positive effect on fraud with a coefficient value (P) of 0.213 and a p-value of 0.013. This indicates that the greater the pressure individuals experience, the higher the likelihood of fraud. This finding is consistent with the fraud diamond theory put forward by Cressey (1953), which states that pressure is a major factor contributing to fraud.

Furthermore, in hypothesis H2 (Opportunity -> Fraud), it can be concluded from the table above that opportunities are also proven to have a significant positive effect on fraud, with a P value of 0.175 and a p value of 0.034. This shows that the existence of a significant enough opportunity can increase the likelihood of fraud. This finding is consistent with research by Ricky et al. (2023), which emphasizes the importance of internal control in preventing fraud from escalating.

In the test results for Hypothesis H3 (Rationalization -> Fraud), rationalization had a significant positive effect on fraud, with a P value of 0.210 and a p-value of 0.013.

This indicates that individuals who can rationalize fraud are more likely to commit it. These findings support the theory of rationalization in the fraud diamond described by (Cressey, 1953).

In hypothesis H4 (Capability -> Fraud): the findings of capability have a significant positive effect on fraud, with a P value of 0.190 and a p value of 0.010. This suggests that individuals with the capacity to commit fraud are more likely to do so. This finding is consistent with the fraud diamond model proposed by (Wolfe & Hermanson, 2004).

5.9.4.2 Results on R02 and RQ2 - Moderating Effects of Spiritual Work Ethics Towards Pressure, Opportunity, Rationalization and Capability Fraud Incident in the Village Fund System

This section explains the analysis that answers the second research question, namely, do spiritual work ethics moderate the relationship between fraud factors (pressure, opportunity, rationalization and capability) and fraud incidents in the village fund system? Therefore, this section is divided into two: simple moderation analysis (f2, p-value, and beta) and simple slope analysis. The following is an explanation of each of these parts. However, before presenting these results, it is necessary to see the results of the path coefficient for the effect of spiritual work ethic in moderating the relationship between pressure, opportunity, rationalization and capability variables in the following table:

Table 5.32
Hypothesis Testing Results for the Moderating Effect

	Relationship	(3	Std Deviation	T Statistics	P Values	Decision
H5	SWE*Pres -> Fraud	0.094	0.086	1.092	0.275	Not Supported
H6	SWE*Opp -> Fraud	-0.107	0.080	1.342	0.180	Not Supported
H7	SWE*Rat -> Fraud	0.170	0.059	2.865	0.004	Supported
H8	SWE*Cap -> Fraud	-0.163	0.083	1.976	0.048	Supported

In Table 5.32 above, it can be explained that the hypotheses H5 (SWE * Pressure -> Fraud) and H6 (SWE * Opportunity -> Fraud) related to the moderating effect of SWE on the relationship between pressure and fraud and between opportunities and fraud is not significant, with a p value of 0.275 and 0.180, respectively. This indicates that SWE does not affect the relationship between pressure and fraud or between opportunities and fraud.

Unlike the results of testing hypothesis H7 (SWE * Rationalization -> Fraud), where the moderating effect of SWE on the relationship between rationalization and fraud is significant with a P value of 0.170 and a p value of 0.004. This indicates that SWE strengthens the relationship between rationalization and fraud. In other words, individuals with a strong spiritual work ethic are more likely to rationalize fraud.

The last hypothesis, H8 (SWE*Capability -> Fraud), related to the moderating effect of SWE on the relationship between capability and fraud, is significant with a P value of-0.163 and a p value of 0.048. This indicates that SWE weakens the relationship between capability and fraud. That is, individuals with a strong spiritual work ethic are less likely to use their capabilities to commit fraud.

i) Simple Moderation Results and Simple Slope Results on Pressure

Table 5.33 presents the results of the statistical analysis of the moderating effect of Spiritual Work Ethic (SWE) on the relationship between pressure and fraud. The size of the moderating effect of SWE on the relationship, as measured by the F-squared (f^2) value, is 0.007. This value indicates that the effect of SWE is very small, with the effect size categorized as "very small effect sizes." The p-value obtained is 0.275, which is greater than the specified significance level of 0.05, meaning that the moderating effect of SWE is statistically insignificant. Although the result of the B coefficient value on the SWE moderation variable is 0.094 with a positive direction, the insignificant p-value makes this coefficient unable to conclude the existence of a moderating effect. Based on these results, the hypothesis stating that SWE moderates the relationship between pressure and fraud is not supported. Thus, the results of this study provide insufficient evidence to conclude that SWE significantly moderates the relationship between pressure and fraud incidents in this context.

Table 5.33
Statistical Significance of the Moderating Effect Results on Pressure

Path/indicator	SWE*Press-fraud	Remarks
F square (f^2)	0.007	Very small effect
p-value	0.275	Not significant
B	0.094	Positive moderating effect
Hypothesis decisions		Not supported

*Values higher than 0.02, 0.15 and 0.35 represent small, medium and large f2 effect sizes (Cohen, 1988), *Accept the hypothesis when P-Values < 0.05

Furthermore, Figure 5.4 below presents a simple slope analysis of the moderating effect of SWE on the relationship between pressure and fraud. This relationship is contained in hypothesis H5. This analysis examines how the moderating variable (SWE) affects the strength and direction of the relationship between the independent variable (Pressure) and the dependent variable (Fraud). In the simple slope analysis, the figure displays three lines representing the effect of Pressure on Fraud at three levels of SWE, with the red line showing the effect at the SWE level one standard deviation below the average (-1 SD). While the blue line shows the effect at the average SWE level (Mean). Moreover, the green line shows the effect at the SWE level one standard deviation above the average (+1 SD) (Dawson, 2014; Aiken, L. S., & West, 1991).

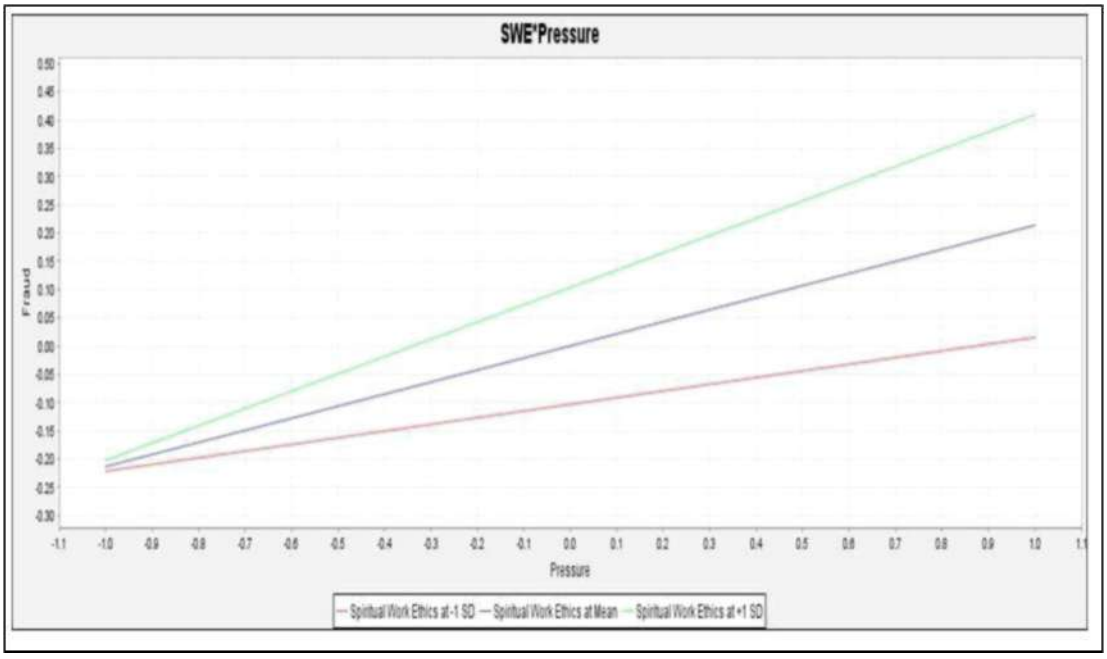


Figure 5.4 Simple Slope Analysis on the Moderating Effect of SWE on the Relationship of Pressure and Fraud

Figure 5.4 shows that the Red Line (SWE -1 SD) indicates that at low SWE levels, the relationship between Pressure and Fraud is negative. It shows a weak positive slope, indicating that at lower levels of spiritual work ethic, fraud increases slightly as pressure increases. Furthermore, the Blue Line (SWE Mean) depicts an average level of SWE. This line shows a moderate positive slope, indicating that at an average level of spiritual work ethic, fraud increases more pronouncedly as pressure increases. Finally, the Green Line (SWE +1 SD) indicates that, at high levels of SWE, the relationship between Pressure and Fraud is also positive. This line shows a sharp positive slope, indicating that at higher levels of spiritual work ethic, greater pressure is associated with a larger increase in fraud.

ii) Simple Moderation Results and Simple Slope Results on Opportunity

Table 5.34 presents the results of statistical analysis regarding the moderating effect of Spiritual Work Ethic (SWE) on the relationship between opportunity and fraud. The size of the moderating effect of SWE on the relationship, as measured by the F-squared (f^2) value, is 0.008. This value indicates that the effect of SWE is very small, with the effect size categorized as "very small effect sizes." The p-value obtained is 0.180, which is greater than the specified significance level of 0.05, meaning that the moderating effect of SWE is statistically insignificant. In addition, the result of the coefficient B value on the SWE moderation variable is -0.107 with a negative direction; on the other hand, the p value shows insignificant results, making this coefficient unable to conclude that there is a moderating effect. Based on these results, the hypothesis stating that SWE moderates the relationship between opportunity and fraud is not supported. Thus, this study found insufficient evidence to conclude that SWE plays no meaningful role in moderating the relationship between opportunity and fraud.

Table 5.34
Statistical Significance of the Moderating Effect Results on Opportunity

Path/indicator	SWE*Opp-fraud	Remarks
F square (f^2)	0.008	Very small effect sizes
p-value	0.180	Not significant
B	-0.107	Negative moderating effect
Hypothesis decisions		Not supported

*Value higher than 0.02, 0.15 and 0.35 represent small, medium and large f2 effect sizes (Cohen, 1988), * Accept the hypothesis when P-Values < 0.05

The next stage is to examine the moderating effect of the simple slope analysis image generated from SEM-PLS on the moderating effect of SWE on the relationship between opportunity and fraud. This moderating relationship is explained in hypothesis H6. This analysis examines how the moderating variable (SWE) affects the strength and direction of the relationship between the independent variable (opportunity) and the dependent variable (Fraud).

The simple slope analysis figure consists of three lines representing the effect of Opportunity on Fraud at three levels of SWE: *first*, the red line shows the effect at a SWE level one standard deviation below the mean (-1 SD). *Second*, the blue line shows the effect at the average SWE level (Mean). Furthermore, the third line, the green line, shows the effect at the SWE level one standard deviation above the average (+1 SD).

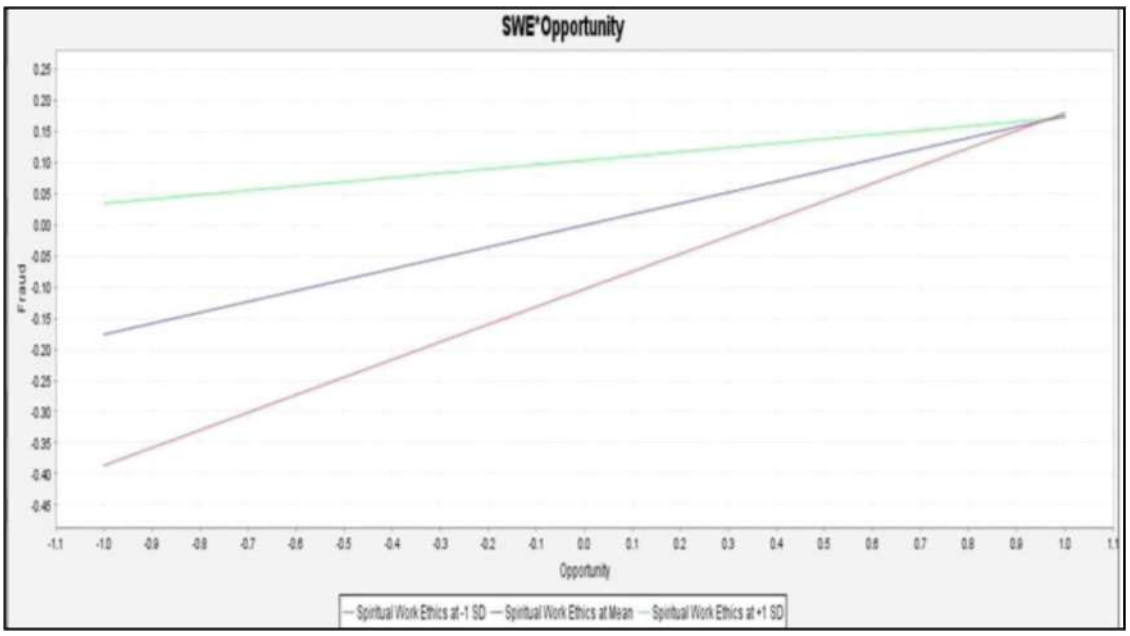


Figure 5.5 Simple Slope Analysis on the Moderating Effect of SWE on the Relationship between Opportunity and Fraud

In Figure 5.5 above, the first is the red line (SWE -1 SD), which can be interpreted as indicating that at low levels of SWE, the relationship between Opportunity and Fraud is negative. This shows that when spiritual work ethics is low, an increase in opportunity tends to reduce the level of fraud. Furthermore, the second is the blue line (SWE Mean); the meaning of this line is that at the average SWE level, the relationship between Opportunity and Fraud remains positive. This indicates that, at the average level of spiritual work ethic, an increase in opportunity is still associated with

an increase in fraud. However, the effect is weaker than in other conditions. On the third line, the green line (SWE +1 SD) indicates that at high levels of SWE, the relationship between Opportunity and Fraud is also positive. This indicates that when a spiritual work ethic is high, an increase in opportunity is associated with an increase in fraud.

iii) Simple Moderation Results and Simple Slope Results on Rationalization

Table 5.35 presents the results of the statistical analysis of the moderating effect of Spiritual Work Ethic (SWE) on the relationship between Rationalization and fraud. The results in the table include the size of the moderating effect of SWE on the relationship as measured by the F-squared (f^2) value of 0.034. This value indicates that the effect of SWE is small, with an effect size categorized as "small effect sizes." Furthermore, the p-value obtained is 0.004, which is smaller than the specified significance level of 0.05; this means that the moderating effect of SWE is statistically significant. In addition, the B coefficient for the SWE moderation variable is 0.170, indicating a positive effect. The conclusion from the data analyzed in this study is that SWE moderates the effect of rationalization on fraud in a small but significant subset.

Table 5.35
Statistical Significance of the Moderating Effect Results on the Rationalization

Path/indicator	SWE*Rat-fraud	Remarks
F square (f^2)	0.034	Small effect sizes
p-value	0.004	Significant
B	0.170	Positive moderating effect
Hypothesis decisions		Supported

*Value higher than 0.02, 0.15 and 0.35 represent small, medium and large f2 effect sizes (Cohen, 1988), * Accept the hypothesis when P-Values < 0.05

The next stage in Table 5.35 above is to see the moderating effect of the simple slope analysis image generated from SEM-PLS related to the moderating effect of SWE on the relationship between rationalization and fraud. This moderating relationship is explained in hypothesis H7. This analysis examines how the moderating variable (SWE) affects the strength and direction of the relationship between the independent variable (rationalization) and the dependent variable (Fraud).

The simple slope analysis figure consists of three lines that represent the effect of rationalization on Fraud at three different levels of SWE: the first, red line, shows

the effect at a SWE level one standard deviation below the mean (+1 SD). *Second*, the blue line shows the effect at the average SWE level (Mean). *Third*, the green line shows the effect at the SWE level one standard deviation above the average (-1 SD).

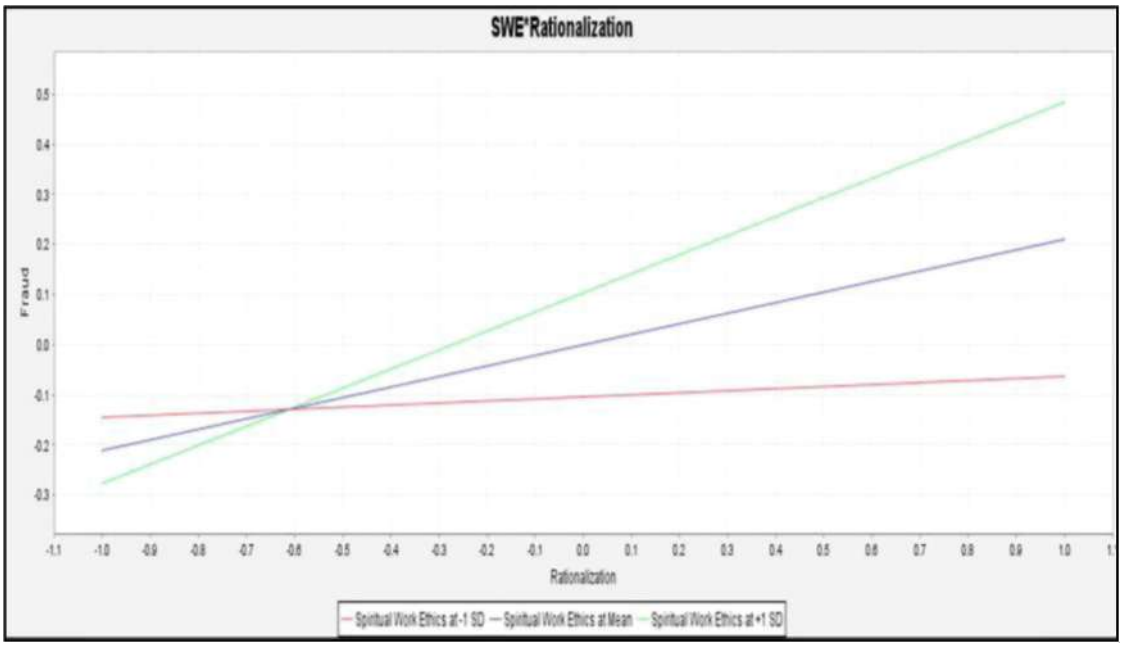


Figure 5.6 Simple Slope Analysis on the Moderating Effect of SWE on the Relationship between Rationalization and Fraud

In Figure 5.6 above, the first is the green line showing that the SWE is low (i.e., -1 SD), which means that there is a strong positive relationship between rationalization and fraud. This means that the higher the level of rationalization, the higher the level of fraud. Furthermore, the second is the blue line, which shows the relationship between rationalization and fraud at the average SWE level; it indicates a positive relationship that is weaker than on the green line. In other words, if rationalization gets higher, the level of fraud will also increase, but with a movement that is not too fast. On the last line, the red line shows the relationship between rationalization and fraud at a high SWE level (+1 SD). In this condition, the relationship between rationalization and fraud is almost flat, which indicates that at a high SWE level, the level of rationalization does not have a significant impact on fraud.

iv) Simple Moderation Results and Simple Slope Results on Capability

Table 5.36 shows the results of statistical analysis regarding the moderating effect of Spiritual Work Ethic (SWE) on the relationship between Capability and fraud.

The results in the table include the size of the moderating effect of SWE on the relationship as measured by the F-squared (f^2) value of 0.019, where this size is classified as a very small moderating effect. However, the P value is at 0.048, indicating that this moderating effect is statistically significant and can be interpreted that SWE plays a role in moderating the effect of capability on fraud. Furthermore, the negative regression coefficient (B =- 0.163) indicates that the moderating effect of SWE is negative; this indicates that higher SWE tends to have a smaller impact on the effect of capability on fraud. Thus, the hypothesis developed in this study can be supported by the data used. Although the magnitude and effect are very small, the statistical significance and negative direction of this effect indicate that SWE can function as an obstacle to fraud behaviour by reducing the influence of individual capability on fraud.

Table 5.36
Statistical Significance of the Moderating Effect Results on Capability

Path/indicator	SWE*Capability-fraud	Remarks
F square (f^2)	0.019	Very small effect sizes
p-value	0.048	Significant
B	-0.163	Negative moderating effect
Hypothesis decisions		Supported

*Value higher than 0.02, 0.15 and 0.35 represent small, medium and large f2 effect sizes (Cohen, 1988), *Accept the hypothesis when P-Values < 0.05

The next stage in Table 5.36 is to see the moderating effect of the simple slope analysis image generated from SEM-PLS related to the moderating effect of SWE on the relationship between Capability and fraud. This moderating relationship is explained in hypothesis H8. This analysis examines how the moderating variable (SWE) affects the strength and direction of the relationship between the independent variable (Capability) and the dependent variable (Fraud).

The simple slope analysis figure consists of three lines that represent the effect of capability on Fraud at three different levels of SWE: the first red line shows the effect at a SWE level one standard deviation below the mean (-1 SD), the second blue line shows the effect at an average SWE level (Mean), the third green line shows the effect at a SWE level one standard deviation above the mean (+1 SD).

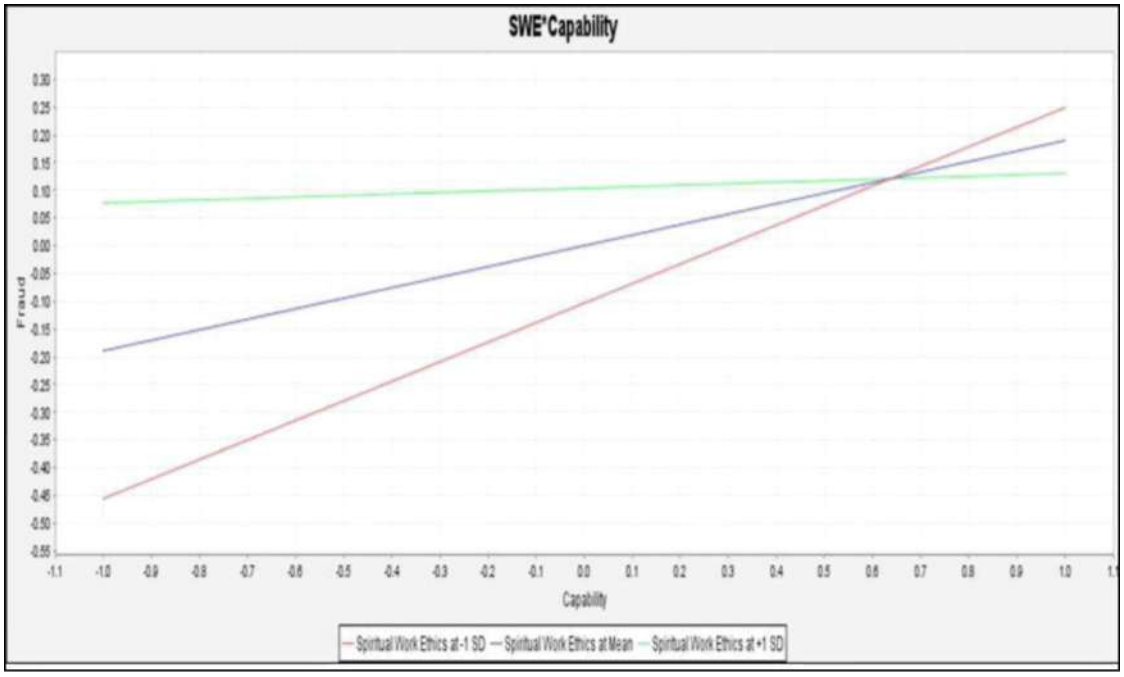


Figure 5.7 Simple Slope Analysis on the Moderating Effect of SWE on the Relationship of Capability and Fraud

In Figure 5.7 above, the first line is the line. The following graph shows the results of the simple slope analysis, illustrating the moderating effect of Spiritual Work Ethic (SWE) on the relationship between Capability and Fraud. The first line is the red line (SWE -1 SD). From the picture above, at a low SWE level, the relationship between Capability and Fraud is negative. This indicates that when spiritual work ethics is low, increasing capability tends to reduce the level of fraud. Furthermore, on the second line, the blue line (SWE Mean), the average level of SWE on this line, the relationship between Capability and Fraud remains positive. This shows that, at the average level of SWE, an increase in capability is associated with an increase in fraud, but the effect is not strong. The last line is the green line (SWE +1 SD); at this high level of SWE, the relationship between Capability and Fraud is also positive, indicating that when SWE is high, an increase in capability is associated with an increase in fraud.

5.10 Result on RO 3 and RQ 3 - Element of Coping Mechanism

In implementing village fund allocation, various challenges and obstacles may arise, including the risk of irregularities in village fund management. Therefore, this study also examines whether respondents have experienced or are aware of any incidents related to fraud in the management of village funds.

Respondents were asked about their experiences with fraud cases in the village, both those they had experienced directly and those they learned about through their surroundings. This aims to assess the extent of risk and the incidence of irregularities in village fund management. The following is data on incidents or indications of fraud in the management of village funds based on the respondents' experiences:

Table 5.37
Discovery of Fraudulent Events

Item	Total	Percentage (%)
Never	292	68.38%
1 time	123	28.81%
2 - 3 times	8	1.87%
4 - 5 times	2	0.47%
> 5 times	2	0.47%
Total	427	100%

From the data in Table 5.37, it can be seen that 292 people or 68.38%, have never found a cheating event, followed by 1 time the discovery of a fraudulent event, with 28.81% or the equivalent of 123 people, 2 - 3 times 1.87% or eight people, 4 - 5 times 0.47%) or two people and > 5 times 0.47% or two people. From the results of this data, it still shows that more than 68.38%> of fraud events were not found, but 31.62%> could still have potential. Thus, there is a need for improvement in the supervision of village funds.

In the management of village funds, the potential for irregularities remains a concern even though the use of the *Siskeudes* application has increased transparency and accountability. Several respondents admitted to having experienced or knowing about incidents related to fraud in the management of village funds. Various forms of fraud can occur, particularly in the management of large budgets, which are vulnerable to misuse by certain parties for personal gain. In addition, various other forms of fraud can occur in the management of village funds. Respondents may select multiple answers or identify additional forms of fraud they know. The following data presents an overview of the challenges in using *Siskeudes* and the various forms of fraud that have been found based on the respondents' experiences:

Table 5.38
Fraud Event

Item	Total	Percentages *(%)*
Abusing government property, regulations, laws, or policies	10	7.41%
Bribery	1	0.75%
Conducting unauthorized transactions	9	6.66%
Exaggerated expense reports	12	8.89%
Falsifying income statements	1	0.75%
Goods/services not paid for	17	12.59%
Markup of goods price	19	14.07%
Processing false invoices	1	0.75%
Theft	15	11.11%
Theft of Merchandise Inventory or Equipment	2	1.47%
Others	48	35.55%
Total	135	100 %

Table 5.38 shows that 135 respondents encountered various types of fraudulent events, with theft being the most common (11.11%), followed by bribery (0.75%), unpaid goods/services (12.59%), theft of inventory or equipment (1.47%), overstated expense reports (8.89%), unauthorized transactions (6.66%), falsification of income reports (0.75%), processing false invoices (0.75%), price mark-up of goods (14.07%), misuse of assets, or avoidance of government regulations (7.51%), and others (35.55%).

To minimize the risk of fraud in village fund management, an effective coping mechanism is needed. This coping mechanism aims to ensure that village funds are used in accordance with applicable provisions and are not misused by certain parties. Coping mechanisms can be in the form of an internal monitoring system, periodic audits, transparency in financial reporting, and community participation in monitoring the use of village funds. The existence of this mechanism is an important factor in maintaining accountability and integrity of village fund management. The following data in Table 5.39 presents an overview of the existence or absence of fraud-coping mechanisms in the village based on the respondents' experiences.

Table 5.39
Fraud Counter Measures Mechanism

Item	Total	Percentage (%)
None	168	39.34%
Existing	259	60.66%
Total	427	100%

The total number of respondents was 259 (60.66%). Respondents who reported that there was already a fraud-coping mechanism may indicate that fraud-coping mechanisms had been implemented in accordance with established procedures. However, 168 people or 39.34%, answered that there was no fraud-coping system. The forms of countermeasures that have been carried out certainly vary. It can be said that fraud-coping mechanisms have been implemented in accordance with the circumstances and conditions of each region. Table 5.40 presents the answers of each respondent grouped into six main groups:

Table 5.40
Fraud Coping Mechanism in the Village Fund System

Coping Mechanism	Details		Percentage *(%)*
Internal control	Segregation of duties	43	16.60%
	Approval hierarchies	25	9.65%
	System access restrictions	20	7.72%
	Disbursement of fund by stages	8	3.09%
	Verification from stakeholders	16	6.18%
Policies and procedures	Clear code of conduct	13	5.02%
	System update	25	9.65%
	System maintenance	29	11.20%
	Transparent report to stakeholders	4	1.54%
	Budget monitoring by independent parties	21	8.11%
	Accountability report	21	8.11%
Training and awareness	Ethics trainings	31	11.97%
	Ethics campaign	35	13.51%
	Qualified employees	55	21.24%
Audit and inspection	Audit from the inspectorate (district auditor)	73	28.19%
	KAP Audit (Audit Firm)	21	8.11%
Disciplinary actions	Sanctions	32	12.36%
	Terminations	13	5.02%
	Legal actions	27	10.42%
Others		5	1.93%

The results presented in Table 5.40 indicate that individuals' perceptions shape various arguments for countering fraud. Thus, fraud-coping mechanisms have been implemented in accordance with the circumstances and conditions of each region. The existence of audit by the inspectorate has the highest frequency, with 73 people, indicating that fraud in most large areas has been effectively controlled.

First is internal control. The information obtained from the table above shows that internal control is one of the main mechanisms in the fraud-coping mechanism in the village fund system. The first step relates to segregation of duties. This step is undertaken to ensure that no single person controls the entire process, which in this case concerns the use of the village fund system. Based on the table, this step ranks first, with 43 respondents (16.60% of the total). The second-highest mechanism is related to approval hierarchies. This step concerns the level of authorization in decision-making, namely, the presence of layers of authorization in every financial decision. Based on the table above, 25 respondents (9.65%) answered this question. Third on the list is system access restrictions, accounting for 7.72%. This is necessary to reduce the potential for misuse of data and information related to village finances.

Secondly, it concerns policies and procedures; this mechanism deals with written policies and well-documented mechanisms of operations. This action serves as the basis for responsible village finance. First, important things are the system updates and the system maintenance, with 9.65% and 11.20% of responses, respectively. This is essential in order to make sure that the technological facilities and infrastructure utilized, such as the village fund system (*Siskeudes*), are safe and working as expected, to the extent that the incidents that would slow down the operation of *Siskeudes* do not take place. *Second*, the use of independent parties to monitor the budget and accountability reports, which have respective percentages of 8.11% are also essential because they are vital control measures to oversee that village funds are spent as per the regulations and intended guidelines.

Third is training and awareness, which is regarded as highly significant, as measures to prevent fraud must be implemented by enhancing the capacity and awareness of village officials. The most dominant strategy is a part of training and awareness, which is the qualified employees, with 21.24 %, according to the table provided above. This implies that human resources are highly significant in competence making, especially when it comes to the management of village finances in an accountable manner. The second significant element is the ethics campaigns, accounting for 13.51%. They contribute to promoting a culture of integrity in the workplace and in the village government. *Third*, the training in ethics, where the share is 11.97%, which is a way to form the behavior that follows the moral values and the relevant laws and acts.

Fourth is audit and inspection. Among the various coping mechanisms in the table above, audit and inspection are the most dominant mechanisms in general. The percentage with the highest rate was the one that cited the audit by the inspectorate of 28.19%, which means the external supervision is significant when it comes to identifying possible irregularities. It is followed by audits by the public accounting firms (KAP), which seem to bring in 8.11%, indicating that KAP gives an independent and professional view in scrutinizing the accuracy of the financial reports of the village.

Fifth, there are disciplinary measures used to serve as a punishment for those who commit fraud. Imposing sanctions constitutes 12.36%, and firing constitutes 5.02%, which are strict measures against violations of the rule, particularly in village finances. The second percent of misconduct cases is legal actions with 10.42, meaning that cases of misconduct are not only channeled within the organizations but also to the legal system to hold the concerned responsible in the financial management of the village.

Other categories that are also part of the coping mechanism, besides the five main categories, account for 1.93%. Although the percentage is small, it still contributes to the prevention and handling of fraud in village fund management, including innovations arising from local activities and other practices not classified within the five categories in the coping mechanism table.

Based on Table 5.40 above, most coping mechanisms against fraud incidents in the village fund system can be classified into three broad groups: preventive, detective, and repressive. All these groups are distinct in their role, focus, and strategy, which are usually not similar and therefore complement each other to form an accountable and transparent financial management system in the village. Judging by the percentages that have been acquired, one can conclude that coping strategies against the fraud incidents in the village fund system are focused on the detective mechanisms (audit) and preventive mechanisms (human resource development and internal control), in comparison with the repressive mechanisms. This implies that village governments are prone to prevention and early detection, rather than waiting until a fraud has been committed.

5.11 Chapter Summary

This section generally presents empirical results that address the research questions and achieve the existing research objectives. In addition, this section presents a detailed overview of the results of the data analysis. Data analysis in this section begins with testing data bias and descriptive analysis using SPSS. In this study, SEM-PLS is used in a two-stage approach: measurement model analysis and structural model testing. Measurement model testing is used to assess the reliability and validity of the existing data.

In contrast, structural testing includes testing with inner model characteristics. In this section, the testing approach comprises two stages: testing data per dimension in the first stage and testing data per construct in the second stage. Furthermore, testing the path coefficient in this section proceeds in two stages: assessing the direct relationship between latent variables and testing the moderating effect of independent variables on the relationship between the independent and dependent variables. The test results of the existing hypotheses can be found that H1, H2, H3, H4, H7 and H8 show accepted results, while H5 and H6 cannot be proven.

CHAPTER 6
DISCUSSION

6.1 Introduction

In this section, the discussion will be based on the research findings presented in the previous chapter, which are divided into several sections for clarity. First, an overview of the research results will be provided. Next, the research findings will be presented, categorized into accepted and rejected hypotheses, and accompanied by a detailed discussion of coping mechanisms. After that, an analysis will be conducted to evaluate the implications of these findings for existing theories and practices in the field. Thus, it is hoped that the results of this study will contribute significantly to the development of more effective coping mechanisms. The following section will explore the significant contributions made to the advancement of Knowledge and discuss the contribution of this study to closing existing gaps. In addition, this study will discuss its theoretical and practical implications and limitations. Finally, recommendations for further research will be presented. This comprehensive discussion aims to summarize and contextualize the research results.

6.2 Key Findings

This study successfully achieved its research objectives, contributing significantly to a better understanding and knowledge of fraud incidents in the village fund system. This study effectively answered the research objectives related to the influence of the fraud diamond elements, namely pressure, opportunity, rationalization, and capability, on fraud incidents in the village fund system with spiritual work ethics as a moderating variable. In addition, this study identified a fraud-coping mechanism in village fund management through the village fund system. The test results showed mixed outcomes: six of eight hypotheses were accepted, whereas the remaining two were rejected and identified as moderating variables. These findings highlight the complex interplay between factors influencing fraud incidents in the village fund system and fraud-coping mechanisms, and demonstrate this complexity within a research framework. Furthermore, this research underscores the importance of developing

tailored strategies to address the identified moderating variables, as these could significantly enhance the effectiveness of fraud prevention measures in village fund management. Future studies may benefit from exploring these variables in greater depth to better understand their impact on overall financial integrity.

Pressure, Opportunity, Rationalization, and Capability have been shown to influence fraud incidents in the village fund system significantly. Additionally, this study successfully demonstrated that spiritual work ethics moderate the influence of rationalization and capability on fraud incidents in the village fund system. However, this study failed to provide evidence of the moderating effect of spiritual work ethic on the relationship between pressure and opportunity in fraud incidents within the village fund system. Regarding fraud-coping mechanisms, this chapter presents numerous findings for exploration. These findings will be discussed in greater detail in Sections 6.3.1-6.3.3.

6.3 Discussion of RO 1 and RO 2 Findings

6.3.1 Discussion of Result RO 1

This section discusses the findings of the first research objective, namely to examine the influence of fraud factors (pressure, opportunity, rationalization and capability) on fraud incidents in the village fund system. The following is a discussion of each relationship between these variables:

6.3.1.1 Discussion of Results for The Effect of Pressure on the Fraud Incidents in the Village Fund System (Siskeudes)

The results of this study indicate that pressure has a positive effect on fraud incidents in the village fund system. This suggests that pressure is a significant contributing factor to fraudulent behavior. Pressure in various forms, such as financial pressure and work pressure, is a type of pressure that is often experienced by individuals. When individuals experience severe pressure, such as personal financial problems or high work demands, they are driven to seek a quick solution, which can lead to unethical behavior, namely fraud. This aligns with the fraud diamond theory proposed by (Cressey, 1953; Wolfe & Hermanson, 2004), where pressure is a key factor

in fraudulent behavior. Additionally, every perpetrator of fraud typically faces pressure that drives them to engage in unethical behavior (Abdullahi & Mansor, 2018). Financial pressure is the primary factor driving individuals or entities to commit fraud. Specifically, 95% of fraud cases are committed due to financial pressure experienced by the perpetrators (Albrecht et al., 2006).

Referring to the basic theory used in this study, namely the fraud diamond theory, which essentially states that pressure, whether financial or work-related, plays an important role in motivating fraudulent behavior. Specifically, individuals facing financial pressure (e.g., debt, personal, inadequate income) (Cressey, 1953). The problem of financial pressure is more individual; however, it is no less threatening. This pressure may arise when the formal compensation of village officials cannot cover basic living costs, debt repayment, or socio-cultural needs. According to (KPK, 2023), the intention to pay off personal financial deficits was found to be the source of corruption acts involving the village funds in 26 percent of the cases. According to Sharma et al. (2020), a lack of finances may alter the perceptions of morality, creating an attitude of rules being considered as a mere temporary solution. In the Fraud Diamond, it is the first step before people identify opportunities and develop rationalizations.

In various regions, village officials often encounter social contributions as contributions to traditional ceremonies, social contributions, or involvement in medical events. According to Endahsari et al. (2020), traditional family ceremonies entail substantial expenses for village heads in East Nusa Tenggara, prompting them to seek alternative sources of funding, including the village treasury. It is even more risky when the perpetrators possess transfer capabilities, such as full access to village accounts or technical expertise to falsify reports. It occurred during the example in Konawe District (BPK, 2021), where the village treasurer misappropriated funds allocated to village development and placed them in his personal bank account on an interim basis, without reversing the act. This pressure is further exacerbated by regional inflation and steep rises in the prices of necessities. According to statistics collected by the Central Statistics Agency (BPS, 2023), the inflation rate in certain rural districts exceeded the national rate, reaching 5.8% in 2022. As income remains constant, the purchasing power of village officials will decline, thereby intensifying the incentive to obtain additional income through illegal means. Research by Purba et al. (2022) states that financial pressure and opportunity play an important role in relation to fraud, especially if internal control is weak.

Furthermore, from the perspective of job pressure (e.g., unrealistic expectations, excessive workload) (Dorminey et al., 2012). Therefore, implementing restorative justice is necessary to prevent the corruption of village funds within the village fund system. This is important to ensure that workplace stress management is implemented to prevent individuals from engaging in fraudulent behavior (Al Khasyi et al., 2024). In essence, financial stress and work-related stress are more likely to occur when opportunity and capability are present (Cressey, 1953; Wolfe & Hermanson, 2004). Heavy administrative burdens, rough targets of administrative budget absorption and pressure by external parties such as local governments, communities and local political elites are some of the reasons causing job pressure in village administration. According to the Ministry of Home Affairs 2023 in Negeri et al. (2023), the budget of the average village is Rp1.6-2.5 billion a year, with an average of 5-7 village officials, including the village head, village secretary, treasurer, and several department heads. Such a case leads to an imbalanced workload where one treasurer might be operating with 5-7 administrative duties at the same time. Ordonez and Welsh (2020), stated that high levels of workloads enhance the chances of taking shortcuts like overlooking formal procedures. Under this condition, there is a greater opportunity in the Blue Diamond, as lax oversight and ability enabled fraudsters to modify documents or accelerate processes that ought to be strict.

This phenomenon is quite applicable to the deadline effect. According to the BPK (2023), approximately 18 percent of the results of a finding of irregularities of village funds were during the last quarter of the fiscal year, when village officials were completing the reporting deadlines as quickly as possible. In these cases, they can prioritize speed over compliance, and when coupled with the ability to manipulate records in *Siskeudes*, the probability of fraud will increase substantially. An example in Pamekasan District (BPK, 2022) demonstrates that the treasurer of the village forged purchase receipts for road project materials so that reports could be submitted on time, although the suppliers had not paid for all the purchased products. In addition to administrative reasons, job pressure may also stem from socio-political needs, such as development goals ahead of the village head election or the need to meet campaign promises. According to Fathia and Indriani (2022), such political pressure often compels village officials to allocate funds to projects beyond the budget, increasing the likelihood of budget misuse. This scenario indicates that job pressure has not only a technical aspect; local power structures also shape it.

In the context of the village fund system (*Siskeudes*), pressure is often exacerbated by limited resources and overly high community expectations. Individuals responsible for managing village funds may feel pressured to meet community needs or specific targets, but with limited resources, they may be tempted to engage in fraud to achieve the desired results (Nusron et al., 2023; Afrizal & Wahyudi, 2023). In addition, the influence of higher authorities, whether the government or other interested parties, will make individuals feel pressured to take unethical actions to cover up shortcomings or poor financial conditions (Made et al., 2023). In summary, pressure is a significant factor in this study, as it strongly drives individuals to act fraudulently, particularly in a village fund system with weak supervision and limited resources. Such a phenomenon has also been observed in other countries, according to another study conducted by Hassan and Islam (2021). In Bangladesh, control failures among village officials might be more likely to divert aid funds, as their job pressures and personal financial issues are high. Mwangi and Ngugi (2020) found that the synergy between ambitious targets set by the central government for projects and low salaries for local officials has led to a pattern of fraud, such as the Indonesian case, providing further evidence that a pattern linking job pressure, financial pressure, and fraud is cross-cultural.

The contributions of this study are, *first*, that there is a need for improved supervision and internal control, as pressure significantly increases the risk of fraud. It is essential for stakeholders, in this case the village administration and village supervisors, to strengthen internal control by conducting regular audits and establishing a stricter supervisory mechanism, including stricter rules and procedures, to prevent the abuse of authority by village officials. Second, from the two dimensions used to measure pressure and shown to have a significant impact, from the financial pressure perspective, the government should consider the financial well-being of village officials by providing incentives, fair wages, or financial assistance to those facing economic difficulties. On the other hand, realistic workloads and adequate training are necessary to reduce work-related stress.

6.3.1.2 Discussion of Results for The Effect of Opportunity on the Fraud Incidents in the Village Fund System (Siskeudes)

The results of this study indicate that opportunity significantly affects fraud incidents in the village fund system. These results are in line with the fraud diamond

theory developed by (Wolfe & Hermanson, 2004). One of the elements of which is opportunity. This element plays an important role in determining whether an individual can exploit existing opportunities to commit fraud. In this study, opportunity is divided into two main dimensions: internal supervision and attitude. Based on the results, these dimensions of opportunity are highly relevant to the fraud diamond theory, in which opportunities arise when loopholes in the system are exploited.

The supervision dimension is directly related to weaknesses in internal oversight, which inevitably create opportunities for fraud. When supervision procedures or internal controls are not stringent or effective, individuals' intent on committing fraud will have the opportunity to exploit the village fund system *(Siskeudes)*. This aligns with the fraud diamond theory, which states that without opportunity, fraud cannot occur, as opportunity provides room for individuals—in this case, village officials—to act undetected. This finding is supported by Novianti & Firmanto, (2022) and Said et al., (2017), who state that weak supervision encourages individuals or groups to conceal fraud. The first line of defense against fraud ought to be effective supervision. Nevertheless, in most villages, control remains administrative and formalistic (BPKP, 2021). The checks are done without field verification, and the supervision visits are not frequent due to resource troubles. This generates a structural opportunity, Button and Johnston, where there is legitimate room with no security precautions for fraudsters.

As the research by Ordonez and Welsh (2020) claims, in the case of public organizations, the likelihood of fraud will be significantly higher when the audits are non-periodic and non-thorough. This is in line with what the field noticed in Central Lampung Regency. BPK (2022), where village treasurers had to take eight months (until the end of the year) to produce fabricated evidence of transactions without being located. Resource shortages are among the classic problems. The regional inspectorates have fewer than three auditors on average to cover up to over 100 villages (BPKP, 2021). Consequently, the auditing will be done on a sampling basis, which will enable the perpetrators to decide when and how to introduce irregularities where the chances of detection are minimal. The same tendency was also found in a study conducted by Hassan and Islam (2021). In Bangladesh, villages with a lower frequency of audits had a 40 percent higher occurrence of financial irregularities. The conflict of interest also tends to cause weak oversight. In other instances, supervisors share the fate with village officials, so they will be afraid to take any action (Basri et al., 2021). This not only

destabilizes formal controls, but it also gives the impression that it is possible to negotiate rules.

Next, the second dimension, namely the attitude dimension in this study, reflects how individuals or groups perceive the likelihood that their actions will be detected or punished, which in turn influences whether they will take advantage of the opportunity to commit fraud. If individuals hold a permissive attitude or perceive a low risk of detection, they are more likely to exploit existing loopholes. Opportunity is not only related to weaknesses in the system, but also to individuals' perceptions of the likelihood of success in committing fraud. This is consistent with the fraud diamond theory, which posits that opportunity encompasses an environment that enables individuals to believe they can get away with fraudulent actions. These results are in line with Robet's findings that attitude has a positive impact on a person's intention to commit fraud; if their intention is good, they will tend to avoid fraud, and conversely, if they have the intention to commit fraud, it will develop further (Tripermata et al., 2021).

The attitude dimension is associated with how village officials perceive integrity, compliance, and violations. Moral opportunity is generated through permissiveness about both small and significant deviations (Francesca Gino & Wiltermuth, 2022). When the minimum breach is accepted, the ethical threshold for engaging in major fraud will be reduced. According to Mwangi and Ngugi (2020), a permissive culture promotes the further normalization of corrupt conduct in the local government in Kenya. The same can be seen in Indonesia, in which case the utilization of the village funds in personal or emergency needs has been seen as a form of temporary loan, as long as it is returned (Endahsari & Maranatha, 2020). This attitude is highly dependent on leadership. An inadequate or improper tone at the top, in which the village heads are the ones involved with manipulating the budget, justifies corrupt actions at the staff level (OECD, 2022). An example dream in Bone District (BPK, 2022) demonstrates that the village apparatus together split the project funds and falsified the reporting data to conceal deviations. Social sanction is also low, which further conditions this permissive attitude. The perpetrators of fraud do not lose social acceptability in society because they are still re-elected in many villages, as they get elected to positions of authority. The theory of social norm states that in the absence of any social sanctions, people become more confident that the social cost of committing fraud is minimal (Fehr & Schurtenberger, 2018).

The possibility of committing fraud is needlessly postponed or extended when a permissive attitude and weak supervision co-occur in practice. Permissive attitudes eliminate the social risk, and weak supervision eliminates the legal risk. Gino and Wiltermuth (2022) expound on these factors to form psychological safety to engage in misconduct, where wrongdoers get the sense of safety and feel free to practice misconduct. Findings of research conducted by Hassan and Islam (2021) indicate that local units with less frequent supervision record 1.5 more cases regarding development fund misappropriation than those that are frequently audited. Moreover, Mwangi and Ngugi (2020) explain that the non-restrictive attitude of the community towards misappropriating leaders leads to extremely low rates of corruption returns (<15 percent). A contribution of this research is that weak supervision in village fund management through *Siskeudes* creates opportunities for fraudulent acts. In contrast, individual attitudes are more likely to reflect perceptions of the risks and opportunities they face when committing fraud in village fund management. In other words, the fraud diamond theory can help explain how fraud can occur in the village fund system when supervision is weak and a permissive attitude prevails, and how individuals with sufficient capabilities can exploit such opportunities to commit fraudulent acts.

6.3.1.3 Discussion of Results for The Effect of Rationalization on the Fraud Incidents in Village Fund System (Siskeudes)

The findings of this study indicate that rationalization significantly affects fraud incidents in the village fund system. These results are consistent with the fraud diamond theory proposed by Wolfe and Hermanson (2004), in which rationalization is the process by which individuals who commit fraud justify their actions as "acceptable" or "justifiable," even though these actions violate rules or laws. In this study, rationalization has two main dimensions, namely rationalization from the perspective of receiving and rationalization from the perspective of use. This conclusion aligns with the findings of Gino & Wiltermuth (2022), who found that those who control information are more likely to develop internal and external reasons to engage in dishonest behavior. *First*, rationalization of giving refers to the justifications individuals offer when giving something, such as a gift or a bribe, on the assumption that the action is normative or necessary to achieve a certain goal. The perpetrators often believe they deserve more than they have received to date, or assume that what they receive is

temporary and will not significantly mitigate their losses. In the context of the village fund system, village officials may rationalize their actions as efforts to meet personal or family needs, arguing that the funds will not affect the village's overall welfare and will not harm anyone, since they are only receiving gifts. In addition, individuals may rationalize giving as an "easier" way to avoid problems and expedite certain processes, in contexts where giving is often seen as a "harmless" shortcut. In another context, rationalization from the perspective of giving can be understood as a cultural norm in which individuals feel compelled to give to officials or others in certain positions as a form of "gratitude" (Kroll, 2023).

Rationalization of the giving stage is through normalizing the procedure of this practice in the swapping involving actors in the village. For example, a village treasurer who gives a subdistrict official money to have a financial report quickly approved will regard this as a typical government expense (Razmin et al., 2024). Rationalization practices in most villages are often disguised as gratitude money or administrative expenses, which are socially acceptable (Putri & Mahmud, 2022). This is demonstrated in a study by Hassan and Mollah, (2021) in Bangladesh, which reveals that local officials who are used to making corrupt payments tend to rationalize their corrupt behaviors since they believe them to be part of the unwritten expectations or norms (rules of the game). Furthermore, in the Philippines, a study conducted by O'Driscoll et al. (2022) indicates that local authorities tend to spend local government finances on religious events in the name of strengthening social ties, with some issues involving misappropriation of some of the funds. According to KPK (2024), in 38 percent of cases involving village funds corruption, gifts were provided to other parties, including internal auditors and sub-district-level officials, to reduce the likelihood of being caught. This shows that giving is not only a complement to fraud but one of the linear processes that guarantee the perpetuity of corrupt activities.

The second dimension is the rationalization of the using dimension, which relates to the justification made by individuals when using resources illegally, such as believing that personal use is a fair compensation (Wolfe & Hermanson, 2004). Village officials or civil servants may rationalize the use of funds because it is for urgent purposes, such as meeting personal or family needs. Thus, the context is that their actions are seen as "justifiable" because they are not considered to cause direct harm (Stark et al., 2023). When individuals face pressure and opportunity, rationalization helps them justify their actions. In the village context, these two dimensions indicate

that individuals not only justify their actions by what they give or receive but also by how they use the resources they access. In many cases, the use of the dimension is justified by perpetrators on the grounds of urgent needs or indirect benefits to the community. For example, village heads who use infrastructure funds to finance personal celebrations often consider that such events "unite the community" and therefore have social value (Hermawan et al., 2021).

Whatever rationalization occurs on the using stage, there is likely to be a laissez-faire culture and an organizational solidarity. According to a study in Kenya Mwangi and Ngugi (2020), when people engage with relatives or political allies using the public resource, the practice is rarely perceived as corruption, and instead, such practices are applauded as being caring. This is consistent with what is happening in Indonesia, where village officials deem the use of funds in the interest of the ordinary people, even when it is not within the stipulated *RAB* (Budget Expenditure Plan), to be morally acceptable. BPK (2022) stated that 51 percent of misappropriation of village funds was in the form of spending on activities not part of the *APBDes.* This implies that rationalization has taken center stage as the most prominent channel of fraud, particularly in instances where supervision is lax and organizational culture is conducive. Ghazali and Ismail (2022) found that rationalization, in fact, increases in regions where citizens do not engage much in vetting processes, since the explanations offered by rabble-rousers seldom face any counterargument.

Rationalization, whether in the form of giving or use, is a dominant factor that reinforces fraud in village fund systems. These two dimensions operate by constructing a moral narrative that leads perpetrators and their surroundings to regard such actions as acceptable. In the context of village funds, where supervision is often weak and a permissive culture is prevalent, rationalization serves as a bridge linking opportunities and pressures to commit fraud. The expected contribution of these results is to highlight the critical need for community education and empowerment, with village financial managers recognizing the importance of transparent and ethical governance at the village level to reduce rationalization. The community must also be involved in the process, as inappropriate resource allocation or use can undermine village governance. Additionally, clear regulations on what constitutes acceptable gifts and how village funds should be used, along with strict penalties for violations, can prevent rationalization from taking root. Finally, improvements to internal control systems and

transparency in the use of village funds can reduce individuals' tendency to rationalize their actions.

6.3.1.4 Discussion of Results for The Effect of Capability on the Fraud Incidents in the Village Fund System (Siskeudes)

The results of this study indicate that capability significantly affects fraud incidents in the village fund system. This finding is consistent with the fraud diamond theory, which adds capability as a key element, complementing the other three elements: pressure, opportunity, and rationalization. Capability is the ability of individuals to take advantage of opportunities and execute fraudulent actions (Wolfe & Hermanson, 2004). Capability does not simply mean technical proficiency, but also the ability to occupy a strategic position, official authority, skill in taking advantage of system loopholes, influence other people, and psychological strength to confront the threat of being uncovered in fraud (Albrecht et al., 2020). The preconceived notion of capability is a critical variable in village fund systems, as village organizational frameworks often revolve around individuals vested with high levels of power, such as the village head, village secretary, or even the village treasurer. In this study, capability is represented by three measurement dimensions, namely capability in relation to position, capability in relation to superiority, and capability in relation to technology.

First, from a positional perspective, capability can be interpreted as individuals in high positions and with authority having greater access to resources and information, thereby enabling them to manipulate the system to commit fraud. In the context of this study, namely the village fund system, individuals in strategic positions, such as treasurers or village heads, undoubtedly have greater capacity to exploit weaknesses in the system because they have direct access to funds or financial information. These results are in line with the research by Fitriani et al., (2025), which states that capability emerges as a significant factor among individuals who hold strategic positions in organizations. Often, the high level of trust placed in these individuals may overlook their potential to commit fraud, given the influence and power they possess. Moreover, the primary enabling factor for village fund fraud is the issue of position and authority, namely, slots that provide direct access and total control over monetary resources. For example, village heads have the authority to approve expenditures, sign budget documents, and direct village authorities on how to implement programs. Under its

command, the control that is supposed to be exercised by the village consultative body or the internal auditors is also diminished by a powerful hierarchy (Santiadji, 2021). According to some instances found by the BPK (2022), there were instances where the village heads stole this authority by initiating the project funding to selected parties, including family-owned companies, where there were no open bidding processes involved. This is the case because strategic positions create opportunities, yet they also enhance actors' ability to monitor fraud through to its conclusion.

Second, capability in the superiority dimension can be explained by the fact that village officials, as individuals, possess knowledge and power that make them feel superior to others. Individuals who perceive greater power (superiority) tend to believe they are above the law or in control, thereby feeling more confident in committing fraud. These results are in line with the findings of studies by Wulanditya et al., (2022), and Peprah (2018), which show that individuals in power often manipulate their roles for personal gain. The power to manipulate, convince, or even coerce another party to be involved or at least ignore fraud. The approval process for the accountability report in the context of villages is a formality, as village secretaries or heads of finance are closely connected to others in the Village Consultative Body (*BPD*). According to Ahmed et al. (2021), it is not a direct persuasion in the context of local bureaucratic environments; instead, persuading to divert the funds occurs through narratives that were produced to support the diversion of funds, such as emergency needs or public good. Such persuasion mechanisms are often supported by implicit threats, such as social exclusion or the withdrawal of political support, for those who decline to volunteer. The possession of this assurance is usually founded on what can be described as networks of political protection or bonding with officials at the district or provincial level (Ghazali & Ismail, 2022). As an example, a village head who is well-connected with the local members of DPRD might feel that the law enforcers are not ready to dig deep into their investigations. This situation fosters a sense of impunity, thereby encouraging fraudsters to commit fraud to a greater extent. This ego boost can be mistakenly related to the overconfidence bias by the offenders who feel their abilities and contacts are enough to outwit the security system (Patterson & Taylor, 2021).

Furthermore, in the third dimension, technology serves as a medium for fraudulent activities. Technology can be used to hide traces, manipulate financial data, or even accelerate access to village funds. With the rapid technological development, individuals who master technology have a greater capacity to commit fraud than those

who do not. This aligns with Kroll's (2023) view, which holds that technological capability encompasses an individual's ability to understand and exploit weak or unsecured technological systems. Additionally, findings from Lisa et al. (2025) indicate that capability enables individuals to manipulate systems more effectively by providing detailed knowledge that may not be accessible to those less familiar with technology. From the perspective of the village fund system *(Siskeudes)*, the use of poorly audited software or weak digital procedures enables individuals with strong technological capabilities to commit fraud with relative ease and without being detected—intelligence, technical knowledge, which helps in tapping loopholes of internal control systems by perpetrators. The implementation of the village fund system *(Siskeudes)* application for village fund management is intended to enhance transparency and accountability. Nevertheless, village officials with in-depth familiarity with the system's functioning and loopholes can manipulate input data, including modifying account codes or forging digital evidence of transactions (Hasan et al., 2023). The results of Laili & Setiawan (2021) suggest that, in certain villages of East Java, a village treasurer with an accounting background could conceal embezzlement through financial statement manipulation, thereby producing financial reports that appeared legitimate on their face. This implies that technical knowledge, which is supposed to enhance accountability, can also be used as a tool of fraud.

The contribution arising from the significant relationship between capability and fraud incidents in the village fund system is the need to strengthen internal control, specifically throughjob rotation and separation of duties. This is very important because it will reduce the risk of position abuse through the periodic rotation of important positions, such as treasurer or financial manager. This is important because it will prevent specific individuals from gaining complete control over village financial resources. *Second,* the separation of duties between individuals responsible for managing village funds and those in supervisory or auditing roles is necessary to prevent the concentration of financial power in a single individual. *Third,* a technology audit is needed to ensure that no technological loopholes exist that could be exploited by individuals with technical capabilities to commit fraud. *Fourth,* there is a need for more rigorous regulation and law enforcement, as this will reduce the potential for individuals to exploit their capabilities to commit fraud. Additionally, a whistleblowing mechanism is essential to uncover fraudulent actions by those in strategic positions or with sufficient technological capabilities.

6.3.2 Discussion of Result RO 2

This section presents findings related to the second research objective, which is to analyze the moderating effect of spiritual work ethic on the relationships among pressure, opportunity, rationalization, and capability variables and fraud incidents in the village fund system. The following is a specific discussion of each of these relationships between variables:

6.3.2.1 Spiritual Work Ethic Moderating the Relationship between Pressure on Fraud Incidents in the Village Fund System (Siskeudes)

The findings indicate that spiritual work ethics do not moderate the relationship between pressure and fraud incidents in the village fund system (*Siskeudes*). This interesting finding can be explained by several factors that indicate that spiritual work ethics are unable to moderate the relationship between pressure and fraud incidents in the village fund system. These results do not align with the original theory, which posited that strong spiritual values ingrained in individuals would attenuate the positive correlation between stress and cheating. Results such as the ones presented in the paper by Ahmed and Khan (2020) and Arli and Tjiptono (2020) indicate that spiritual values are also a component in the moral capacity to prevent the commission of fraud, according to the fraud diamond theory framework (Wolfe & Hermanson, 2004); however, at high-pressure conditions, this hedge of protection diminishes (Ahmed & Khan, 2020; Arli & Tjiptono, 2020).

First, a spiritual work ethic within the religious dimension generally refers to an individual's spiritual beliefs and practices. Although religious individuals may, in principle, be less likely to engage in fraud based on religious values, intense pressure can obscure the influence of these beliefs. When economic and social pressures become very strong, individuals may rationalize that fraudulent actions are necessary to meet urgent needs, regardless of the religious teachings they have embraced (Webster et al., 2023). In practice, there may be a gap between religious beliefs and actual actions under pressure. For example, a religious person may be compelled to act against their beliefs due to pressure from family or the social environment. In theory, religiosity can be used as an intra-organizational control measure in response to pressures that can result in fraud (Mansor & Rahman, 2021). Nevertheless, at the village level, ritualistic religiosity

is not an indicator of ethical practices in the handling of public money (Prabowo & Cooper, 2020). Rahman and Setiawan (2021) found that village officials' participation in religious activities was not associated with lower rates of financial report manipulation, as measured in 87 villages in Central Java. Such findings are also consistent with the conclusion by Alleyne et al. (2020) that religiosity, which does not incorporate the internalization of ethical principles in the workplace, is ineffective in deterring deviant behavior in the public sector in the Caribbean. With respect to religiosity, Ahmed and Khan (2020), in their research on emerging markets, indicate that although employees' religiosity is high, ethical appeals do not necessarily increase under severe financial pressure. In the context of village funds, when leaders are confronted with the pressing issues of repaying their own debts to creditors or requests from extended families, they are still tempted to resort to shortcuts by fiddling with accounts, despite understanding that such actions are religiously immoral and illegal.

Second, a spiritual work ethic within the wisdom dimension encompasses a person's ability to make wise decisions in accordance with moral values. However, in high-pressure situations, a person's wisdom is insufficient to address urgent demands that require quick solutions. Intense pressure often clouds wise judgment, causing individuals to focus more on solving immediate problems than on maintaining moral standards (Mc Kinsey, 2023). The element of wisdom is also expected to serve as a sieve in decision-making under pressure. According to Ahmed and Khan (2020), highly wise individuals are likely to follow procedures in the public sector, and that relationship may be weakened when such people are under extreme individual financial pressure. This observation is confirmed by field research in South Sulawesi by Rahmawati & Rahmawati (2022); despite possessing good knowledge of the law and an understanding of the situation, village chiefs withdraw funds without following formal procedures due to urgent local political considerations. In theory, the wiser people are, the more cautious they would be in action, which can be taken suspiciously against the law or morality. However, in the study under consideration, the variable wisdom failed to substitute for the association between pressure and corruption. This might be caused by limited information that the village officials possess regarding concrete legal implications, or it might be because of the view that the likelihood of being caught is quite low relative to the immediate utility seen. Also, the quality of the decision-making process might be lowered by the social pressure created by the surrounding environment, even in the case of a high-wisdom capacity (OECD, 2022).

Third, spiritual work ethics from the ethical dimension, in the context of pressure, a person's ethical values can be compromised when individuals feel extraordinary pressure, especially when there are no apparent alternatives to overcome the problems they face (Kroll, 2023). As a result, individuals may believe that fraudulent actions are only temporary and can be redeemed in the future. This is what makes ethical principles less effective in preventing fraudulent actions, especially when village officials are under pressure. The ethics or work ethic dimension can be defined as the moral norms governing the performance of duties. In their research conducted in the Malaysian government sector Tuan & Rajah, (2021) demonstrated that a strong work ethic reduces the likelihood of committing fraud, yet it cannot overcome family and community pressure. Ghazali & Ismail (2022) discovered in the Indonesian context that village officials tend to rationalize actions to take village funds outside the procedures, using options such as temporary loans or community goods. Nevertheless, an inadequate internalized work ethic tends to lack pragmatic logic. Rationalizations are also possible when one is faced with an acute pressure situation, where one is likely to engage in corrupt acts to justify them as loans that will be paid back later (Suharti & Handayani, 2021). A work ethic, in the absence of stringent supervisory mechanisms, is insufficient to deter corruption.

From the perspective of the fraud diamond theory, these results can be linked to the presence of significant ability and opportunity, particularly when firm pressure is exerted, thereby weakening the role of spiritual work ethic as a moderator. This means that individuals, as village officials with greater capacity to manipulate the system, may disregard their spiritual values under significant pressure. In addition to the fraud diamond theory, these results can be linked to moral disengagement theory (Bandura, 1986), whereby individuals under high pressure may distance themselves from their moral or spiritual values through mechanisms of moral disengagement, thereby rationalizing fraudulent actions. The findings of the current study are similar to those of Hassi & Balambo (2021), who found that the nature of the relationship between religiosity and ethical behavior is closely dependent on social and cultural organizational norms. When environmental norms are lenient regarding the misappropriation of government funds, the moderating effect of religiosity may be attenuated. According to Prabowo & Cooper (2020), even when the communities in question regard cheating as one of the options of economic survival. In other situations, although people hold many standards of religiosity, they surround themselves with an

atmosphere in which the acceptance of personal advantages through the use of village money is justified as long as it is not excessive and remains within community boundaries. They are norms that undermine the protective nature of spiritual values. The OECD (2022) conducted considerable research in 11 Asian countries, highlighting that corruption prevention cannot rely solely on internal factors such as spiritual values or personal integrity. Effective mechanisms of control, transparency, and accountability are expected to minimise the risk of corruption, particularly in the village government sector, where audit capacity is often weak.

The key takeaway from these results is that stricter supervision is needed, as the spiritual work ethic is insufficient to moderate the impact of pressure. Villages need to improve supervision and implement more effective internal control. Such measures may include routine audits, electronic monitoring systems, and more transparent reporting, which can help reduce opportunities for individuals to commit fraud, even when they face pressure. This opinion is in line with the findings of Kroll, (2023). In addition to these factors, structural reforms are needed to reduce pressure, including reducing workloads, improving the distribution of responsibilities, and creating a more supportive work environment. This is also consistent with the findings of (Garg & Saini, 2024; Lusianti et al., 2025; Singh & Awasthy, 2025), which indicates that perceived work conditions influence the relationship between spirituality and innovative work behavior, which aligns with the role of spiritual work ethics in moderating pressure in the context of fraud.

6.3.2.2 Spiritual Work Ethic Moderating the Relationship between Opportunity and Fraud Incidents in the Village Fund System (Siskeudes)

The results of this study indicate that spiritual work ethics do not significantly moderate the influence of opportunity on fraud incidents in the village fund system. These results warrant further discussion, as they indicate that opportunity has a dominant influence on fraud, including weaknesses in the existing financial supervision system in villages that may be too strong to be overcome by spiritual values. Even if individuals have a strong work ethic, transparent and lucrative opportunities (weak internal control) can reduce the influence of spirituality. In other studies that generally find a significant relationship between spiritual work ethic and fraud, the context differs, for example, when opportunities are more limited or supervision is stricter (Kundi et

al., 2025). In the village context, opportunities may be more open, so spiritual work ethics do not play a significant role in reducing fraud.

Another consideration as to why these results are not significant is the presence of moral disengagement, whereby, when individuals face an excellent opportunity to commit fraud, they are likely to use moral disengagement to separate their actions from spiritual values (Zouhair et al., 2023). Thus, values such as religiosity, wisdom, and ethics are ineffective in deterring fraudulent behavior. In situations in which fraud is considered normal or opportunities are highly advantageous, individuals tend to justify their actions, even when those actions contradict their spiritual beliefs. This is what reduces the effectiveness of the spiritual work ethic in curbing fraud. From the perspective of the fraud diamond theory, these findings indicate that the use of a spiritual work ethic in moderating the relationship between opportunity and fraud is not significant when opportunities are high or individual capabilities are strong, as moral or spiritual values may become less effective (Hermanson & Wolfe, 2024).

The opportunities present in the domain of the fund systems of villages are caused by various particular sources, including the poor segregation of the duties, the lack of the integrated technology based financial reporting system, limited human resource capacity, and absence of detailed periodic audits (BPK RI, 2022) The process of budget verification and reconciliation processes are in many villages in Indonesia often a formality because many of them resort to manual recording systems. Such lag is worsened by tight social relations between the village officers, which translates to a reduced unbiased oversight (Prabowo & Cooper, 2020). Under such circumstances, even though village officials hold high spiritual values, a prominent opportunity and weak systems might be exploited with few barriers. The theoretical assumption is that the first dimension, religiosity, should serve as a moral safeguard that protects individuals from engaging in deviance, particularly when opportunities for corruption are present. Religiosity is associated with adherence to moral ideals grounded in religious doctrines (Arli & Tjiptono, 2020). Nonetheless, these findings align with Weaver and Agle (2020), indicating that religiosity does not necessarily remain an effective regulator of behaviour at the individual level when there are high opportunities to engage in deviant behaviour in the work environment, where supervision is weak, and the organizational culture is permissive. In some village fund management, village heads or treasurers who are ardent in their religious observance are still engaged in mismanagement of funds in the name of public interest, or they are returned in the

future, implying a disconnect between personal perspectives and professional delivery when the threshold is met. This aligns with the study by Alleyne et al. (2020) in the Caribbean public sector, which finds that ritualistic religiosity is insufficient to deter individuals from engaging in corrupt behavior when the likelihood of detection is low.

The second dimension, wisdom, is expected to play a role in assessing the ethical and rational consequences of every action. Individuals with high levels of wisdom are usually able to predict the long-term impact of dishonest behavior, both on themselves and on the organization (Grossmann & Weststrate, 2020). However, this study shows that the wisdom of village officials is insufficient to prevent them from exploiting opportunities. One reason is that, here, wisdom is often interpreted as cleverness in managing situations, which, in some cases, is used to exploit loopholes in the rules for personal gain. Rahmawati & Hidayat (2022) found that in several villages in South Sulawesi, village officials who understood the intricacies of financial procedures used this knowledge to manipulate accountability reports, thereby reinforcing the finding that wisdom does not always lead to integrity when the monitoring system is weak. The third dimension, ethics or work ethics, is typically viewed as a commitment to moral and professional standards in performing duties (Tuan & Rajah, 2021; Pariyanti et al., 2025; Maunzagona, 2025). High ethical values should reduce opportunities to commit fraud. However, this study's findings indicate that, at the village level, work ethic is often situational and influenced by local social norms. In some cases, misappropriation of funds is considered "acceptable" if the results are used for community activities or to help residents in need, even if the procedures violate legal provisions. This permissive culture has been identified in a study by Prabowo & Cooper (2020), which shows that in communities with close social ties, administrative violations are often not considered acts of corruption.

The research findings regarding the spiritual work ethic did not significantly affect the relationship between opportunity and fraud. Therefore, internal control systems must be further strengthened. This can be implemented through a stricter monitoring system, regular audits, and better reporting mechanisms to close loopholes that individuals can exploit. This argument aligns with the views of Mc Kinsey (2023), regarding the need for stricter internal controls. In addition to strengthening internal controls, establishing a culture of transparency in village fund management should be prioritized. Encouraging every village financial manager to be more open and accountable for their actions will make it more difficult for individuals to justify their

fraudulent actions, even if the opportunity to commit fraud arises. This is also in line with the findings of a study by (Mandal & Amilan, 2024) that moral and ethical values can be overlooked when a significant opportunity arises, especially if there is insufficient control. Such an inability of a spiritual work ethic to mitigate the effects of opportunity on fraud can be attributed to the interaction between internal and external forces. Internal factors, such as religious values, wisdom, and ethics, are important; however, when they lack external support, including strict supervision, clear reporting structures, and harsh penalties, the effectiveness of internal control will be lower (Ghazali & Ismail, 2022). The study by Hassi & Balambo (2021) in the Moroccan public sector also concluded that spiritual values apply to deviation prevention only when there is a high risk of legal enforcement and economic consequences for cheating.

6.3.2.3 Spiritual Work Ethic Moderating the Relationship between Rationalization of Fraud Incidents in the Village Fund System (Siskeudes)

The results of this study demonstrate that spiritual work ethic (SWE) has a positive and notable moderating effect on the relationship between rationalization and fraud in village fund systems. This implies that the more an individual has a spiritual work ethic, the greater the impact of rationalization on fraudulent behavior. This finding is counterintuitive, as it challenges the broader assumption that SWE is a barrier to unethical conduct at all times (Khamainy et al., 2021). Such findings leave uncertainty about how the components of SWE, and especially the dimensions of religiosity, wisdom, and ethics, might paradoxically operate to ensure that they neither obstruct nor enhance inner justification for fraudulent behavior (Khan et al., 2023). In the view of the fraud diamond theory, rationalization is a thought process whereby a person explains unethical conduct so that it may be commercially acceptable within his or her self-identity and values he/ she considers important (Wolfe & Hermanson, 2004). In the case of SWE being a moderating variable, it can either be an inhibitor or an enhancer, depending on the interpretation of the perpetrators on the meaning of spiritual values (Istifadah & Senjani, 2020). This phenomenon is significant in the context of village finance in Indonesia, as the risk of fraud in the management of village funds continues to rise, as people expect village administrators to be of high moral character (Dihni, 2022). These findings also show that the role of SWE is greatly influenced by whether spirituality is understood as belief or ethical practice. In many rural contexts, SWE

indicators are more prominent as markers of religious identity and an image of piety than as indicators of internalized moral discipline. When spirituality is reduced to a moral identity, actors find it easier to justify deviant behavior because they believe they remain "good people." This is consistent with the concept of moral licensing, which posits that a positive moral identity can reinforce rather than constrain rationalization (Merritt et al., 2010; Effendi et al., 2023; Putra et al., 2025).

Religiosity is the first dimension of the spiritual work ethic. Religiosity, as defined in the SWE framework, has to do with how strongly an individual adheres to religious teachings, religious practices, and religious beliefs, which are used to shape working behaviour (Nasuation et al., 2021). Religiosity theoretically decreases the propensity to fraud due to the value of honesty, responsibility, and trust taught by religiosity (Marbun & Sari, 2020). Nevertheless, the opposite holds in the current study, in which religiosity positively affects the association between rationalization and fraud. The given phenomenon would be explained by the moral licensing concept, as a belief that previous righteous action or good moral identity allows one to do something deviant without harming self-image (Merritt et al., 2010; Effendi et al., 2023). A study conducted recently by Wulandari and Susanto (2022) found that some villages in Central Java have demonstrated that even the presence of highly related religious activity of some village officials does not exclude the village financial misuse case. They often seek to legitimize their activities by claiming that they are helping their families or engaging in social activities deemed beneficial. This justification is further strengthened by the notion that the good intentions behind people's actions make God aware that their actions are unlawful. This is in line with the findings of Hilmy (2021), that lax applications of religious doctrine and teachings to some ethical infractions can encourage corrupt practices within the bureaucracy of the village. This phenomenon also explains that symbolic religiosity can increase the tendency toward rationalization. In villages, religious reputation often functions as social capital, reducing community oversight. Officials perceived as having high moral character are more trusted, which ultimately creates space for moral justification of violations as committed for good intentions, the welfare of citizens, or social harmony. Thus, religiosity that is not accompanied by moral internalization actually facilitates rationalization (Fitria & Sari, 2023; Ahmed & Khan 2020; Rahman & Anwar, 2021; Hakim & Rinaldi, 2025).

As a village treasurer who was also a religious person, the BPK reported in 2021 that he used village funds to renovate a mosque in Gowa Regency. Although the intent

behind establishing this facility appeared sound, using funds for purposes other than those for which they were intended remains chargeable as fraud. The culprit placed the blame on the claim that it was done in the public interest and in the name of religion (BPK RI, 2022). This indicates how religiosity may be misused as a moral justification for activities detrimental to the village fund system. Furthermore, religiosity in Indonesia tends to intersect with social status in the country's rural social settings. Given that village officials are regarded as religious individuals, they are more likely to possess a lot of social capital, thus undermining community surveillance (Fitria & Sari, 2023). Such a degree of trust leaves room to permissiveness among the offenders, enabling them to enact their moral stories, reinforce rationalizations, and reduce ideations of guilt. A similar phenomenon was discovered in a study conducted in Malaysia by Ahmed and Khan (2020), that the religious reputation of high employees allowed them to use this image to evade suspicion in defalcation of zakat funds. Psychologically, rituals or symbolic religiosity are not expected to play a significant role in preventing fraud unless it is also coupled with a firm internalization of their morals (Rahman & Anwar, 2021). This is also significant, given that in the management of village funds, the distinction between good intentions and actions that are merely procedurally justified should be evident. In the absence of this, religiosity may become a moral defence that facilitates rationalization. In this context, local values and local wisdom in villages play an important role. The culture of cooperation, social solidarity, and customary obligations is often prioritized over formal rules. This results in a redefinition of what is considered wrong: actions that are legally defined as fraud may be deemed moral because they provide social benefits. Thus, morality becomes contextual rather than universal. Officials contend that diverting village funds to traditional activities, community health, or social interests constitutes a moral obligation rather than a violation. This rationalization becomes even stronger because the perpetrators feel that they are on the morally right side based on community values (Andrejevic et al., 2020; Subagyo et al., 2023; Handayani & Yusuf, 2023; Sitorus et al., 2025).

Furthermore, based on the second dimension, or rather wisdom in the context of spiritual work ethics (SWE), wisdom is the capacity of individuals to apply knowledge, experience, and the capabilities of having a mature character to give moral judgments and decisions, including within the laboratory (Putra et al., 2022). Wisdom is ideally supposed to promote action that takes into account the long-term good and the common

good, and to deter action that does not, as well as fraud. However, the findings of the current paper indicate that wisdom strengthens the association between rationalization and fraud in the village fund system. The explanation of this phenomenon can be referred to the way land is defined through the socio-cultural practice of wisdom in rural Indonesia. Not only can the knowledge and experience of village officials, including their financial regulation and administration systems, be applied to manage village finances efficiently, but they can also be used to identify loopholes in the oversight system (Subagyo et al., 2023). When accompanied by rationalization, such an ability can become another mechanism for concocting excuses to embezzle funds, which may be considered not harmful to many people or still within a permissible range.

The research conducted by Wulandari and Susanto (2022) in some villages in Kalimantan showed that village officials with greater experience in budget management were more competent in manipulating financial accountability reports. They relied on their knowledge of audit procedures, thereby complicating the identification of irregularities. Rationalization is the perpetrators' belief that these activities serve as a reward for their efforts and sweat, which are disproportionately greater than those in official rewards. An illustration appears in a 2022 case in Central Lampung Regency. A village head, known as a wise and experienced administrator in public administration, diverted some of the funds he had received to construct a road to address the shortage of funds for traditional village activities. During the investigative interview, he claimed that the decision was made in the best interests of social harmony and the avoidance of social conflict. In this case, prudence necessitated greater emphasis on immediate social order, with compliance with the law not taken into account. According to a study by Chong et al. (2022), in the Philippines, incumbent local officials exploited their knowledge of bureaucratic weaknesses to divert budget funds. The justifications presented are usually linked to other development-related reasons or to a sense of emergency in the community. Psychologically, when wisdom is not grounded in a high level of moral integrity, it may become rationalized and, ultimately, strategic, in which the complexity of thinking and the application of multiple factors help construct a strong story that is difficult to disprove (Le et al., 2021). Therefore, the more intelligent and experienced a person is, the more likely they are to engage in deviant behavior without feeling guilt. This reiterates that being wise with respect to SWE is not always associated with fraud deterrence. Even knowledge and wisdom, in the absence of a

strong ethical base, can act as a two-edged sword, thereby enhancing the power of rationalization in framing fraudulent acts.

The third dimension would be ethics. The ethical aspect of spiritual work ethics (SWE) entails an individual's obligation to observe the moral values and norms of conduct governing the workplace, such as honesty, fairness, and responsibility. According to Chong et al. (2022), theoretically, work ethics must be the ultimate defence against criminal activities, which prompts one to become involved in fraud. Nevertheless, the outcome of this research shows that the ethical component, in fact, reinforces the correlation between rationalization and fraud incidents in the village of the financial world and makes it an interesting paradox to debate about. This paradox may be resolved with the help of the phenomenon of contextual morality, according to which people change their moral principles depending on the social norms and context of the situation (Andrejevic et al., 2020). Village officials in the Indonesian rural context often face moral dilemmas between adhering to formal rules and addressing significant social or cultural needs. Rationalization occurs when participants believe they are permitted to deviate from procedures to meet moral duties in accordance with local norms, such as helping the poor, funding traditional activities, or maintaining social harmony. Findings in this ethical dimension can be further explained through Neutralization Theory (Sykes & Matza, 1957). This theory posits that perpetrators employ cognitive techniques to neutralize guilt, including appeals to higher loyalties (prioritizing religious or community interests), denial of injury (believing that no party is actually harmed), and denial of responsibility (regarding the rules as inconsistent with the reality of the village). With the support of moral language derived from spirituality, perpetrators frame deviant actions as morally acceptable. This explains why the ethical dimension in SWE does not always function as a deterrent to fraud, but instead reinforces rationalization when morality is understood contextually (Mulder & van Dijk, 2020; Harahap, 2025).

A study conducted by Handayani and Yusuf (2023) in various villages in Sulawesi revealed that even workers with a reputation for ethical behavior breached village funds management protocols, justifying the breach as morally right for the community. For example, they allocated funds to develop infrastructure to provide medical care for seriously ill residents. The offenders believed that this was an ethically good move despite being a crime. Another example occurred in 2021 in Banyumas Regency, where online loans were intended to fund road repairs. However, the budget

was redeployed to fund mass community work that was not part of the village budget. According to him, such a decision was more beneficial to the broader community and was indeed consistent with the philosophy of village unity. In this case, ethics is not interpreted as adhering to the law but as doing what gives social value acceptable to society. Al-Fahim et al. (2022) also observed this effect in East Africa, noting that even high-reputational officials misappropriated the budget under the guise of charitable activities or an emergency social initiative. The justification employed was that the resulting social benefits exceeded the administrative losses incurred.

Psychologically, the ethical dimension may give rise to pro-social moral rationalization, which involves justifying the rule-breaking behavior in a bid to accomplish morally acceptable goals (Mulder & van Dijk, 2020). Under such conditions, ethics does not serve as an insurmountable hurdle to fraud. Instead, it becomes one of the aids in developing a powerful narrative of justification, which allows perpetrators to believe that their behaviour is morally right, even though it contravenes formal rules. Village fund management implies that the ethical training program should not focus solely on broad moral values. It is also important to emphasize that procedural compliance is a matter of ethics and that violations of rules, even with the best intentions, are still classified as fraud. Such awareness is necessary to ensure that the ethical component of SWE can serve as an enhancer of rationalization rather than an inhibitor. These results reveal that SWE may easily become a rationalization tool that supports illegal practices rather than deterring them, without close monitoring and ethical knowledge to reconcile moral standards with formal law. That is, the positive moderating effect of SWE on the relationship between rationalization and fraud depends on context. It is highly influenced by local culture, flaws in the system of supervision, and societal attitudes toward integrity.

6.3.2.4 Spiritual Work Ethic Moderating the Relationship between Capability on Fraud Incidents in the Village Fund System (Siskeudes)

The results of the test of these variables indicate that Spiritual Work Ethics significantly moderates the relationship between capability and fraud incidents in the village fund system (*Siskeudes*). These results suggest that spiritual values play an important role in reducing the likelihood that individuals will commit fraud. There are several considerations related to these significant results. First, capability generally

refers to an individual's ability, such as position, knowledge, and access to technology, to commit fraud (Hermanson & Wolfe, 2024). This implies that a high level of capability among village officials, including technical skills, procedural knowledge, access to systems, and high SWE values, will result in a significant reduction in fraud cases. This discovery of our fraud diamond model broadens our understanding that capability does not necessarily result in fraud, given significant internal controls, which may include religiosity, wisdom, and ethics (Dorminey et al., 2021). In the context of village fund systems, capability typically comprises knowledge of village budget management, access to financial documents, and the ability to manipulate them. This capability can be used in deviant ways, and unless we have strong moral and spiritual controls, it will be through the door. However, the strong SWE encourages people to apply their abilities in socially valuable and legal ways (Ahmed & Khan, 2020).

The spiritual work ethic employed in this study, grounded in the values of religiosity, wisdom, and ethics, can prevent individuals from using their abilities unethically. In comparison, strong spiritual beliefs will prevent people from misusing their abilities to commit fraud. Religiosity, as it is applied in SWE, will be analyzed as the intensity of religious beliefs, values, and practices affecting the behaviour of individuals in the workplace (Anik et al., 2020). Religiosity not only involves participation in religious rituals but also entails the adoption of the moral values promoted by religion. Under the fraud diamond theory, religiosity can be considered an inhibitor of the moral standing that will decrease the possibility of individuals using their potential to engage in fraud (Kaptein, 2022). The study conducted by Ahmed and Khan (2022) revealed that religiosity promotes anti-fraud behavior among employees in the public sector, regardless of their motivational factors and technical skills, thereby enabling them to prevent fraud. This is because religious values imbibe fear of moral and spiritual repercussions, and a well-to-do person upholds integrity. Religiosity contributes through processes of internalizing norms, developing moral consciousness, and fostering self-control. Officials in highly religious villages tend to uphold the values of honesty, trustworthiness, and the injunction against appropriating others' rights (Wahyudi et al., 2022). These principles serve as a moral sieve, positioning themselves when those concerned have the opportunity to use their skills to commit an unethical act. For example, a village treasurer with skilful accounting expertise and full access to village finances may technically route funds without detection. Nevertheless, when the person is highly religious, he or she will view such practices as a grave sin that would

harm society and the individual before God. The same tendency could be found in the Malaysian public sector, according to the research by Maham et al. (2020), conducted: the higher the religiosity level of the employee, the lower the chances that they will exploit their capabilities to commit a crime in the shape of corruption.

Second, individuals with technological capabilities or key positions in accessing financial systems may feel capable of misusing them (Kundi et al., 2025; Shah & Lacaze, 2025; Hidajat, 2025). However, the study's examination of wisdom and ethical dimensions of spiritual work ethics helps individuals make more moral choices and curb their inclination toward unethical conduct, even when they have the capacity to act unethically. In Spiritual Work Ethics, wisdom presupposes the capacity of a person to make wise choices, consider long-term implications of his or her actions, and engage in seeking the common good and not the interests of the proponent (Y.-J. Chen et al., 2025). Wisdom puts the skills of expertise and the virtue of integrity into a balanced force in the context of the diamond fraud case, so that expertise is not used to injure the population (Kaptein, 2022). Research on wisdom by Firmansyah et al. (2021) confirms that wisdom is developed through work experience, socialization, introspection, and learning from failures. High-wisdom village officials realize that fraudulent activities in cases like this might have short-term gains, but they will lead to considerable losses in individual status, trust in others and village community interests.

In village fund management practice, competency is often equated with the use of financial technology, the ability to interpret regulations, or the skill of writing persuasive reports. Such powers are also a source of financial manipulation without wisdom. Nevertheless, wisdom guides people to apply their skills morally and fruitfully, such as making reporting more accurate, enhancing accounting systems, or educating coworkers. Long-term thinking is one such mechanism. Knowledgeable individuals consider how the act can affect society and their respective careers in the long term, and then engage in misconduct by exploiting loopholes to perpetrate the fraud (Morgan & Friedrich, 2020). Therefore, although they can be technically manipulated, they forgo this approach because they are sensitive to the ethical and social consequences. In a study carried out on employees of local government in India, Jha and Bekun (2020) found that among employees who frequently attended leadership training and had a discussion with colleagues on the topic of work ethics, fraud intention is significantly lower. They acquired knowledge through collective learning, which overrode the risk of the abuse of capability. According to Hartono et al. (2022), to develop a high level

of wisdom, village officials need extensive experience in financial management and be active participants in village meetings. This is evidenced by the insignificant financial irregularities they commit, despite their capacity to commit more serious ones.

Third, in spiritual work ethics, the ethical dimension helps individuals maintain their dignity, thereby reducing the likelihood that they will exploit their abilities to commit fraud. These values reinforce an individual's moral obligation to act honestly and truthfully, thereby reducing the tendency to misuse their capabilities. Enclosed in the context of Spiritual Work Ethics, ethics is the set of moral truths or values that are set to guide an individual in their workplace regarding the right and wrong practices when making decisions at work (Mulder & van Dijk, 2020). Work ethic cannot be established by a few rules, such as laws or organizational policies, but by subjective and internal moral standards. The capability aspect of the fraud diamond perspective makes fraud easier for an individual. Nevertheless, when people possess high work ethics, this ability is focused on beneficial purposes, i.e., increasing efficiency, transparency, and accountability (Dorminey et al., 2021). Officials in villages who have a strong work ethic will regard financial report manipulation or diversion of funds as a significant breach of trust. Research in Indonesia has also examined the relationship between capability, spiritual work ethic (SWE), and fraud in village fund management. As an example, a study conducted by Rahmawati and Hidayat (2022) revealed that high competence among village executives increases the likelihood of fraud without being offset by robust internal controls. However, given the SWE factors involved in such a case, and especially the ethical dimension, the incentive to commit fraud is perceptibly reduced. It revealed that those village officials who are highly religious and have high work ethics would have fewer chances to use their capabilities to access/manipulate funds allocated to the villages (Firmansyah & Santoso, 2022). This research supports the assumption that moral and spiritual effects serve as controls on actions, despite people's ability to violate them.

In their study of employees in Vietnam, Nguyen et al. (2020) concluded that effective SWE may reduce the likelihood of fraud because employees become oriented toward wise aims that promote productivity. In such an environment, where access to financial information is open to everyone, highly skilled SWE employees become tools for fraud deterrence. Furthermore, studies conducted by Free and Murphy (2021) in Ireland showed that ethics and wisdom are additional non-technical factors that have a greater impact on reducing fraud than internal control systems. It is significant because

it demonstrates that increased capacity does not necessarily entail an increased risk of fraud when guided by strong moral values. According to De Guzman and Torres (2021), in the Philippines, local government employees who assume challenging responsibilities in active religious communities are more likely to use their skills to enhance financial operations rather than misuse them. Good SWE is the moral lens through which technical capacity is assessed. International Transparency (2020) noted that local government officials who had a high capacity in the management of the budget misappropriated the local development funds in Kenya. Nevertheless, in a pilot project that included spiritual work ethic education, the frequency of fraud cases declined considerably over the two years. This shows that the combination of capability and ethical values significantly mitigates the risk of fraud.

The findings of this study are also supported by previous research, as stated by Abdullah et al., (2023), spiritual quotient strengthens the implementation of internal control systems in preventing fraud in local governments in Indonesia. Another finding from Saputri et al., (2023) states that spiritual intelligence plays a role in moderating factors that influence the tendency to commit fraud, including capabilities in the financial system. This aligns with the study's findings, which indicate that spiritual values can moderate the misuse of capabilities in situations where fraud is possible. Theoretically, according to the fraud diamond theory, capability is a key element that enables individuals to commit fraud (Hermanson & Wolfe, 2024). However, spiritual work ethics (especially the dimensions of religiosity, wisdom, and ethics) can prevent individuals from using their capabilities for fraudulent acts by providing moral barriers. From these findings, several contributions can be made: *first*, spiritual and ethical training programs aimed at reducing the likelihood of capability misuse for fraudulent purposes among village officials. *Second*, motivating village officials to incorporate spiritual values into their code of ethics to foster a work culture that discourages fraud even when opportunities or capabilities exist. *Third*, implementing evaluations grounded in values that emphasize moral responsibility and strengthening internal oversight to prevent the misuse of capabilities for fraudulent purposes. *Fourth*, integrating ethics-based technology into village fund systems to prevent fraud and reduce the misuse of capabilities by incorporating spiritual principles into the digitalization and financial audit processes.

6.4 Discussion of RO 3 Findings

This section discusses findings related to the third research objective, which is to identify fraud-coping mechanisms used in the village fund system. The findings from the responses of several respondents in the previous chapter are presented one by one, according to the total number of responses to the items included in the questionnaire. In this subsection, we analyze the types of fraud incidents that occurred and provide a more detailed analysis of the coping mechanisms that should be implemented in village fund management within the village fund system. The following is a specific discussion of each type of fraud incident and its corresponding fraud coping mechanism:

6.4.1 Analysis of Fraud Event

The fraud incidents in the village fund system, as presented in detail in the previous chapter (the findings chapter), namely the number and types of incidents, indicate that various forms of misuse of public funds are committed intentionally for personal or group interests. These incidents include the abuse of government property, regulations, laws, or policies. Village officials engage in this activity by misusing village assets for personal gain, such as using official vehicles for personal purposes outside working hours. Additionally, some individuals rent village-owned land without obtaining approval at the village deliberation level, a common practice in many villages. This can also be directly related to the rationalizations employed by village officials who abuse their authority. The *BPKP* also reported similar incidents in 2021, in which several village heads rented village land to private parties without village deliberation, and the proceeds were not included in the village treasury. As a result, social conflicts arose due to decisions made unilaterally by the village head, leading to dissatisfaction among the villagers (Yudistiro & Wicaksono, 2023).

Furthermore, the second-highest incidence of fraud at the village level is price mark-ups. This activity often occurs under pressure and through the rationalization of needs considered significant by village officials, whether these needs are personal, for the benefit of a group, or for accountability purposes that are difficult to fulfill. As a result, price markups are applied. Moreover, ultimately, the budget realization process does not run in accordance with reality and has an impact on the reporting process in the village fund system, which is arranged in such a way as to meet the requirements

set by the government, even though the reports do not reflect the actual situation in the field (Widyastuti & Sari, 2023). The third type of fraud is Goods/services not paid for, which means that there is pressure between village officials to divert funds to other purposes. This is usually caused by weak internal control systems, which create opportunities for manipulation. The active role of community members in the use of village funds is necessary to prevent scandals like this and their impact on corruption (Sofyani et al., 2021). The fourth type of fraud is theft, which is committed systematically by some village officials, such as by failing to deposit all funds into official accounts and retaining some for personal use. Additionally, some village project items were taken and converted into personal assets, even sold for profit. Inadequate knowledge of financial responsibilities and weak ethical standards among village officials can create an environment conducive to theft and the manipulation of funds (Haron et al., 2022).

The results of identifying fraud cases in the village fund system indicate that fraud encompasses administrative violations, financial manipulation, and criminal acts of corruption involving village staff members. Misuse of village assets, bribery in the procurement of goods or services, unauthorized transactions, budget mark-ups, falsification of financial documents, and theft of village funds or property are the most common modes of fraud. The typical patterns of these incidents indicate that internal controls are weak, there are still corrupt village officials, there is a lack of public and external oversight, and there is a lack of technical capacity to manage finances in an accountable manner, so the potential for fraud will continue to occur frequently (Nasrudin & Firmansyah, 2024; Surahman et al., 2023; Hermawansyah et al., 2023; Wulandari et al., 2025). These facts indicate that the village fund system remains vulnerable to fraud. To prevent state losses and maintain public trust, strengthening governance, transparency, and enforcing the law strictly are necessary.

6.4.2 Analysis of Coping Mechanisms

Building on the fraud types identified in the previous subsection and analyzed there, this chapter describes fraud-coping mechanisms that should be implemented to address fraudulent behavior in village fund management through the Village Fund System (*Siskeudes*). It should be noted that the respondents directly filled in the types of coping mechanisms presented in this study in a table. There are six types of coping

mechanisms offered as answer choices to respondents, each expanded with more detailed options. The aim is to broaden the scope of answer choices so that they can better represent the respondents' answers. Additionally, there is an "other" response option that provides respondents with greater flexibility to provide answers beyond the predefined choices. The following sections will discuss each type of coping mechanism in detail, as compiled by the researcher.

6.4.2.1 Internal Control

Internal control is the first strategy for preventing and detecting fraud in the village fund system. Many incidents involving weak internal control include markups, corruption, and the manipulation of financial reports. If left unchecked, this can be dangerous for the village environment. Therefore, to ensure that village fund management is truly accountable, strong internal controls are necessary. As indicated by the research findings of Oyugi et al. (2024) and Asiedu & Deffor (2017), when internal controls fail to maintain independence and objectivity, the likelihood of corruption in public sector organizations increases. Respondents provided their views on adequate internal controls, which include several aspects: there needs to be a separation of duties so that no single individual has authority over the entire financial transaction process, from planning to reporting. In some villages, there are still treasurers who record and oversee finances, which creates a potential for abuse of authority. Theoretically, this is in line with what was stated by COSO (2012), where separation of duties is one of the most important components of an integrated control framework, to minimize conflicts of interest and enhance the reliability of financial information.

The following finding relates to the approval hierarchy. This multi-level approval process is crucial to financial transaction processing within the village fund system *(Siskeudes).* When a spending process occurs, it must be regulated through a layered authorization process. This indicates that there must be more than one official or authority with the authority to approve transactions, such as the village head, the Village Council (BPD), and, occasionally, the village assistant or the village inspectorate, as the authorizing body. This step is in line with what was stated by Arens et al. (2014) and the basic rules of the Indonesian government, which stipulate that there must be valid documents and approvals for every village financial transaction with a

clear authorization structure, Regulation of the Minister of Home Affairs No. 20 on Village Fund Management (2018). Further control is implemented through access restrictions, which serve as a form of information technology control to prevent unauthorized access to financial data. In a digitized village fund management system, there needs to be supervision of user access rights, multi-factor authentication, and logging of user activities. This finding is also consistent with the results of Romney and Steinbart (2015), who stated that access restrictions are crucial for maintaining the integrity of accounting information systems against potential fraud.

Verification by stakeholders is another factor in internal control. Active participation from various parties is crucial, particularly the village community and the Village Council (BPD). External parties, such as the inspectorate and village facilitators, also play a role in verifying village finances. This verification serves as a form of social oversight to foster a culture of transparency in village budget management, as stipulated in Law No. 6 of 2014 on villages (Articles 68 and 69) and the module on strengthening village financial transparency from the Ministry of Village Affairs (2021). Finally, from the internal control perspective, there is a need for gradual disbursement of funds based on the stages of activities and the outputs achieved. Disbursement can be made only after the previous stages have been verified and reported transparently. Previous researchers support this finding (Kurniati & Hatimatunnisani, 2022; Velez, 2025; Simbolon, 2025), who stated that a phased disbursement system increases transparency and reduces the possibility of embezzlement of public funds. As outlined in the BPKP (2021) on SPIP, it recommends the phased disbursement method as an adaptive internal control mechanism against the risk of fraud.

6.4.2.2 Policies and procedures

Village-level financial management is administered through the village fund system; however, the complexity of its implementation is often not matched by adequate human resources and control systems, thereby increasing the likelihood of fraud. Important steps must be taken to address this issue. The following are elements that are necessary and feasible to adopt at the village government level. First, there must be a clear code of ethics governing the conduct of village officials in the performance of their duties, particularly with respect to the management of the Village Revenue and

Expenditure Budget (*APBDes*). The scope of this code of ethics includes accepting gratuities, manipulating financial reports, and abusing authority. For example, there must be a prohibition on a village official involved in budget preparation from accepting compensation from third parties. This is important for minimizing fraud. This opinion aligns with the instructions from Kemendagri (2015) and the findings from ACFE (2022) regarding the importance of a code of ethics.

Secondly, system updates are needed. The village fund system has become a crucial component of village fund management, and most village governments in Indonesia now use this digital system for budget recording and reporting. Regular updates in accordance with applicable regulations are necessary to enhance the system's security. For example, if the authorization menu in the village fund system is not updated, the village treasurer could misuse their access without detection. The importance of these updates is also in line with the findings of (A. Rasyid et al., 2024), that accounting information systems are important for ensuring the security and accuracy of financial data. In addition to being updated, the system must also be adequately maintained. This is necessary because, in general, computer devices or internet networks used to run *Siskeudes* or other software related to village administration may be damaged or experience other technical problems, which can reduce village officials' productivity in carrying out their duties and may lead to data concealment due to technical issues. Therefore, system maintenance is crucial as a risk-mitigation measure to prevent internal control failure.

Transparency to stakeholders is the fourth mechanism that must be implemented. The provision of open, accessible information to the public on the budget and financial performance must be implemented. A simple practice is to post the *APBDes*, realization, and accountability reports on village information boards or online via the village website, to provide simultaneous access both offline and online. This step is believed to reduce the potential and likelihood of financial data manipulation at the village level. This transparency process is also regulated in (Regulation of the Minister of Home Affairs No. 20 on Village Fund Management, 2018) and reinforced by Law of the Republic of Indonesia No. 6 on Village Administration (2014). The fifth process involves budget monitoring by independent parties, including the Village Council (BPD), the district inspectorate, or external oversight institutions, whose role is to oversee the implementation of village finances. A real-world example of this practice is the verification of village fund disbursements, which can only be conducted

after approval by the village facilitator or the BPD. This is crucial to prevent fictitious fund flows or unauthorized expenditures without valid documentation. This step aligns with the State Audit Agency BPKP's (2021) statement that independent audits and monitoring are crucial to preventing fraud in the public sector, including at the village level.

The final mechanism is the need for periodic accountability reports, including *APBDes* reports, activity reports, and year-end reports. These reports serve as the basis for assessing village fund management performance and for determining and setting requirements for the following year's budget. If these reports are not prepared honestly and accurately, they can be used to conceal fraudulent activities. In summary, according to Arens et al. 2014; Kamaruddin et al., 2025; Roffia & Poffo, 2025), accountability reports are crucial documents that enable auditors to identify discrepancies objectively.

6.4.2.3 Training and awareness

In addition to the aspects previously discussed in the context of coping mechanisms, training and awareness are also very important. The human factor is a key aspect in preventing and handling fraudulent acts in the village fund system. Village officials who lack a deep moral understanding of ethics and accountability are more likely to make mistakes, whether intentional or due to ignorance. Therefore, training and awareness-raising are essential to creating a sustainable anti-fraud culture. First, ethics training is particularly relevant for village officials, especially those directly involved in village budgeting, implementation, and financial reporting. The objective of the training is to enhance integrity and moral responsibility in financial management. For example, a village treasurer must be aware that accepting commissions or tampering with expenditure records constitutes an ethical violation. According to ACFE (2022), regular ethics training can reduce the incidence of fraud in an organization by 30%.

Second, conducting ethical campaigns that aim to promote principles of honesty through public education that is easily understood by the community and government. Anti-corruption billboards, ethical code pamphlets, or educational videos are examples that can be applied in ethical campaigns. The effect of these activities is expected to create positive pressure on village officials to always uphold honesty in the use of public funds. COSO (2012) states that an organizational culture that explicitly instills ethical values is the first line of defence against fraud. The third element is qualified and

competent employees. The capabilities of village officials greatly influence the effectiveness of the village fund system. Administrative errors that cause staff to misunderstand financial procedures and regulations are a common cause of fraud cases in villages. Therefore, selecting and placing village officials with a financial background is very important. High-quality human resources will have the ability to manage applications such as *Siskeudes*, understand the *APBDes* cycle, and prepare accurate reports on who is responsible. This analysis is also supported by the opinion of (Salam et al. 2023; Lazarus et al., 2025; Kamaruddin et al., 2025), who state that staff competence is a fundamental foundation of a reliable accounting information system that is free from irregularities.

6.4.2.4 Audit and inspection

Audit and inspection are crucial components of external oversight designed to detect and prevent fraud in village fund systems. Village budgets are managed in accordance with laws and regulations, as well as principles of accountability and transparency, throughout this process. Audits conducted by the district inspectorate and the Public Accounting Firm (KAP) are two types of audits commonly conducted in villages. First, the district inspectorate oversees all village government operations, including financial management. If there are indications of irregularities or reports from the community, these audits are usually conducted periodically. In practice, the inspectorate examines the elements of compliance (compliance audit), effectiveness, and accuracy of village financial reports. For example, when discrepancies are found between the budget and actual expenditures, auditors will review supporting documents and request clarification from village officials. According to the BPKP (2021), the involvement of local government auditors is considered crucial in enhancing the reliability of the village financial oversight system and promoting follow-up actions on audit findings.

The second is the KAP audit. If a village collaborates with a third party (e.g., a CSR program or grant) that requires an independent external audit, a Public Accounting Firm conducts the audit in accordance with specific requests. KAP audits village financial statements in accordance with professional auditing standards (SAK and SPAP). This audit examines compliance, the effectiveness of internal controls, and the risk of material misstatement. The presence of external parties in both types of audits

serves as a supervisory mechanism that complements the village's internal controls and procedural policies. (Rahman et al., 2025; Huang et al., 2025) emphasize that external auditors maintain a neutral position and can provide unbiased opinions that are not influenced by the village's bureaucratic structure. Audit results can also serve as a basis for legal action, the development or improvement of the village's overall financial system, or both.

6.4.2.5 Disciplinary actions

Fraud incidents in the village fund system must not only be prevented and detected but also addressed firmly. This action is necessary to deter wrongdoing, uphold justice, and maintain good governance in the village. Various forms of disciplinary action can be employed to address violations, including administrative sanctions and law enforcement. *First*, administrative sanctions are imposed on village officials who are proven to have committed violations in the management of village finances, whether due to negligence or intentional acts. Sanctions may include written warnings, postponement of incentive payments, demotion, or reduction of other administrative rights. Generally, administrative sanctions are imposed when an audit conducted by the inspectorate reveals discrepancies between the financial reports submitted and the actual implementation of activities. *Second*, dismissal or termination. Village officials are removed from their positions if their violations are severe, such as embezzlement of village funds. If the misconduct results in the loss of state funds or public trust, dismissal becomes a serious measure. According to the Kemendagri (2015), village officials can be dismissed if they are proven to have committed financial crimes based on the results of an investigation by supervisory authorities or a court decision. *Third*, legal action must be taken against criminal offenses, including corruption, markups, and misuse of public funds. This process involves reporting to law enforcement agencies, such as the police, the prosecutor's office, or the Corruption Eradication Commission (KPK), depending on the scale and impact of the misconduct. ACFE, (2022) shows that legal action against fraud is highly effective in preventing similar cases from recurring because it deters the public. When training efforts and administrative sanctions are insufficient to resolve issues in the village, legal action is the last resort.

In addition to the five factors described in detail above, along with their sub-elements, one factor is derived from respondents' open-ended responses: the need for leadership with integrity. This factor is considered highly important, along with several other factors discussed earlier. When leaders possess integrity, a positive work culture will emerge, thereby preventing fraud. Second, there is an anti-fraud organizational culture, meaning there is no tolerance for activities that could trigger fraud, such as gratification or price markups, even if they begin with small amounts. The third is the community's active involvement. This involvement begins with community participation in monitoring village funds through village meetings, public complaints, and moral pressure on officials who deviate from financial management. These community activities are also enshrined in (Law of the Republic of Indonesia No. 6 on Village Administration (2014) whose core provision grants the community the right to oversee the operations of village governance.

6.5 Significant Contribution

This study was conducted with consideration of the limitations of previous studies on fraud, particularly in the context of village administration. Most existing studies focus more on large companies or central government institutions, while fraud practices in village administration are rarely discussed in depth. Therefore, this study aims to address this gap by conducting a comprehensive analysis of the factors contributing to fraud, the various types of fraud incidents occurring in villages, and the specific measures implemented to address these issues. Table 6.1 presents a summary comparison between the gaps in previous studies and the significant contributions of this study.

Table 6.1
Gaps and Contributions of Research

Gaps in previous research on factors influencing fraud in village fund management through the village fund system	Contribution of research to address research gaps in the context of fraud in village fund management through village fund systems
Previous research has shown considerable attention to fraud in the corporate or central government sectors; however, such research has not examined how village fund management has specific characteristics that can lead to fraud (Albrecht et al., 2012); (Dorminey et al., 2010)	This study specifically investigates the determinants of fraud in village fund systems, thereby providing a more specific understanding of the village context.
The fraud diamond theory is rarely used in village governance. The influence of spiritual work ethics as moderators has also not been extensively studied (Wolfe & Hermanson, 2004); (Said et al., 2014)	This study employs the fraud diamond model and develops a framework that incorporates the moderating variable of spiritual work ethic to assess its impact on the fraud elements.
There is yet no empirical evidence regarding the significant influence of spiritual work ethic as a moderating factor on all elements of the fraud diamond in the village context (Said et al., 2014); (T Tuanakotta, 2010).	This study provides empirical evidence that a spiritual work ethic only has a significant effect on rationalization and capability, but not on pressure and opportunity, thereby enriching academic understanding of the role of ethics in fraud prevention.
Previous studies on fraud have typically focused on the causal and predictive factors of fraud; however, few have described the actual types of fraud that occur and the coping mechanisms used (Kassem & Higson, 2012).	This study enriches fraud research in public-sector organizations through an empirical exploration of the types of fraud that occur in village fund systems, including note manipulation, fictitious procurement, markups, and misuse of village assets. Using field data, this study presents a classification of fraud based on the type of violation, perpetrator, and context.
Literature on coping mechanisms in the context of fraud remains limited, particularly in village government units with minimal formal control structures and a reliance on personal and collective integrity (Prawirosentono, 2018).	This study reveals adaptive and cultural mechanisms for fraud prevention. This shows that coping with fraud depends not only on formal systems but also on local norms and ethical values.
Most studies have not linked fraud-coping mechanisms to theories of how small organizations manage problems or crises.	This study examines how villages respond to fraud through the workings and culture of village organizations. This provides a new

Gaps in previous research on factors influencing fraud in village fund management through the village fund system	Contribution of research to address research gaps in the context of fraud in village fund management through village fund systems perspective: fraud cannot be adequately addressed through regulation alone; it must also be understood through the lens of behavioral patterns and the capacity of small organizations, such as villages.

Based on the summary of Table 6.1 above, the findings of this study are likely to contribute to the development of a comprehensive theoretical model for evaluating the use of *siskeudes* as an instrument for fraud prevention. Additionally, this study provides significant insights into the relationship between fraud incidents, their underlying causes, and the mechanisms for addressing them at the village government level. Through this approach, the research findings not only advance academic knowledge but also provide strategic recommendations to improve village fund systems, oversight mechanisms, and financial management practices.

6.6 Chapter Summary

In this chapter, the research findings are discussed in depth, covering the results of testing significant and insignificant inter-variable relationships, as well as the accepted and rejected hypotheses. In addition, this chapter outlines the research's significant contributions, including gaps in prior research that have been successfully addressed. Overall, the research findings effectively address the research questions and provide new insights into fraud in village fund management, particularly in the context of implementing the village fund system (*Siskeudes*). The next chapter will present the study's conclusions, review its contributions, and provide recommendations for further research in this context.

CHAPTER 7
CONCLUSIONS

7.1 Introduction

Chapter 7 is the final chapter of this dissertation, summarizing the entire research process and results. This research has three main objectives, which will be reviewed in light of the findings and related research questions. Each specific objective will be explained, and further research recommendations will be suggested at the end of this chapter. This chapter consists of nine sections. Section 7.2 summarizes the findings presented in Chapter 6. Sections 7.3 to 7.5 briefly describe the results of research objectives 1-3 in this dissertation. Section 7.6 discusses the research's theoretical and practical contributions. Section 7.7 will explain the limitations identified in this study. Section 7.8 addresses recommendations for further research. Finally, section 7.9 will provide a summary of this chapter.

7.2 Overall Conclusions

This study was designed to address gaps identified in prior literature reviews by formulating research questions, which were subsequently elaborated into specific objectives. From these formulations, eight main hypotheses were developed to guide empirical testing in this study. The first four hypotheses, H1 to H4, aim to address the initial objective related to the direct relationship between the main variables under study. Meanwhile, the following four hypotheses, H5 to H8, aim to achieve the second objective of testing the moderating relationships among the variables used in this study.

In addition to focusing on testing variable relationships, this study also aims to gain an in-depth understanding of the strategies or mechanisms used to deal with potential fraud (fraud coping mechanisms) in financial management at the village level, specifically through the use of the village fund system (*Siskeudes*) as an administrative tool and a means of ensuring financial transparency in villages. All hypothesis testing was conducted using a quantitative approach based on structural equation modeling (SEM) through SmartPLS software. This method was chosen for its ability to analyze complex relationships between relevant variables in the context of this study.

By modeling the research framework based on the fraud diamond theory, this dissertation has been able to examine the influence of the elements of the fraud diamond theory, namely pressure, opportunity, rationalization, and capability, on fraud incidents in the village fund system, reinforced by the presence of spiritual work ethics as a moderating variable that contributes significantly to clarifying the relationship between the main variables. Additionally, the framework developed has successfully provided a clear and in-depth understanding of fraud-coping mechanisms in village fund management through the implementation of the village fund system (*Siskeudes*). Based on the conceptual framework developed in this study, all research questions formulated in RO1 and RO2 were addressed through hypothesis testing, whereas RO3 was addressed through a descriptive approach, thereby achieving the study's overall objectives.

Overall, six of the eight hypotheses proposed in this study were supported by the test results: H1, H2, H3, H4, H7, and H8. Meanwhile, the other two hypotheses, namely H5 and H6, did not obtain empirical support. A summary of the hypothesis-testing results, based on the formulated conceptual framework, is presented in Figure 3.2, which presents the research framework as a path analysis and visually illustrates the relationships among variables in the tested model. Based on the visualization in Figure 7.1 the pressure variable has a direct influence on fraud incidents in the village fund system. The same applies to the variables opportunity, rationalization, and capability, all of which were found to have a significant direct effect on fraud incidents in the village fund system.

Furthermore, in testing the moderating effect of spiritual work ethic, the interaction between spiritual work ethic and pressure and opportunity was not significant. However, this differs from the interaction between spiritual work ethic and rationalization and capability, for which the test results show a significant moderating effect. This finding suggests that spiritual values in work ethics play a significant role in mitigating or amplifying the impact of rationalization and capability on the potential for fraud in the management of village funds through the village fund system.

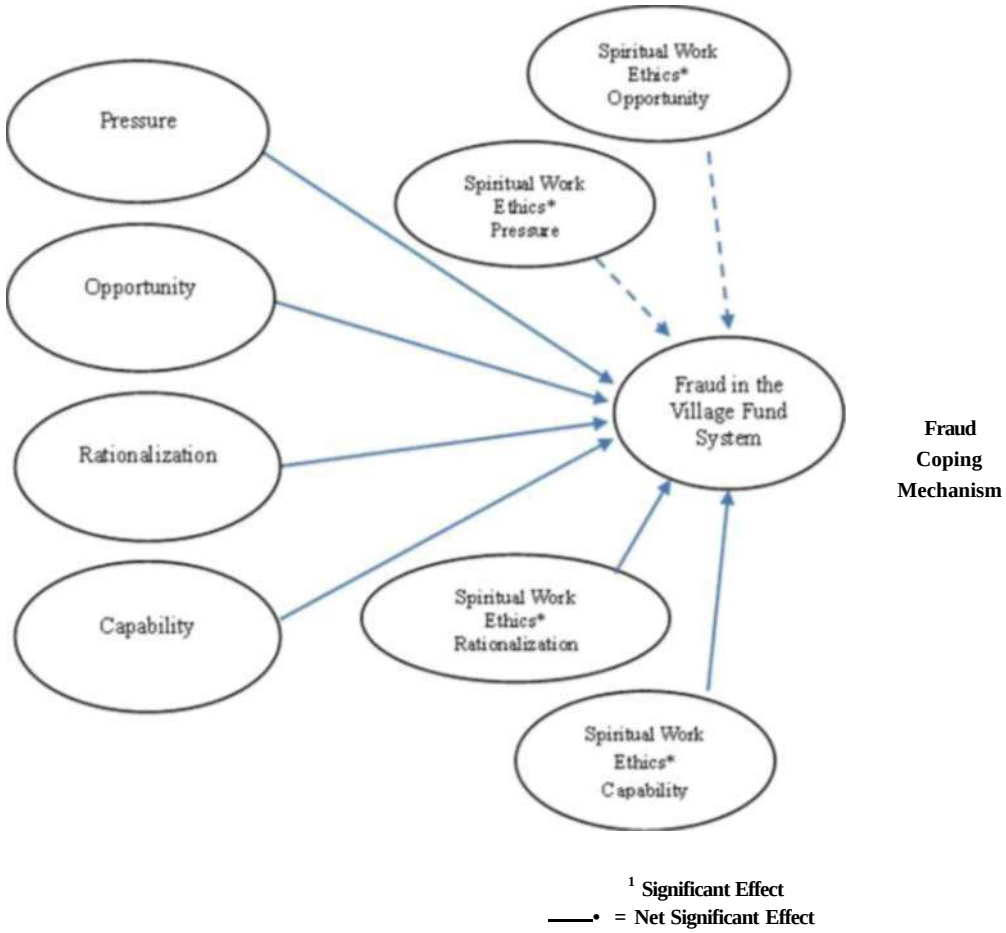


Figure 7.1 Results of the Influence of Each Variable and Fraud Coping Mechanism

The following section in Figure 7.1 presents the conclusions drawn from the research findings, based on the results of testing and analysis of the research questions formulated earlier. The series of conclusions from the three (3) main objectives of this study are as follows:

7.3 Research Objective 1

The first objective of this study is "To examine the influence of factors in Fraud Diamond Theory (pressure, opportunity, rationalization, and capability) on fraud incidents in the village fund system."

7.3.1 The Direct Effect of Fraud Determinant on Fraud Incidents in the Village Fund System

The results of testing the direct effects of determinant fraud (pressure, opportunity, rationalization, and capability), formulated as hypotheses H1-H4, indicate significant effects on fraud incidents in the village fund system. These findings suggest that the four elements of the fraud diamond theory significantly contribute to the likelihood of fraud in village fund management through the village fund system (*Siskeudes*). Various pressures, such as financial pressures on village officials to meet government spending targets and pressure to work faster, have been documented as contributing to village officials seeking shortcuts in budget management. This demonstrates that internal factors continue to play a significant role in causing misconduct. Moreover, the threat of fraud is exacerbated by poor supervision and lax attitudes that create openings, underscoring the need for robust control measures embedded in the system. Moreover, rationalization through justifying deviant acts in the pretext of assisting the families or activities in society has been evidence that rationalization increases the possibility of fraud. Village-level officials often believe their decisions are justified because they are made with the best intentions, thereby enabling further corruption. The dynamics of strategic positioning, advantage, and technology commandment, on the other hand, also offer considerable opportunities for misuse. This means that, to a greater extent, the more officials become one with the system by mastering it, the greater the likelihood that the system will be compromised if it is not highly regulated.

Thus, the fraud diamond theory is proven to be relevant and coherent in explaining that factors originating from individual village officials, whether in the form of pressure arising from financial needs or the work environment, opportunities to commit fraud, justification for such actions, or technical capabilities, play a significant role in encouraging fraudulent behavior. Based on these findings, it can be concluded that the personal aspects of village officials are an important area that needs special attention in fraud prevention strategies. In addition, fraud incidents in the village fund system are not only the result of individual weaknesses but also arise from pressure, opportunities, moral justifications, and the technical capabilities possessed by village officials. Therefore, local governments, in collaboration with relevant stakeholders, need to design policies and programs to enhance the capacity of village officials, not

only in technical aspects of financial management but also in character development and work ethics. This step is crucial for minimizing the risk of fraud and strengthening integrity in village fund management.

7.4 Research Objective 2

The second objective of this study is "To examine whether spiritual work ethics moderate the relationship between factors in Fraud Diamond Theory (pressure, opportunity, rationalization, and capability) on fraud incidents in the village fund system."

7.4.1 The Moderating Effect of Fraud Determinant on Fraud Incidents in the Village Fund System

The second objective of this study is to analyze the moderating role of spiritual work ethics in the relationship between the elements of fraud diamond theory and fraud incidents in the village fund system. Based on the results of the moderation hypothesis testing (H5-H8), the moderating effect of spiritual work ethic was not significant in the relationship between pressure and opportunity and fraud, as reflected in hypotheses H5 and H6, which were not supported. This finding indicates that spiritual values are unable to withstand pressure and opportunities for fraud. Financial pressure and weak supervision remain dangerous even when officials have moral convictions; therefore, fraud prevention cannot rely solely on individual ethics but must be supported by transparent and accountable systemic mechanisms.

Conversely, hypotheses H7 and H8 were not supported: spiritual work ethic significantly moderated the relationship between rationalization and capability in relation to fraud incidents in the village fund system. The findings of the two hypotheses are also substantial and in opposite directions. SWE, rather, strengthens the church's rationalization effects, enabling village officials to enjoy the legitimacy that religiosity affords them as an excuse for defrauding acts. Such a phenomenon implies a moral paradox in the management of village funds. Third, capability has been found to influence fraud, which is why SWE is effective negatively. Individuals with superior spiritual ethics will more readily make productive and clear use of their positions, compared with those who do not.

In other words, spiritual values embedded in village officials can serve as a psychological barrier to fraudulent behavior, particularly when individuals seek justification or feel empowered to deviate from the rules. Therefore, it is recommended that village-level human resource development not only strengthen administrative and technical competencies but also cultivate spiritual values and personal integrity as the ethical foundation for village fund management. This approach is expected to strengthen the fraud prevention system from the individual's internal perspective. In short, SWE is not always a preventive measure, but its effectiveness depends on the fraud dimensions encountered in *Siskeudes.*

7.5 Research Objective 3

The third objective of this study is "To identify the fraud-coping mechanisms used in the village fund system."

7.5.1 Summary of Coping Mechanism

The third objective of this study is to provide an in-depth understanding of fraud-coping mechanisms in village fund management through the Village Fund System *(Siskeudes).* Based on the descriptive analysis, it was found that coping mechanisms against potential fraud at the village level are significantly influenced by understanding, individual capacity, and the availability of system and institutional support.

Siskeudes, as a digital-based financial system instrument, has made a positive contribution to improving transparency and accountability in village fund management. However, the effectiveness of coping mechanisms against fraud is determined not only by the existence of the system but also by how village officials understand the risks of fraud and develop appropriate responses. Several coping strategies identified include hierarchical reporting, participatory oversight, and improving financial and technological literacy at the village apparatus level.

Therefore, understanding fraud coping mechanisms cannot be separated from the institutional context and the readiness of village human resources. Strengthening systems such as *Siskeudes* must be accompanied by ethics education, technical training, and integrated oversight mechanisms to effectively prevent and respond to potential fraud in a sustainable manner. However, it should also be emphasized that fraud-coping

mechanisms do not follow a uniform approach. Some are defensive in nature, aiming to maintain integrity, while others are adaptive, seeking to legitimize fraud.

7.6 Contribution

7.6.1 Theoretical Implication

This study is theoretically significant in advancing the development of the Fraud Diamond model by incorporating the confounding variable of Spiritual Work Ethics (SWE) in the management of village funds in Indonesia. The results of the hypotheses 1-4 confirm the theoretical premise that the four principal components of the Fraud Diamond, pressure, opportunity, rationalization and capability, are still applicable in explaining why fraud is likely to happen, though its importance differs statistically according to the dimension of interest. To illustrate, pressure with the dimensions of money and work was strongly influential in the context of fraud, thereby supporting the theory that economic pressure and workload can shape deviant behavior. Along the same lines, evidence from the dimensions of supervision and attitude indicates that poor supervision and a non-restrictive attitude play significant roles in facilitating fraud. Concerning rationalization (scales of giving and using), the findings supported the theory that principles of moral justification, shaped by societal norms or altruistic intentions, would erode a person's ethical boundaries toward committing fraud. In the meantime, the capability dimensions (position, superiority, and technology) demonstrate the relevance of technical capacity, facility, strategic position, and technical management (technological prowess) as variables that enable fraud.

The theoretical contribution is also extended by the presence of the hypotheses 5-8, where SWE is a moderating variable. The fact that SWE does not offer significant moderation in the interaction between pressure and opportunity and fraud reveals a new dimension: spiritual values may not be effective in stopping fraudulent acts when they are not grounded in an understanding of individual minds, since spiritual values are often treated as merely a tool for curbing such acts. On the other hand, Hypothesis 7 illustrates the moderating effect of SWE on the correlation between rationalization and fraud, thereby supporting the moral licensing process, in which violations are paradoxically justified by religious identification. This result contributes to the body of research on ethical dilemmas in public organizations. It shows that the ethical dilemma

regarding SWE requires a more critical discussion. Lastly, the findings of hypothesis 8, which depict a negative moderating role of SWE in the association between capability and fraud, confirm expectations that actual spiritual values, through internalization, can transform positional, experiential, and technological advantages into a tool for avoiding fraud rather than enhancing it. Therefore, this study generalizes the Fraud Diamond model by enriching it with spiritual and moral components and creates space for further research workshops on comparable models across different public-sector scenarios.

Additionally, descriptive findings on fraud-coping mechanisms emphasize that fraud prevention cannot be explained solely by formal structural approaches; it also requires strong behavioral and organizational-cultural approaches. Thus, this study provides a foundation for developing system- and behaviour-based fraud-prevention theories at the micro level in public financial management.

7.6.2 Practical Implication

The study findings have significant practical implications for local governments, inspectorates, and village money managers in controlling fraudulent activities within the village fund system. *First*, the pressure of finances and work to be controlled (a pressure having financial and work components) should be a priority, as the results suggest that the two conditions promote fraud. Village governments must demand employment and implement policies to ensure that the work of village officials is proportional, and to provide welfare support, such as a personal financial management assistance program, to prevent officials from seeking additional income outside the regulatory framework. *Second*, it is essential to reinforce control and establish a tone of intolerance toward violations (opportunities related to supervision and attitude). Oversight can be enhanced through regular audits, surprise visits, civic participation in oversight, and the regular imposition of punishment, which can shift the prevailing culture toward a zero-crime culture regarding the misuse of village funds.

Third, the reduction of rationalization (rationalization with the dimensions of giving and using) should be implemented through integrity education, which rests on concrete examples that emphasize that good intentions are not sufficient to justify violating the law or procedures. Village officials must also be provided with a knowledge base on approaches for distinguishing between cultural practices, such as offering gratitude money, and for managing publicly generated funds in accordance

with the Village Budget (*APBDes*). *Fourth*, in terms of capability (in the context of position, superiority, and technology), granting access to information and technology must be limited to authorized individuals, and control mechanisms must be layered, as the former cannot misuse such capabilities. This power can also be reduced by regular job rotation, which may reduce the concentration of power available for fraud. *Fifth*, the emphasis on enhancing Spiritual Work Ethics (SWE) as a moral filter is on constant mentoring, with greater emphasis on interpreting religious values, wisdom, and work ethics suited to the situation. The internalization of spiritual values should serve as a behavioral control rather than an excuse for unethical behavior, as depicted by the moral licensing phenomenon. Through such measures, spiritual values are expected to be maximized, thereby fostering integrity and accountability in the management of village funds.

Lastly, regarding coping mechanisms against fraud, the descriptive results indicate that the successful implementation of the Village Fund System (*Siskeudes*) is highly dependent on the understanding and readiness of village human resources. Therefore, continuous technical training, direct assistance from sub-district or district authorities, and integration of *Siskeudes* with external oversight systems, such as the regional inspectorate, are required. Overall, the study emphasizes the importance of a holistic approach encompassing technical, psychological, and spiritual aspects in efforts to build a cleaner, more transparent, and accountable village fund management system.

7.7 Limitation of the Study

This study has several limitations that need to be considered when interpreting the results and designing future research. *First*, this study employed a quantitative approach, using data collected through questionnaires distributed to village officials. Although this method is effective for measuring the relationship between variables, it is unable to explore in depth the reasons and context behind the fraud.

A qualitative or mixed method approach could be considered in future studies to obtain a more holistic understanding. *Second*, the scope of the study was limited to village fund management, with the Village Fund System (*Siskeudes*) as the primary context. Therefore, generalizing the results of this study to other public sectors outside villages or in areas with different financial systems should be done with caution.

Third, the spiritual work ethics variable used as a moderating variable is subjective and depends on individual perceptions, which may be influenced by the respondents' religious, cultural, or social backgrounds. This variable should be retested in a broader context, accounting for additional dimensions, such as organizational culture and collective values.

Fourth, although this study successfully demonstrated a significant relationship between several elements in the fraud diamond theory and fraud, there are still other external factors, such as political pressure, local power relations, and external oversight, that have not been included in the model. By understanding these limitations, future studies can design more comprehensive and adaptive models to address the complexity of financial management in the public sector.

7.8 Recommendations for Future Research

Based on the results and limitations of this study, several things can be considered for further research:

First, the use of qualitative or mixed-methods approaches is necessary to explore in greater depth the dynamics of decision-making and the social context behind incidents of fraud in the management of village funds, based on *Siskeudes*, so that the understanding gained is not only quantitative but also interpretive and contextual. *Second*, expanding the scope of research beyond the *Siskeudes* system can provide a comparative picture of the consistency of findings across regions or other public governance platforms. *Third*, further research may consider variables beyond the fraud diamond, such as organizational culture, political pressure, and the effectiveness of external oversight, which may affect the integrity of the village fund management system.

Fourth, the study of spiritual work ethics (SWE) needs to be expanded, particularly regarding its contribution to the cognitive processes and behavior of village administrators when making decisions within the *Siskeudes* system. In this case, it is crucial to distinguish between religion as an identity and internalized ethics as a practice, given that the study's results indicate that expressions of religiosity and specific moral values can be interpreted in various ways within village administration practices. Symbolic religious identity has the potential to serve as a basis for justifying certain decisions, whereas consistently internalized ethics tend to reinforce compliance

with *Siskeudes* procedures. The development of instruments capable of distinguishing these two aspects is crucial to accurately understanding how SWE contributes to the rationalization process and the tendency for fraud incidents in the village fund system.

Fifth, incorporating the perspectives of community and village supervisory institutions is expected to enrich the analysis and provide a more comprehensive picture of how various stakeholders view and respond to potential irregularities in the use of *Siskeudes*. With this development, further research is expected to make a more substantial theoretical and practical contribution to efforts to strengthen integrity and overall village fund management.

7.9 Chapter Summary

This chapter summarizes all the main findings from the hypothesis testing and descriptive analysis conducted in this study. Using a framework based on fraud diamond theory, this study tested eight hypotheses regarding the factors that cause fraud in village fund management, as well as the role of spiritual work ethic as a moderating variable.

The analysis results indicate that six hypotheses (H1, H2, H3, H4, H7, and H8) are statistically supported. The four main elements in the fraud diamond theory: pressure, opportunity, rationalization, and capability, have a significant influence on the occurrence of fraud incidents in the village fund system. Additionally, the spiritual work ethic variable significantly moderated the relationship between rationalization and fraud-related capability, but it did not have a significant effect on pressure or opportunity. These results emphasize the importance of spiritual values in limiting justifications and the potential misuse of individual capacity within the village fund system.

A descriptive analysis of fraud-coping mechanisms also shows that the use of systems such as *Siskeudes* has helped improve financial transparency and accountability in villages. However, the effectiveness of this system is highly dependent on the understanding, integrity, and technical capacity of village officials themselves. Theoretically, this study reinforces the relevance of the fraud diamond theory in the village-level public sector and expands the theoretical framework by incorporating a spiritual ethical dimension. Another theoretical implication is the need to consider

personal factors and moral values in fraud behavior models, which have not been studied thoroughly.

In practical terms, this study offers important recommendations for local governments and related parties to focus not only on strengthening the monitoring system but also on building the ethical and spiritual capacity of village officials through continuous training and guidance. This is necessary to strengthen personal integrity and prevent internal fraud. However, this study has several limitations, including the use of a quantitative approach that does not thoroughly explore the reasons behind fraudulent behavior, as well as its limited scope to villages with the *Siskeudes* system. Additionally, the concept of spiritual work ethics is subjective and can be influenced by various cultural and religious factors. Based on these considerations, further research is recommended to adopt a mixed-methods approach, expand the study scope to other regions or public sectors, incorporate external variables such as organizational culture or political pressure, and involve external factors, including village communities or supervisory institutions, to obtain a more comprehensive understanding.

REFERENCES

(CAQ), C. for A. Q. (2025). Anti-Fraud Collaboration: Emphasizing Ethical Culture and Skepticism in Auditing. In *CAQ Publication*, https://www.thecaq.org/anti-fraud

(CFI), C. F. I. (2025). Fraud Triangle: Opportunity, Incentive & Rationalization. In *CFI Learning*. https ://corporatefinanceinstitute. com/resources/accounting/fraud-triangle/

(IAPI), I. A. P. I. (2023). Definisi Fraud menurut I API. *Jurnal Universitas Muhammadiyah Sumatera Barat.* https://www.jurnal.umsb.ac.id/index.php/SLJ/article/download/6510/4260

(ICW), I. C. W. (2025). Leading NGO Fighting Corruption and Fraud in Indonesia. In *ICW Profile*. http s: //antikorup si. org/en/ab out-i cw

(KPK), K. P. K. (2024). *Laporan TahunanKPK2023.* KPK RI. https://www.kpk.go.id/

Abayomi, Sorunke, O., & Abayomi, Sorunke, O. (2016). Personal Ethics and Fraudster Motivation: The Missing Link in Fraud Triangle and Fraud Diamond Theories. *International Journal of Academic Research in Business and Social Sciences, 6(2),* 159-165. https://doi.org/10.6007/ijarbss/v6-i2/2020

Abdullah, M. W., Hanafie, H., & Bayan, A. Y. M. (2023). Internal Governance and Fraud Prevention System: the Potentiality of the Spiritual Quotient. *Journal of Governance and Regulation, 12(4),* 50-59. https://doi.org/10.22495/jgrvl2i4art5

Abdullahi, R., & Mansor, N. (2018). Fraud prevention initiatives in the Nigerian public sector: Understanding the relationship of fraud incidences and the elements of fraud triangle theory. *Journal of Financial Crime, 25(2),* 527-544. https://doi.org/10.1108/JFC-02-2015-0008

ACFE; Indonesia. (2022). *Occupational Fraud 2022: A Report to the nations.* https://acfepublic.s3 .us-west-2.amazonaws.com/2022+Report+to+the+Nations.pdf

ACFE. (2022). Report to the Nations: 2022 Global Study on Occupational Fraud and Abuse. In *Association of Certified Fraud Examiners*, https://www.acfe.com

ACFE, I. (2020). *Survei Fraud Indonesia 2019* (111th ed.). ACFE Indonesia Chapter. https://acfe-indonesia.or.id/wp-content/uploads/2021/02/SURVEI-FRAUD-INDONESIA-2019.pdf

Achievers. (2025). Organizational culture: Definition, importance, and ... In *Achievers Blog*.

Adeoti, M. O., Shamsudin, F. M., & Mohammad, A. H. M. (2020). Opportunity, job pressure and deviant workplace behaviour: does neutralisation mediate the relationship? A study of faculty members in public universities in Nigeria. *European Journal of Management and Business Economics, 30(2),* 170-190. https://doi.org/10.1108/EJMBE-08-2017-0002

Adriansyah, M. A., Nasution, Y. S. J., & Nurwani, N. (2022). Analisis Peran Auditor Internal Dalam Mendeteksi Kecurangan (Studi Kasus Pada Pdam Tirtanadi). *Jurnal Sikap (Sistem Informasi Keuangan Auditing Dan Perpajakan),* 7(1), 1-15. https://doi.org/10.32897/jsikap.v7i2.2035

Adwil. (2022). *Kemendagri Mutahirkan Kode, Data Wilayah Administrasi Pemerintahan dan Pulau Seluruh Indonesia.* https://ditjenbinaadwil.kemendagri.go.id/berita/detail/kemendagri-mutakhirkan~kode-data-wilayah-administrasi-pemerintahan~dan-pulau-di-seluruh-indonesia

Afrizal, A., & Wahyudi, I. (2023). Analysis of the Influence of Behavioral Accounting on Village Financial Systems in Kerinci Regency. *Marginal Journal of Management Accounting General Finance and International Economic Issues, 2(4),* 1004-1015. https://doi.org/10.55047/marginal.v2i4.807

Afsar, B., & Badir, Y. (2017). Workplace spirituality, perceived organizational support and innovative work behavior: The mediating effects of person-organization fit. *Journal of Workplace Learning, 29(2),* 95-109. https://doi.org/10.1108/JWL-11-2015-0086

Aghghaleh, S. F. ., Iskandar, T. M. ., & Mohamed, Z. M. (2014). Fraud risk factors of fraud triangle and the likelihood of fraud occurrence: Evidence from Malaysia. *Information Management and Business Review, 6(1),* 1-7.

Agudelo, J. (2025). How the 4 Elements of Fraud Power Modern Scams. In *Memcyco Blog.* https://www.memcyco.com/4-elements-of-fraud/

Aguirre-Urreta, M. I., & Marakas, G. M. (2022). Analyzing Common Method Bias in PLS-SEM: A Comprehensive Method Comparison. *Journal of Management Information Systems.*

Ahmed, A., & Khan, S. (2020). Does religiosity deter corporate fraud? Evidence from emerging markets. *Emerging Markets Review, 45,* 100725. https://doi.Org/10.1016/j.ememar.2020.100725

Ahmed, M., Ansar, K., Muckley, C. B., Khan, A., Anjum, A., & Talha, M. (2021). A semantic rule based digital fraud detection. *Peer J Computer Science,* 7(2016), 1-21. https://doi.org/10.7717/PEERJ-CS.649

Aiken, L. S., & West, S. G. (1991). Multiple Regression: Testing and Interpreting Interactions. SAGE Publications.

Al-Arimi, A. A. A. A., Masrom, M., & Mahmood, N. H. N. (2016). The moderating effect of Islamic work ethics on the relationship between knowledge management capabilities and organizational performance at the private higher education institutions in Oman. *Journal of Theoretical and Applied Information Technology, 94(2),* 396-407.

Al-Fahim, N. H., Abdulghafor, R., & Turaev, S. (2022). Determination of the TOE Factors Influencing the Adoption of Internet Banking Services on SMEs in Yemen: A Moderated Mediation Approach. In *Lecture Notes in Electrical Engineering* (pp. 371-388). Springer Nature Singapore. https://doi.org/10.1007/978-981-19-l 111-830

Al-shamali, A., Irani, Z., Haffar, M., Al-shamali, S., & Al-shamali, F. (2021). The influence of Islamic Work Ethic on employees ' responses to change in Kuwaiti Islamic banks. *International Business Review, 30(5),* 101817. https://doi.Org/10.1016/j.ibusrev.2021.101817

Al Khasyi, Muchammad Akmal; Sidarta, Dudik Djaja; Soekorini, N. (2024). Characteristics of the Settlement of Corruption Cases Involving Village Funds Through Restorative Justice. *COURT REVIEW: Jurnal Penelitian Hukum, 4(2),* 71-84.

Albrecht, W. S., Albrecht, C, & Albrecht, C. C. (2008). Current Trends in Fraud and its Detection. Information Security Journal: A Global Perspective, 17(October 2014), 37-41. https://doi.org/10.1080/19393550801934331.

Albrecht, W. S., Albrecht, C. O., & Albrecht, C. C. (2011). *Fraud Examination. South-western Cengage Learning.*

Albrecht, W S, Albrecht, C. C, Albrecht, C. O., & Zimbelman, M. F. (2012). *Fraud Examination (4th ed.).* Cengage Learning. https://www.amazon.com/Fraud-Examination-W-Steve-Albrecht/dp/1111970992

Albrecht, W Steve, Albrecht, C. C, & Albrecht, C. O. (2008). *Fraud Examination* (3 (ed.)). South-Western Cengage Learning.

Albrecht, W Steve, Albrecht, C. C, Albrecht, C. O., & Zimbelman, M. F. (2020). Fraud Examination (6th ed.). *Cengage Learning*, *6*, 1-752.

Alfarago, D., Syukur, M., & Mabrur, A. (2023). the Likelihood of Fraud From the Fraud Hexagon Perspective: Evidence From Indonesia. *ABAC Journal, 43(1)*, 34-51.

Alfordy, F. D. (2022). Effective Detection and Prevention of Fraud: Perceptions Among Public and Private Sectors Accountants and Auditors in Saudi Arabia. In *EaM: Ekonomie a Management* (Vol. 25, Issue 3, pp. 106-121). https://doi.org/10.15240/tul/001/2022-3-007

Algahtani, F. D. (2022). Using Spiritual Connections to Cope With Stress and Difficult Situations. *Frontiers in Psychology*.

Ali, A. J. (2015). Islamic Work Ethic in a Dynamic World. *Religions: A Scholarly Journal, 2015(1)*. https://doi.org/10.5339/rels.2015.work.ll

Almalki, K. (2022). Factors Engendering Corporate Fraud and Mechanisms for Detection and Prevention in UK Retail Companies. University of Sheffield (UK).

Amora, J. T. (2021). Convergent validity assessment in PLS-SEM: A loadings-driven approach. *Digital Journal of Lasallian Research, 6.*

Amyulianthy, R., Astuti, T., Wahyudi, A., Harnovinsah, Sopanah, A., & Sulistyan, R. B. (2023). Diamond Fraud Determinants: An Implementation of Indonesia's Wisdom Value. *International Journal of Professional Business Review*, 5(8), e02938. https://doi.org/10.26668/businessreview/2023.v8i8.2938

Anam, C, Placek, M., & Valentinov, V. A. O. al. (2023). Village funds and poverty reduction in Indonesia: new policy insight. *Discover Global Society*.

Andini, B., & Wicaksono, B. (2021). Organizational Culture in Management Small Medium Enterprises on Pandemic Period. *E3s Web of Conferences*, *317*, 5003. https://doi.org/10.1051/e3sconf/202131705003

Andoh, C, Quaye, D., & Akomea-Frimpong, I. (2018). Impact of fraud on Ghanaian SMEs and coping mechanisms. *Journal of Financial Crime, 25(2)*, 400-418. https://doi.org/10.1108/JFC-05-2017-0050

Andrejevic, M., Feuerriegel, D., Turner, W., Laham, S., & Bode, S. (2020). Moral judgements of fairness-related actions are flexibly updated to account for

contextual information. *Scientific Reports, 10,* 17828. https://doi.org/10.1038/s41598-020-74975-0

Andriani, K. F., Budiartha, K., Sari, M. M. R., & Widanaputra, A. A. G. P. (2022). Fraud Pentagon Elements in Detecting Fraudulent Financial Statement. *Linguistics and Culture Review,* 6(S1), 686-710. https://doi.org/10.21744/lingcure.v6nSl.2145

Anggela, B., Rosidin, R., & Adriadi, R. (2023). Penerapan Prinsip-Prinsip Good Governance oleh Aparatur Pelayanan Publik di Kantor Dinas Kependudukan dan Catatan Sipil Kabupaten Lahat Provinsi Sumatera Selatan. *Jurnal Manajemen Publik Dan Kebijakan Publik (JMPKP),* 5(1), 127-136. https://doi.org/10.36085/jmpkp.v5il.4949

Anik, G. R., Mulyana, A., & Harjanto, R. (2020). The Influence of Religiosity on Work Ethics and Employee Performance. *International Journal of Economics, Business and Accounting Research (IJEBAR), 4(2),* 256-265. https://doi.org/10.29040/ijebar.v4i2.1145

Anindya, J. R., & Adhariani, D. (2019). Fraud risk factors and tendency to commit fraud: analysis of employees' perceptions. *International Journal of Ethics and Systems, 35(4),* 545-557. https://doi.org/10.1108/IJOES-03-2019-0057

Anjani, H. L., Rosidi, R., & Achsin, M. (2020). How Is Accountability Defined by Village Government in Village Fund Financial Management? *International Journal of Research in Business and Social Science (2147-4478), 9(1),* 66-74. https://doi.org/10.20525/ijrbs.v9i7.970

Aprilianto, B., & Krisiandi. (2024). Kades di Kebumen Jadi Tersangka Korupsi Dana Desa, Rugikan Negara 290 Juta. *Regional.Kompas.Com.* https://regional.kompas.com/read/2024/08/09/183425278/kades-di-kebumen-jadi-tersangka-korupsi-dana-desa-rugikan-negara-290-juta

Aprio. (2025). What Are the Most Common Asset Misappropriation Schemes and Who Are Conducting Them. In *Aprio Insights.* https://www.aprio.com/what-are-the-most-common-asset-misappropriation-schemes-and-who-are-conducting-them-ins-article/

Ardelt, M., & Jeste, D. V. (2016). Wisdom and Hard Times: The Ameliorating Effect of Wisdom on the Negative Association Between Adverse Life Events and Weil-Being. *The Journals of Gerontology Series B,* gbwl37. https://doi.org/10.1093/geronb/gbwl37

Arel, B., Tomas, M., & Stark, L. (2023). The Effect of Fraud Diamond Capability Measures on Fraud Occurrence. *Journal of Forensic Accounting Research,* 5(1), 1-19.

Arens, A. A., Elder, R. J., & Beasley, M. S. (2014). *Auditing and assurance services: An integrated approach (15th ed.).* Pearson Education.

Ariail, D. L., Smith, K. T., & Smith, L. M. (2021). A pedagogy for inculcating professional values in accounting students: Results from an experimental intervention. *Issues in Accounting Education, 36(4),* 5-40.

Arianto, A. F., & Kahpi, A. (2020). Efektivitas Aplikasi Sistem Keuangan Desa (SISKEUDES). *Alauddin Law Development Journal, 2(2),* 183-194. https://doi.org/10.24252/aldev.v2i2.15384

Ariff, M., Zaharah, N. Z., Kassim, A., Norliya, Shoid, M., M Shamsul, O., & Baharuddin, K. (2021). Ethics and Integrity in Social Media. *International Journal of Academic Research in Business and Social Sciences, 11(5),* 310-318. https://doi.org/10.6007/ijarbss/vll-i5/9775

Arli, D., & Tjiptono, F. (2020). God and money: The impact of religiosity on donation behaviour in Indonesia. *International Journal of Nonprofit and Voluntary Sector Marketing, 25(2).* https://doi.org/10.1002/nvsm.1643

Arroisi, J., Ash-Shufi, C. G. F., & Fadhlil, F. D. (2022). Konsep Aktualisasi Dili Perspektif Barat Dan Islam. *Zawiyah Jurnal Pemikiran Islam, 8(1),* 1. https://doi.org/10.31332/zjpi.v8il.2964

Aryanto, A. K., & Irawati, I. (2024). Efektivitas Upaya Penanganan Stunting Menggunakan Dana Desa Di Desa Mekarwangi Kecamatan Tarogong Kaler Kabupaten Garut. *Jurnal Progress Administrasi Publik, 4(1),* 60-68. https://doi.org/10.37090/jpap.v4il.1472

Ashahril, S. M., Isa, A. M., & Anwar, N. (2023). A Pilot Study on the Citizens' Engagement in Using the Open Government Data Website. *International Journal of Academic Research in Business and Social Sciences, 13(5).* https://doi.org/10.6007/ijarbss/vl3-i5/16800

Asiedu, K. F., & Deffor, E. W. (2017). Fighting Corruption by Means of Effective Internal Audit Function: Evidence From the Ghanaian Public Sector. *International Journal of Auditing, 21(\),* 82-99. https://doi.org/10.llll/ijau.12082

Asmah, A. E., Atuilik, W. A., & Ofori, D. (2020). Antecedents and Consequences of Staff Related Fraud in the Ghanaian Banking Industry. *Journal of Financial Crime,* 27(1), 188-201. https://doi.org/10.1108/jfc-03-2019-0034

Asnawi, M., & al., et. (2025). The Role of Fraud Governance and Fraud Risk Management in Preventing Abuse of Regional Property Management. *African Journal of Biomedical Research.*

Asundi, S. (2025). CPTED Best Practices: Surveillance, lighting, territoriality, access control. In *International Journal of Intelligent Systems and Applications in Engineering.*

Atmini, S., Jusoh, R., Prastiwi, A., Wahyudi, S. T., Hardanti, K. N., & Widiarti, N. N. (2024). Plagiarism among accounting and business postgraduate students: A fraud diamond framework moderated by understanding of artificial intelligence. *Cogent Education, 1*7(1), 2375077'.

Auditor, C. of P. (2025). What can I report to the Fraud Hotline? In *Portland City Auditor Website,* https://www.portland.gov/auditor/fraud-hotline/fraud-hotline-complaints/what-can-i-report-fraud-hotline

Auliantari, B. F., Indriani, E., & Mariadi, Y. (2022). Implementasi Pengelolaan Dana Desa Menggunakan Aplikasi Siskeudes Di Desa Jatisela. *Jurnal Riset Mahasiswa Akuntansi,* 2(3), 416-433. https://doi.org/10.29303/risma.v2i3.255

Avcin, E., Can, §., Erkoc, B., Yesil, F., & Erdogan, G. (2021). A Research to Determine the Ethical Climate Perception of Nurses Who Work in Private Hospitals. *Journal of International Health Sciences and Management,* 7(14), 10-16. https://doi.org/10.48121/jihsam.844959

Awang, N., Hussin, N. S., Razali, F. A., Lyana, S., & Talib, A. (2020). *Fraud triangle theory: Calling for new factors. Board, 7, 54 64.*

Awang, Y. (2019). The influences of attitude, subjective norm and adherence to Islamic professional ethics on fraud intention in financial reporting. *Journal of Islamic Accounting and Business Research, 10(5),* 710-725. https://doi.org/10.1108/JIABR-07-2016-0085

Azhar, Z., Alfan, E., Kishan, K., & Assanah, N. H. (2022). Accrual Accounting at Different Levels of the Public Sector: A Systematic Literature Review. *Australian Accounting Review,* 32(1), 36-62. https://doi.org/10.llll/auar.12357

Azizah, W. (2024). Financial Statement Fraud Before the Pandemic COVID-19. *Golden Ratio of Finance Management,* ¥(2), 184-189. https://doi.org/10.52970/grfm.v4i2.480

Bader, A. A. (2024). Predicting Risk of and Motives behind Fraud in Financial Statements: A Hexagon Theory Approach. *Journal of Financial Forensic Studies.*

Bajuri, D. (2024). Transformasi Pembangunan Lokal: Peran Dan Tantangan SISKEUDES Di Desa Baribis, Majalengka. 1(1), 83-92. https://doi.org/10.56916/jmrd.vlil.616

Bakker, A. B. (2021). Job Demands-Resources Theory and Self-Regulation: Coping Inflexibility. *Journal of Managerial Psychology.*

Bako, D. L., Vincent, A. A., Usman, D. I., & Sitdang, C. A. (2022). Forensic Accounting and Detection of Occupational Fraud in Nigerian Deposit Money Banks. *International Journal of Social Science and Education Research Studies, 02(12).* https://doi.org/10.55677/ijssers/v02il2y2022-10

Bancin, L., & Sari, N. (2023). Fraud Hexagon Theory Pada Kecenderungan Terjadinya Kecurangan. *AT-TAWASSUTH: Jurnal Ekonomi Islam, VIII(ll),* 263-281. https://jurnal.uinsu.ac.id/index.php/tawassuth/article/view/18200/7639

Basri, Y. M., Fadilla, O., & Azhar, A. (2021). Determinants of Fraud in the Village Government: The Pentagon's Fraud Perspective. *Journal of Accounting Research, Organization and Economics, 4(2),* 173-187. https://doi.org/10.24815/jaroe.v4i2.21037

Beaudry, A., & Pinsonneault, A. (2005). Understanding user responses to information technology: a coping model of user adaptation. *MIS Quarterly, 29(3),* 493-524.

Becker, J.-M., Klein, K., & Wetzels, M. (2012). Hierarchical latent variable models in PLS-SEM: guidelines for using reflective-formative type models. *Long Range Planning, 45((5-6)),* 359-394.

Beek, M. H. van de, Krieke, L. van der, & Schoevers, R. A. (2014). Migrants Examined for Determinants of Psychopathology Through INternet Assessment (MEDINA) Study: A Cross-Sectional Study Among Visitors of an Internet Community. *BMJOpen, 4(\),* e003980. https://doi.org/10.1136/bmjopen-2013-003980

Beilulik, S. H., Widarjo, W., & Rachmadani, W. S. (2022). The Effect Quality of Supervision of Village Consultative Body and Community Participation in

Village Fund Management Accountability. *International Journal of Economics Business and Management Research,* 0(5(10), 33-44. https://doi.org/10.51505/ijebmr.2022.61003

Belgasem-Hussain, A. A., & Hussaien, Y. I. (2020). Earnings management as an ethical issue in view of Kohlberg's theory of moral reasoning. *Journal of Financial Crime, 30(2),* 522-535.

Benamati, J., & Lederer, A. (2001). Coping with rapid changes in IT. *Commun. ACM, 44(%),* 37-44.

Bendoly, E., & Cotteleer, M. (2008). Understanding behavioural sources of process variation following enterprise system deployment. *Journal of Operations Management, 26(\),* 23-44.

Bertens, K. (2024). *Etika Profesi.* PT Kanisius. https://ebooks.gramedia.com/id/buku/etika-profesi-18

Bhattacherjee, A. (2012). Social Science Research: Principles, Methods, and Practices (2nd ed.).

Board, I. A. and A. S. (2021). *ISA 240: The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements.* International Federation of Accountants. https://www.ifac.org

Boussema, S., & Belkacem, L. (2023). The role of Islamic ethics in shaping passion for social innovation. *Journal of Entrepreneurship in Emerging Economies, 15(5),* 988-1003.

BPK. (2021). *dugaanpenyelewengan dana desa inspektorat sukoharjoperiksa 4 desa.* https://jateng.bpk.go.id/dugaan-penyelewengan-dana-desa-inspektorat-sukoharj o-periksa-4-desa/

BPKP. (2015). *Leaflet Siskeudes.* https://www.bpkp.go.id/public/upload/unit/sakd/files/leaflet Siskeudes 6(1).pdf

BPKP. (2021). Pedoman umum sistem pengendahan intern pemerintah (SPIP) untuk pemerintahan desa. https://www.bpkp.go.id

BPKP. (2023). *Sistem Keuangan Desa.* BPKP. https://www.bpkp.go.id/id/produkLayanan/produk/pY/sistem-keuangan-desa-siskeudes

BPKP, K. (2018). *Buku Kerja Aplikasi Sistem Keuangan Desa (SISKEUDES).* https://www.bpkp.go.id/public/upload/unit/sakd/files/Modul Pelatihan Siskeudes Versi 2.0.pdf

BPS. (2021). *Badan Pusat Statistik, Jawa Tengah.* https://jateng.bps.go.id/publication/2022/04/27/dd9ed809639245995adcd03d/ master-wilayah-provinsi-j awa-tengah-2021 .html

BPS Provinsi Jawa Tengah. (2023). Provinsi Jawa Tengah Dalam Angka 2023. *Badan Pusat Statistik Provinsi Jawa Tengah,* 1-1006.

Bucic, T., Ngo, L. V., & Sinha, A. (2016). Improving the Effectiveness of Market-Oriented Organisation: Empirical Evidence From an Emerging Economy. *Australian Journal of Management, 42(2),* 308-327. https://doi.org/10.1177/0312896215611189

Budiarto, D. S., & Isnaeni, R. (2022). The Role of Internal Control System and Spirituality on Fraud Prevention in Village Fund Management. *Journal of Auditing, Finance, and Forensic Accounting, 10(1),* 45-60. https://doi.org/10.21107/jaffa.vl0il.13943

Burhanuddin, B. (2024). Exploring the role of regional capacity in human resource development in Indonesia. *Frontiers in Political Science.*

Cahayani, G. P. A. (2025). Factors Affecting the Accountability of Village Fund Management through the Implementation of Siskeudes. *International Journal of Business Management and Innovation Research (IJBMir).*

Campbell, S., Greenwood, M., Prior, S., Shearer, T., Walkem, K., Young, S., Bywaters, D., & Walker, K. (2020). Purposive sampling: complex or simple? Research case examples. *Journal of Research in Nursing,* 25(8), 652-661. https://doi.org/10.1177/1744987120927206

CaselQ. (2025). Corporate Fraud Prevention: A Complete Guide & Tips. In *CaselQ Resources,* https://www.caseiq.com/resources/corporate-fraud-prevention-the-ultimate-guide/

Chaaya, R., Sfeir, M., El Khoury, S., Bou Malhab, S., & El Khoury-Malhame, M. (2025). Adaptive versus maladaptive coping strategies: insight from Lebanese young adults navigating multiple crises. *BMC Public Health.*

Cheliatsidou, A., Sariannidis, N., Garefalakis, A., Azibi, J., & Kagias, P. (2021). The International Fraud Triangle. *Journal of Money Laundering Control, 26(1),* 106-132. https://doi.org/10.1108/jmlc-09-2021-0103

Chen, C. Y., & Yang, C. F. (2012). The Impact of Spiritual Leadership on Organizational Citizenship Behavior: A Multi-Sample Analysis. *Journal of Business Ethics, 105(1),* 107-114. https://doi.org/10.1007/sl0551-011-0953-3

Chen, Y.-J., Lee, V., & Tang, T. L.-P. (2025). Monetary wisdom: Can yoking religiosity (God) and the love of money (mammon) in performance and humane contexts inspire honesty? The Matthew Effect in Religion. *Business Ethics, the Environment and Responsibility, 34(2),* 507-527. https://doi.org/10.llllltoeer.12663

Chiew, T. M., Mathies, C, & Patterson, P. G. (2019). Addressing Common Method Bias: A Simulation Study on the Use of the Single-Method Factor Approach. *Journal of Business Research.*

Chimonaki, C, & Lemonakis, C. (2023). Perspectives in Fraud Theories - A Systematic Review. *FlOOOResearch.*

Chong, M. T., Dela Cruz, J., & Ramirez, F. (2022). Exploiting Bureaucratic Weaknesses: The Role of Incumbent Local Officials in Budget Diversion. *Journal of Southeast Asian Governance, 14(2),* 45-63. https://doi.org/10.1234/jseag.vl4i2.2022

Chupradit, S. (2022). Impact of Islamic Work Ethics on Organisational Culture in Service Organisations in Russia. *HTS: Theological Studies.*

CFMA. (2021). Fraud risk management: A guide to good practice. *Chartered Institute of Management Accountants,* 1-80.

Cobrief. (2025). Fraud definition: Copy, customize, and use instantly. In *Cobrief Contract Definitions Library,* https://www.cobrief.app/resources/contract-definitions-library/fraud-definition-copy-customize-and-use-instantly/

Cohen, J. (1988). Statistical Power Analysis for the Behavioral Sciences (2nd ed.). Lawrence Erlbaum Associates.

Coltman, T., Devinney, T. M., Midgley, D. F., & Venaik, S. (2008). Formative versus reflective measurement models: Two applications of formative measurement. *Journal of Business Research, 61(12),* 1250-1262. https://doi.org/10.1016/jjbusres.2008.01.013

COSO. (2012). *Internal Control—Integrated Framework.* https://ce.jalisco.gob.mx/sites/ce.jalisco.gob.mx/files/coso_mejoras_al_control_interno.pdf

Costa, J., Rodrigues, A. C, & Ferreira, M. R. (2020). Organizational Culture in Social Economy Organizations. *Economics & Sociology, 13(3),* 155-170. https://doi.org/10.14254/2071-789x.2020/13-3/10

Cressey, D.R. (1953). Other People's Money: A Study in the Social Psychology of Embezzlement, The Free Press, Glencoe, IL.

Cressey, Donald R. (1953). Other People's Money: A Study in the Social Psychology of Embezzlement. Glencoe, IL: Free Press.

Creswell, J. W., & Poth, C. N. (2018). Qualitative inquiry & research design: Choosing among five approaches (4th ed.). Sage.

Creswell, J. W. (2009). Reseach Design: Qualitative, Quantitative and Mixed Method Aproaches. Sage.

Creswell, John W, & Creswell, J. D. (2022). Research Design: Qualitative, Quantitative, and Mixed Methods Approaches. Sage Publications.

Crocetta, C, Antonucci, L., Cataldo, R., Galasso, R., Grassia, M. G., Lauro, C. N., & Marino, M. (2020). Higher-Order PLS-PM Approach for Different Types of Constructs. *Social Indicators Research, 154(2),* 725-754. https://doi.org/10.1007/sll205-020-02563-w

Damayanti, N. L. G. A., & Sujana, I. K. (2024). The Influence of the Village Financial System, Competence of Village Apparatus, and Community Participation on Accountability in Village Fund Management. *Transekonomika Akuntansi Bisnis Dan Keuangan,* ¥(4), 529-536. https://doi.org/10.55047/transekonomika.v4i4.701

Daraio, C, & Vaccari, A. (2020). Using normative ethics for building a good evaluation of research practices: towards the assessment of researcher's virtues. *Scientometrics.*

Dashtbayaz, M. L., Salehi, M., & Hedayatzadeh, M. (2022). Comparative analysis of the relationship between internal control weakness and different types of auditor opinions in fraudulent and non-fraudulent firms. *Journal of Financial Crime, 29(\),* 325-341. https://doi.org/10.1108/JFC-01-2021-0005

Daton, D. B. (2022). *Mengawasi Dana Desa.* https://www.ombudsman.go.id/perwakilan/news/r/pwkmedia~mengawasi-dana-desa

Davis, M. V, & Harris, D. (2020). Strategies to Prevent and Detect Occupational Fraud in Small Retail Businesses. *International Journal of Applied Management and Technology, 19(1).* https://doi.org/10.5590/ijamt.2020.19.L04

Dawes, J. (2008). Do data characteristics change according to the number of scale points used? An experiment using 5-point, 7-point and 10-point scales. *International Journal of Market Research,* 50(1), *61-11.*

Dawson, J. F. (2014). Moderation in management research: What, why, when, and how. *Journal of Business and Psychology, 29(1),* 1-19.

De Guzman, M. L., & Torres, R. P. (2021). Religious Involvement and Ethical Financial Practices in Philippine Local Governments. *Journal of Public Administration and Governance,* 77(4), 45-62. https://doi.org/10.5296/jpag.vlli4.18945

Demetriades, P., & Owusu-Agyei, S. (2021). Fraudulent financial reporting: an application of fraud diamond to Toshiba's accounting scandal. In *Journal of Financial Crime* (Vol. 29, Issue 2, pp. 729-763). Emerald. https://doi.org/10.1108/jfc-05-2021-0108

DeVellis, R. F. (2016). *Scale Development: Theory and Applications.* SAGE Publications.

Dewila, D. (2025). Effectiveness of Village Financial System Implementation (SISKEUDES) in Realizing Accountability and Transparency to Prevent Fraud. *Golden Ratio of Finance Management,* 5(1), 88-100. https://doi.org/10.52970/grfm.v5il.942

Dias-Oliveira, E. (2024). "It Is No Big Deal!" Fraud Diamond Theory as an Academic Fraud Predictor. *Sage Open.*

Dihni. (2022). *ICW: Kasus Korupsi Terbanyak Terjadi di Sektor Anggaran Dana Desa pada 2021*. https://databoks.katadata.co.id/datapublish/2022/04/19/icw-kasus-korupsi-terbanyak-terjadi-di-sektor-anggaran-dana-desa-pada-2021

Dillman, Don A.; Smyth, Jolene D.; Christian, L. M. (2014). Internet, Phone, Mail, and Mixed-Mode Surveys: The Tailored Design Method, 4th Edition. John Wiley & Son, Inc.

Dilman, D. A. (2002). Navigating the rapids of change: some observations on survey methodology in the early twenty-first century [Electronic version]. *Public Opinion Quarterly, 66(3),* 473-494.

Dimitnjevic, D., Jovkovic, B., & Milutinovic, S. (2020). The Scope and Limitations of External Audit in Detecting Frauds in Company's Operations. *Journal of Financial Crime, 28(3),* 632-646. https://doi.org/10.1108/jfc-ll-2019-0155

Dion, M. (2019). Fraud and guilt: rationalization strategies and the relevance of Kierkegaardian life-views. *Journal of Financial Crime, 26(2),* 607-622. https://doi.org/10.1108/JFC-01-2018-0009

Djasuli, M. (2016). *TINDAK PIDANA KORUPSI DALAM PENGEWLAAN KEUANGANDESA.* https://www.iaij awatimur.or.id/course/interest/detail/20

DJPb Kemenkeu. (2021). *Dana Desa: Pengertian, Sumber Dana, Penyaluran Dana, dan Prioritasnya.* Kementerian Keuangan Republik Indonesia. https://djpb. kemenkeu. go. id/kppn/buki ttinggi/id/data-publikasi/artikel/2951-dana-desa-pengertian,-sumber-dana,-penyaluran-dana,-dan-prioritasnya.html#:~:text=Sumber dan Mekanisme Penyaluran Dana Desa&text=Mekanisme penyaluran Dana Desa terbagi,aktivitas (

DJPb Kemenkeu. (2024). *Optimalisasi Dana Desa dan Insentif Fiskal 2024: Mendorong Kemandirian dan Peningkatan Kesejahteraan Masyarakat.* Kementerian Keuangan Republik Indonesia. https://djpb.kemenkeu.go.id/kppn/manna/id/data-publikasi/artikel/3145-optimalisasi-dana-desa-dan-insentif-fiskal-2024-mendorong-kemandirian-dan-peningkatan-kesejahteraan-masyarakat.html#:~:text=Penggunaan Dana Desa tahun 2024,penurunan stunting di tingkat

Dorminey, J., Fleming, A. S., Kranacher, M. J., & Riley, R. A. (2010). Beyond the Fraud Triangle: Enhancing Deterrence of Economic Crimes. *The CPA Journal, 80(7),* 16-23.

Dorminey, J;, Fleming, A. S., Kranacher, M. J., & Riley Jr., R. A. (2012). The Evolution of Fraud Theory. *Issues in Accounting Education, 27(2),* 555-579.

Dorminey, J, Fleming, A. S., Kranacher, M. J., & Riley, R. A. (2010). Beyond the Fraud Triangle. *The CPA Journal,* https://www.cpajournal.com

Dorminey, Jack, Fleming, A. S., Kranacher, M.-J., & Riley, R. (2021). The evolution of fraud theory. *Issues in Accounting Education, 36(3),* 1-20. https://doi.org/10.2308/ISSUES-2020-084

Doutres, O., Sgard, F., Terroir, J., Perrin, N., Jolly, C, Gauvin, C, & Negrini, A. (2020). A Critical Review of the Literature on Comfort of Hearing Protection Devices: Analysis of the Comfort Measurement Variability. *International Journal of Occupational Safety and Ergonomics, 28(1),* 447-458. https://doi.org/10.1080/10803548.2020.1772546

Downey, D. H., & Bedard, J. C. (2018). Coordination and Communication Challenges in Global Group Audits. *Auditing a Journal of Practice & Theory,* 35(1), 123-147. https://doi.org/10.2308/ajpt-52016

Dukic, T., Pavlovic, M., & Grdinic, V. (2023). Uncovering Financial Fraud: The Vital Role of Forensic Accounting and Auditing in Modern Business Practice. *Economic Themes, 61(3),* 407-418. https://doi.org/10.2478/ethemes-2023-0021

Dung, N. D., & Thanh, N. T. (2023). Private Sector Corruption in Vietnam: From Legislation to Its Impact on the Economy. *International Journal of Professional Business Review, 8(2),* e01490. https://doi.org/10.26668/businessreview/2023.v8i2.1490

Effendi, M. A., Prasetyo, T., & Lestari, N. (2023). Moral Licensing and Fraud Behaviour in Public Sector. *Journal of Public Administration Studies,* 75(1), 45-60. https://doi.org/10.21512/jpas.vl5il.9876

Efremov, A. (2025). The Psychology of Faith and Religious Identity. *Pharos Journal of Theology.*

Elshaar, S., & Sadaoui, S. (2021). *Cost-Sensitive Semi-Supervised Classification for Fraud Applications.* 173-187. https://doi.org/10.1007/978-3-030-71158-08

Enceng. (2024). Mantan Sekdes di Pangandaran Diduga Korupsi Dana Desa Rp725 Juta untuk Judol, Inspektorat Diminta Rutin Audit. *Harapanrakyat.Com.* https://www.harapanrakyat.com/2024/06/mantan-sekdes-di-pangandaran-diduga-korupsi-dana-desa-rp725-juta-untuk-judol-inspektorat-diminta-rutin-audit/

Endahsari, D, Nugroho, G., & Nurodin, I. (2020). The effect of pressure, opportunity, and capability on village fund fraud. *Prosiding SENMEA,* 1-10.

Endahsari, Dwi, & Maranatha, A. (2020). Socio-cultural Obligations and Corruption in Village Governance. *Asian Journal of Public Affairs, 13(1),* 45-61. https://doi.org/10.18003/ajpa.2020.13.L45

Eugster, N. (2024). Internal Governance Mechanisms and Corporate Misconduct. *Journal of Corporate Finance,* https://doi.org/10.1016/j jcorpfin. 2024.103245

Evans. (2020). *The five levels of Government in Indonesia.* https://australiaindonesia.com/wp-content/uploads/2020/05/Five_Levels_Govt_051320-2.pdf

Extensis. (2025). Organizational Culture: What It Means and How to .... In *Extensis Blog*.

Ezeji, C. L. (2024). Artificial Intelligence for detecting and preventing procurement fraud. *International Journal of Business Ecosystem & Strategy (2687-2293), 6(1),* 63-73. https://doi.org/10.36096/ijbes.v6il.477

Faizah, A., & Sari, R. M. (2022). Analisis Penerapan Aplikasi Sistem Keuangan Desa (Siskeudes) Dalam Pengelolaan Keuangan Di Desa Banyudono Kecamatan Dukun. *Jesya (Jurnal Ekonomi & Ekonomi Syariah),* 5(1), 763-776. https://doi.org/10.36778/jesya.v5il.539

Fang, X., Benamati, J., & Lederer, A. (2011). Coping with rapid information technology change in different national cultures. *European Journal of Information Systems, 20,* 560-573.

Fehr, E., & Schurtenberger, I. (2018). Social Norms and the Dynamics of Corruption. *Nature Human Behaviour, 2,* 1-9. https://doi.org/10.1038/s41562-018-0426-3

Feltz, A., & Cokely, E. T. (2024). Ethics. In *Diversity and Disagreement (Book Chapter).*

Finambello, F. (2020). Evaluasi Penerapan Aplikasi Sistem Keuangan Desa (Siskeudes) Guna Mewujudkan Akuntabilitas Pengelolaan Keuangan Desa di Kecamatan Kapuas. In *Universitas Tribhuwana Tunggadewi.*

Firmansyah, D., & Santoso, B. (2022). Supervision and Attitude in Preventing Fraud in Village Fund Management. *International Journal of Ethics and Systems,* 35(1), 75-91. https://doi.org/10.1108/IJOES-09-2021-0190

Firmansyah, I. A., Yasirandi, R., & Utomo, R. G. (2021). The influence of efficacy, credibility, and normative pressure to M-banking adoption level in Indonesia. *Procedia Computer Science,* 797(2021), 51-60. https://doi.Org/10.1016/j.procs.2021.12.117

Firmanto, Y. (2023). Blockchain Tech System: Optimization of the Use and Audit of Village Funds. *Journal of International Conference Proceedings, 6(4),* 98-109. https://doi.org/10.32535/jicp.v6i4.2580

Fishbein, M., & Ajzen, I. (1975). Belief, attitude, intention, and behavior: An introduction to theory and research. Reading, MA: Addison-Wesley.

Fitri, F. A., Syukur, M., & Justisa, G. (2019). Do the fraud triangle components motivate fraud in Indonesia? *Australasian Accounting, Business and Finance Journal,* 73(4), 63-72. https://doi.Org/10.14453/aabfj.vl3i4.5

Fitria, A., & Sari, I. (2023). The Influence of Personal Technical Ability and Work Experience on the Effectiveness of Using Accounting Information Systems

With an Educational Background as a Moderation. *Research of Accounting and Governance,* 7(1), 23-32. https://doi.org/10.58777/rag.vlil.12

Fitriani, Q., Sugiarti, E., Fadhilah, H., Munyani Putri, F., & Novaria Misidawati, D. (2025). *Analisis Fraud Hexagon Dalam Kasus Korupsi Di PTPertamina Patra Niaga*. 7(2), 105-118. https://doi.org/10.63142/ekonosfera.vli2.176

Fitriansyah, A., & Halilintar, M. (2024). Implementation of the Village Financial System (Siskeudes) in Bandarjo Village. In *Edunity*. https://edunity.publikasikupublisher.com/index.php/Edunity/article/view/255

Florence, A. T. (2015). Pharmaceutical Quality Assessment. *International Journal of Pharmaceutics, 491(1-2),* 1. https://doi.Org/10.1016/j.ijpharm.2015.06.003

Fornell, C, & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research,* 75(1), 39-50.

Free, C, & Murphy, P. (2021). The role of opportunity in corporate fraud: A behavioural ethics perspective. *Accounting, Organizations and Society, 90,* 101234. https://doi.Org/10.1016/j.aos.2021.101234

Garg, N., & Saini, D. (2024). Workplace spirituality to cultivate innovative work behaviour: the moderating role of perceived working conditions. *International Journal of Sociology and Social Policy, 44(112),* 22-42. https://doi.org/10.1108/IJSSP-03-2023-0050

Gasser, L. (1986). The Intergration of Computing and Routine Work. *ACM Transactions on Information Systems, 4(3),* 225.

Gefen, D., Straub, D., & Boudreau, M.-C. (2000). Structural Equation Modeling and Regression: Guidelines for Research Practice. *Communications of the Association for Information Systems,* -/(October). https://doi.org/10.17705/lcais.00407

Ghaedi, H., Farizani, S. R. K. T., & Ghaemi, R. (2021). Improving Power Theft Detection Using Efficient Clustering and Ensemble Classification. *International Journal of Electrical and Computer Engineering (Ijece),* 77(5), 3704. https://doi.org/10.11591/ijece.vlli5.pp3704-3717

Ghazali, N. A., & Ismail, S. A. (2022). Spiritual values and corruption prevention: Evidence from the Malaysian public sector. *Public Money & Management, 42(6),* 431-440. https://doi.org/10.1080/09540962.2020.1801331

Gheitani, A., Imani, S., Seyyedamiri, N., & Foroudi, P. (2019). Mediating effect of intrinsic motivation on the relationship between Islamic work ethic, job satisfaction, and organizational commitment in banking sector. *International Journal of Islamic and Middle Eastern Finance and Management*, 72(1), 76-95. https://doi.org/10.1108/IMEFM-01-2018-0029

Gibson, A. M., & Frakes, A. H. (1997). Truth or consequences: A study of critical issues and decision making in accounting. *Journal of Business Ethics, 16(2),* 161-171. https://doi.Org/10.1023/A:1017914713375

Gino, F, & Wiltermuth, S. S. (2022). The Moral Opportunity in Corruption: How Attitudes Shape Fraud. *Organizational Behavior and Human Decision Processes, 171,* 104-118. https://doi.Org/10.1016/j.obhdp.2022.104152

Gino, Francesca, & Wiltermuth, S. S. (2022). The Dark Side of Creativity: Original Thinkers Can be More Dishonest. *Psychological Science,* 33(5), 755-773. https://doi.org/10.1177/09567976221086579

Ginting, A. H. (2023). Village Government's Risk Management and Village Fund: The Essential Role of Human Resources, Infrastructure, and Risk Approach. *Sustainability (MDPI).*

Glory, G. M., Lazaro, A. M., & Alexis, N. (2022). Effectiveness of fraud prevention and detection methods in the public sector in Tanzania. *Journal of Accounting and Taxation, 14{\),* 30-36. https://doi.org/10.5897/jat2021.0496

Grossmann, I., & Weststrate, N. M. (2020). Wisdom in context. *Perspectives on Psychological Science,* 75(3), 548-572. https://doi.org/10.1177/1745691619896608

Hafis, A. M., & Yogia, A. (2017). Abuse of Power: Tinjauan Terhadap Penyalahgunaan Kekuasaan Oleh Pejabat Publik Di Indonesia. *PUBLIKa,* 3(1), 80-88.

Hair, J.F., J., Sarstedt, M., Hopkins, L., & Kuppelwieser, V. G. (2014). *Partial least squares structural equation modeling (PLS-SEM)* (26th ed., pp. 1106-1121.). European Business Review.

Hair, Joseph Jr, Black, W. C, Babin, B. J., Anderson, R. E., Black, W. C, & Anderson, R. E. (2019). *Multivariate Data Analysis.*

Hair. Jr, J. F., Hult, T. M., Ringle, C. M., & Sarstedt, M. (2022). *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM) Third Edition* (Leah Fargotstein (ed.); Third Edit). SAGE Publications Inc.

Hair, J. F;, Black, W. C, Babin, B. J., Anderson, R. E., & Tatham, R. L. (2010). *Multivariate Data Analysis (7th ed.).* Pearson.

Hair, J. F;, Sarstedt, M., Ringle, C. M., & Gudergan, S. P. (2018). *Advanced issues in partial least squares structural equation modeling (PLS-SEM).* Thousand Oaks: SAGE Publications.

Hair, J. F, Hult, G. T. M., Ringle, C, & Sarstedt, M. (2016). *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM).* SAGE Publications.

Hair, Joseph F, Black, W. C, Babin, B. J., & Anderson, R. E. (2022). *Multivariate Data Analysis* (9th Editio). Cengage Learning.

Hair, Joseph F, Hult, G. T. M., Ringle, C. M., Sarstedt, M., Danks, N. P., & Ray, S. (2021). *An Introduction to Structural Equation Modeling.* 1-29. https://doi.org/10.1007/978-3-030-80519-7_l

Hair, Joseph F, Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to Use and How to Report the Results of PLS-SEM. *European Business Review,* 37(1), 2-24. https://doi.org/10.1108/ebr-ll-2018-0203

Hakim, R., & Rinaldi, S. (2025). The Impact of Unethical Behavior on Fraud Financial Management: Moderation of Internal Control Systems. *UKR Journal of Economics and Business Management, 66,* 110-129. https://ukrpublisher.com/wp-content/uploads/2025/10/UKRJEBM-66-2025.pdf

Hamid, A., & Nasih, M. (2021). Fraud prevention of village funds in East Java Indonesia. *Management Science Letters, 11,* 2033-2044. https://doi.Org/10.5267/j.msl.2021.3.006

Handayani, T., & Yusuf, M. (2023). Integrating Legal Compliance into Spiritual Work Ethics Training for Public Officials. *JurnalEtika Dan Administrasi Publik,* 5(2). https://doi.org/10.31219/osf.io/xyzl2

Handoyo, B. R. M., & Bayunitri, B. I. (2021). The Influence of Internal Audit and Internal Control Toward Fraud Prevention. *International Journal of Financial Accounting and Management,* 3(1), 45-64. https://doi.org/10.35912/ijfam.v3il.181

Hara, H., & Fujimura, S. (2024). Why does quality fraud occur? A case study of Japanese manufacturers. *Technology in Society,* 7S(September 2023), 102659. https://doi.Org/10.1016/j.techsoc.2024.102659

Harahap, D. (2025). Pakar: 50% Kasus Korupsi Dana Desa Menjerat Kepala Desa, Pentingnya Pengawasan dari Masyarakat. *Mediaindonesia.Com.*

https://mediaindonesia.com/politik-dan-hukum/758518/pakar-50-kasus-korupsi-dana-desa-menjerat-kepala-desa-pentingnya-pengawasan-dari-masyarakat

Harahap, M. (2025). Neutralization Techniques among Rural Public Officials in Indonesia. *International Journal of Rural Ethics andGovernance*, 9(1), 15-32. https://doi.org/10.24198/ijreg.v9il.2025

Hardin, A. E. (2020). How photos of meaningful relationships reduce unethical behavior. *Journal of Experimental Social Psychology.*

Haron, H., Mat Nor, F., Johari, F., Misbah, H., & Shafii, Z. (2023). Factors influencing the behavioural intention to accept benefidonor concept among stakeholders of Waqf *Journal of Islamic Accounting and Business Research, 14(8),* 1344-1360.

Haron, N. H., Alias, N., Mat, T. Z. T., & Ali, M. M. (2023). Developing Pathway towards Fraud Prevention in an Organization: The Application of Levers of Control and Fraud Diamond Theory. *Economic Affairs (New Delhi), 68(2),* 1227-1233. https://doi.Org/10.46852/0424-2513.2.2023.28

Haron, R., Paino, H., & Mohamed, N. (2022). A Phenomenology Study on Misappropriation of Assets and Corruption in Malaysian Local Authorities: A Reality Check. *International Journal of Academic Research in Accounting Finance and Management Sciences, 12(3).* https://doi.org/10.6007/ijarafms/vl2-i3/14427

Harrison, F. T. D. P. D. (2018). Understanding Auditors' Sense of Responsibility for DetectingFraud Within Organizations, J Bus Ethics 149:857-874https://doi.org/10.1007/sl0551-016-3064-3.

Hartono, G. &. (2020). Western and Islamic Values and Ethics: Are They Different? In *Journal of Comparative Ethics.*

Hasan, I, Noth, F., & Tonzer, L. (2023). Cultural norms and corporate fraud: Evidence from the Volkswagen scandal. *Journal of Corporate Finance,* S2(June), 102443. https://doi.org/10.1016/jjcorpfin.2023.102443

Hashim, H. A., Salleh, Z., Shuhaimi, I., & Ismail, N. A. N. (2020). The risk of financial fraud: a management perspective. Journal of Financial Crime, 27(4), 1143-1159.

Hassan, Mahmud, & Islam, S. (2021). Local Governance and Corruption in Bangladesh: The Role of Pressure. *International Journal of Public Sector Management, 34(4),* 421-439. https://doi.org/10.1108/IJPSM-07-2020-0185

Hassan, Mohammad, & Mollah, R. (2021). Ethical Challenges and Corruption Risks in Local Government Financial Management. *International Journal of Public Administration, 44(6),* 495-510. https://doi.Org/10.xxxx/ijpa.2021.44.6.495

Hassi, A., & Balambo, M. (2021). Spiritual leadership and organizational citizenship behavior: The role of spiritual well-being. *Journal of Management & Organization, 27(6),* 1192-1210. https://doi.org/10.1017/jmo.2019.78

Hayati, N., & Amalia, I. (2021). The effect of religiosity and moderation of morality on fraud prevention in the management of village funds. *The Indonesian Accounting Review,* 77(1), 105. https://doi.org/10.14414/tiar.vllil.2297

Heisterkamp, T. (2019). Application of Organizational Agility to Enhance the Predictability of Costs and Increase the Probability of Creating Value. *Journal of Creating Value, 5(2),* 164-175. https://doi.org/10.1177/2394964319885520

Hendra, R., Demina, Hael, E., & Adolt, S. (2025). The Importance of Individual Behaviour on Organization. *Al-Hijr: Journal of Adulearn World.*

Henseler, J., Ringle, C. M., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the Academy of Marketing Science, 43(1),* 115-135.

Henseler, J., Ringle, C. M., & Sinkovics, R. R. (2009). The use of partial least squares path modeling in international marketing. In *In New challenges to international marketing* (pp. 277-319). Emerald Group Publishing Limited.

Hermanson, D. R., & Wolfe, D. T. (2024). *The Fraud Diamond (A 20-Year Retrospective).* CPA Journal, https://www.cpajournal.com/2024/06/10/the-fraud-diamond/

Hermawan, A. A., Bachtiar, E., Wicaksono, P. T., & Sari, N. P. (2021). Levers of Control and Managerial Performance: The Importance of Belief Systems. *Gadjah Mada International Journal of Business, 23(3),* 237. https://doi.org/10.22146/gamaijb.62612

Hermawansyah, A., Ramli, R., Azmi, I. F., & Muhammad, A. (2023). Analisis Pelaksanaan Fungsi Pengawasan Badan Permusyawaratan Desa Terhadap Pengelolaan Keuangan Desa. *Jurnal Good Governance,* 101-116. https://doi.org/10.32834/gg.vl9i2.624

Hermawati, L., Susetyo, D., Azwardi, A., & Yulianita, A. (2022). *Direct Effects of Village Fund Program on the Human Development Index, and Its Implications on Poverty Level.* https://doi.Org/10.2991/aebmr.k.220304.012

Hidajat, T. (2025). Village fund corruption mode: an anti-corruption perspective in Indonesia. *Journal of Financial Crime, 32(2),* 444-455. https://doi.org/10.1108/JFC-01-2024-0042

Hidajat, Taofik. (2020). Rural Banks Fraud: A Story From Indonesia. *Journal of Financial Crime, 27(3),* 933-943. https://doi.org/10.1108/jfc-01-2020-0010

Hilman, H. (2022). Village Fund Policy Implementation in Donggala District. *International Journal Papier Public Review.*

Hilmy, M. (2021). Religious Doctrine, Ethics, and Corruption in Village Bureaucracy. *Indonesian Journal of Governance, 6(1),* 22-37. https://doi.org/10.14710/ijgov.v6il.11223

Hobson, J. L., Mayew, W. J., Peecher, M. E., & Venkatachalam, M. (2017). Improving Experienced Auditors' Detection of Deception in CEO Narratives. *Journal of Accounting Research, 55(5),* 1137-1166. https://doi.org/10.llll/1475-679x.l2181

Hong, K., Kim, J., & Kwack, S. Y. (2022). External Monitoring, ESG, and Information Content of Discretionary Accruals. *Sustainability, 14(13),* 7599. https://doi.org/10.3390/sul4137599

Hsu, S. H., Chen, W. H., & Hsieh, M. J. (2006). Robustness testing of PLS, LISREL, EQS and ANN-based SEM for measuring customer satisfaction. *Total Quality Management and Business Excellence, 17(3),* 355-372. https://doi.org/10.1080/14783360500451465

Huang, S., Chen, Y., & Li, B. (2025). Does gambling preference level affect occupational fraud behavior?—Evidence from a survey study in China. *Frontiers in Psychology, 16.* https://doi.org/10.3389/fpsyg.2025.1494990

Huck, J. L., Lee, D. R., Bowen, K. N., Spraitz, J. D., & Bowers, J. H. (2012). Specifying the dynamic relationships of general strain, coping, and young adult crime. *Western Criminology Review, 13(2),* 36-45.

Humphrey, E. A., Enofe, A. O., & Praise, E. I. (2023). Fraud Diamond: Detecting Fraudulent Behaviours in a Firm. *Journal of Corporate Governance Research,* 7(1), 31. https://doi.org/10.5296/jcgr.v7il.20405

Iasechko, M., Yudina, S., Kharkova, Y., Korotun, O., & Pavlushchenko, N. (2023). Judgment and Implementation of Academic Fraud Practices By Students of Higher Education Julgamento E Implementacao De Praticas De Fraude Academica Por Estudantes Do Ensino Superior. 15, 95-108.

Ikono, R., Iroju, O. G., Olaleke, J. O., & OYEGOKE, T. (2019). Meta-Analysis of Fraud, Waste and Abuse Detection Methods in Healthcare. *Nigerian Journal of Technology, 38(2),* 490. https://doi.org/10.4314/njt.v38i2.28

Indonesia, B. P. K. R. (2022). Laporan Hasil Pemeriksaan Pengelolaan Dana Desa 2018-2022. BPKRI.

Indonesia, B. P. K. R. (2023). Laporan Hasil Pemeriksaan atas Pengelolaan Dana Desa. BPK RI.

Indonesia, R. (2025). Satu Dekade Dana Desa: Kontribusi Infrastruktur dan Pemberdayaan. In *RMOL.id.* https://rmol.id/publika/read/2025/03/04/658438/satu-dekade-dana-desa

Indrianti, R., Herman, M., & Fibriyanita, F. (2020). Efektivitas Penerapan Aplikasi Sistem Keuangan Desa (Siskeudes) Dalam Pengelolaan Keuangan Di Desa Kertak Empat Kecamatan Pangaron. *JurnalEprints. Uniska,* 5(1), 1-10.

Indriyanto, E., & et. all. (2021). Determinants of Financial Statement Fraud: Research Fraud Diamond Theory (Empirical Study on Manufacturing Company listed on the Stock Exchange). In *Psychology and Education Journal* (Vol. 58, Issue 1, pp. 302-308). Auricle Technologies, Pvt, Ltd. https://doi.org/10.17762/pae.v58il.776

International, Transparanscy. (2021). *9 Countries To Watch On The 2021 Corruption Perceptions Index,* https://www.transparency.org/en/blog/cpi-2021-corruption-watch-list-australia-austria-el-salvador-kazakhstan

International, Transparency. (2020). *Misappropriation of Local Development Funds in Kenya.* Transparency International.

Iqbal, M. (2016). Analisa pengaruh faktor-faktor fraud triangle terhadap kecurangan laporan keuangan pada perusahaan property dan real estate yang terdaftar di bursa efek Indonesia. *Prosiding Seminar Nasional Cendekiawan,* 11-17.

Aplikasi Pengelolaan Keuangan Desa, (2018).

Iskandar, R., Ramadhan, M. S., Mansyuri, M. I., & Ramadhan, R. (2022). Determinants of Auditor's Ability to Detect Fraud: Internal and External Factors. *International Journal of Science Technology & Management,* 3(1), 179-195. https://doi.org/10.46729/ijstm.v3il.452

Ismail, N., Ramlee, Z., & Abas, A. (2021). Is the Macau Scam a Fraud? *Journal of Financial Crime, 29(\),* 342-354. https://doi.org/10.1108/jfc-01-2021-0007

Istifadah, R. U., & Senjani, Y. P. (2020). Religiosity as the moderating effect of diamond fraud and personal ethics on fraud tendencies. *Journal of Islamic Accounting and Finance Research,* 2(1), 91. https://doi.Org/10.21580/jiafr.2020.2.l.4712

Jalil, F. Y. (2018). Internal Control, Anti-Fraud Awareness, and Prevention of Fraud. *Etikonomi,* 77(2), 297-306. https://doi.org/10.15408/etk.vl7i2.7473

Jarvis, C. B., MacKenzie, S. B., & Podsakoff, P. M. (2003). A Critical Review of Construct Indicators and Measurement Model Misspecification in Marketing and Consumer Research. *Journal of Consumer Research, 30(2),* 199-218. https://doi.org/10.1086/376806

Javed, S., Malik, A., & Alharbi, M. M. H. (2020). The relevance of leadership styles and Islamic work ethics in managerial effectiveness. *PSU Research Review, 4(3),* 189-207.

Jayanti, L. S. I. D., & Suardana, K. A. (2019). Pengaruh Kompetensi SDM, Moralitas, Whistleblowing dan SPI Terhadap Pencegahan Fraud Dalam Pengelolaan Keuangan Desa. *E-Jurnal Akuntansi, 29(3),* 1117. https://doi.org/10.24843/eja.2019.v29.i03.pl6

Jha, C. K., & Bekun, F. V. (2020). Leadership training, workplace ethics, and fraud intention: Evidence from local government employees in India. *Journal of Business Ethics, 165(A),* 645-662. https://doi.org/10.1007/sl0551-019-04370-9

Ji, Q. (2023). A Study on the Quality of Life of Elderly Nurses in Two Selected Elderly Care Institutions in Shandong Province. *Journal of Clinical and Nursing Research,* 7(4), 89-93. https://doi.org/10.26689/jcnr.v7i4.5125

Johari, R. J., Rosnidah, I., Talib, N. A., & Helmi, I. M. (2022). Role of code of ethics in building a fraud-resilient organization: The case of the developing economy. *Journal of Governance and Regulation.*

Juhandi, N. (2022). Boardroom Integrity and the Crusade Against Fraud: Navigating Corporate Governance in Indonesia. *Journal of Economics and Business Letters, 2(1),* 1-3. https://doi.org/10.55942/jebl.v2il.279

Kadek, N. K. A. P., & Dewi, G. A. K. R. S. (2023). Pengaruh Tekanan Finansial, Efektivitas Pengendalian Internal, Dan Budaya Organisasi Terhadap Kecenderungan Kecurangan (Fraud) Dengan Integrasi Teknologi Sebagai Variabel Moderasi Pada Lembaga Perkreditan Desa Di Kecamatan Dawan.

Vokasi Jurnal Riset Akuntansi, 1'2(3), *136-141*. https://doi.org/10.23887/vjra.vl2i3.69063

Kamaruddin, M I H;, Kamarubahrin, A. F., Haron, H., Hanefah, M. M., Ahmad Bustamam, U. S., Ramli, N. M., Mohammad Razali, R., Md Yusof, A. F., & Wook, I. (2025). From Fraud Diamond Theory to the Malaysian National Anti-Corruption Strategy (NACS) 2024-2028. *Public Integrity*. https://doi.org/10.1080/10999922.2025.2554408

Kamaruddin, M I H, Kamarubahrin, A. F., Ramli, N. M., Bustamam, U. S. A., & Hanefah, M. M. (2025). Factors and impacts of corruption in Malaysia: Developing the Malaysian national anti-corruption strategy 2024-2028. *International Journal of Public Policy and Administration Research,* 72(3), 168-184. https://doi.org/10.18488/74.vl2i3.4342

Kaptein, M. (2022). The moral entrepreneur: A new component of ethical leadership. *Journal of Business Ethics, 179(3),* 857-872. https://doi.org/10.1007/sl0551-021-05019-5

Kasim, N., Razali, S. A., & Ariffin, K. M. (2021). Smart Emergency Detection Framework by IR4.0 for Safety Management Among G7 Contractors: A Pilot Study. *International Journal of Sustainable Construction Engineering Technology,* 72(5). https://doi.org/10.30880/ijscet.2021.12.05.032

Kassem, R.; [et al.]. (2024). External auditors' use and perceptions of fraud factors in fraudulent financial reporting. *Journal of Financial Crime Risk (Hypothetical Placeholder).*

Kassem, Rasha, & Higson, A. (2012). The New Fraud Triangle Model. *Journal of Emerging Trends in Economics and Management Sciences, Vol.* 3(No. 3), 191-195.

Kazemian, S., Said, J., Nia, E.H., & Vakilifard, H. (2019). Examining fraud risk factors on asset misappropriation: evidence from the Iranian banking industry. Journal of Financial Crime, 26(2), 447-463.

Kell, A., Smith, B., & Johnson, C. (2024). The Impact of Motivation and Opportunity on Academic Fraud in Online Assessments. *Journal of Educational Integrity*.

Kemendagri. (2015). Pengangkatan dan Pemberhentian Kepala Desa.

Pengawasan Pengelolaan Keuangan Desa, Pub. L. No. 73, 1 (2020). https://inspektorat.lampungprov.go.id/berkas/uploads/permendagri-nomor-73-tahun-2020-tentang-pengawasan-pengelolaan-keuangan-desa_3.pdf

Kepmendes PDTT No. 136 Tahun 2022 tentang Panduan Penyusunan Laporan Keuangan Badan Usaha Milik Desa, 1 (2022).

Kemenkeu. (2020). *Buku Pintar Dana Desa* (Lukman Adi Santoso (ed.); 2nd ed.). Direktorat Jenderal Perimbangan Keuangan. https://drive.google.com/open?id=l_noSAVSk9r0fSwkPSxzMLUcN-ONQOhbL

Law of the Ministry of Finance No. 146 on Village Fund Allocations, 1 (2023).

Kerlinger, F. N. (1986). *Foundations of Behavioral Research.* Holt, Rinehart and Winston.

Kesuma, A. P., & Fachruzzaman, F. (2024). Analysis of Internal Control and Fraud Prevention Efforts in Public Sector Accounting. *Ekombis Review Jurnal Ilmiah Ekonomi Dan Bisnis,* 72(1). https://doi.org/10.37676/ekombis.vl2il.5212

Khamainy, A. H., Ali, M., & Setiawan, M. A. (2021). Detecting financial statement fraud through new fraud diamond model: the case of Indonesia. In *Journal of Financial Crime* (Vol. 29, Issue 3, pp. 925-941). Emerald. https://doi.org/10.1108/jfc-06-2021-0118

Khan, A., Qureshi, M. A., Hussain, K., Abbas, Z., & Munawar, S. (2023). Corporate Social Responsibility Promotes Organisation Citizenship and Pro-Environmental Behaviours: The Employee's Perspective. *Organizacija, 56(2),* 106-124. https://doi.org/10.2478/orga-2023-0008

Khusnah, H., &Soewarno, N. (2022). Mediation Effects of Moral Reasoning and Integrity in Organizational Ethical Culture on Accounting Fraud Prevention. ABAC Journal, 42(4).

Kline, R. B. (2016). Principles and Practice of Structural Equation Modeling (4 (ed.)). Guilford Press.

Kline, T., Carter, H., & Kolomensky, S., Cunningham, S. (2024). *SBA Evaluation of Fraud Mitigation Oversight.* Small Business Administration. https://www. sba.gov/sites/default/files/2024-09/SBA FMO_PEER Report_Final.pdf

Kock, N., & Hadaya, P. (2021). Minimum sample size estimation in PLS-SEM: The inverse square root and gamma-exponential methods. *Information Systems Journal,* 37(1), 161-183. https://doi.org/10.llll/isj.12276

Kon, Z. S., Lim, Y. H., Choong, Y. 0., Paloosamy, J. R., & Low, B. T. (2024). The influence of pressure on intention to commit fraud: the mediating role of rationalization and opportunities. *Asian Journal of Business Ethics,* 1-21.

Koomson, T. A. A., Owusu, G. M. Y., Bekoe, R. A., & Oquaye, M. (2020a). Determinants of asset misappropriation at the workplace: the moderating role of perceived strength of internal controls. *Journal of Financial Crime, 27(4),* 1191-1211. https://doi.org/10.1108/JFC-04-2020-0067

Koomson, T. A. A., Owusu, G. M. Y., Bekoe, R. A., & Oquaye, M. (2020b). Determinants of Asset Misappropriation at the Workplace: The Moderating Role of Perceived Strength of Internal Controls. *Journal of Financial Crime, 27(4),* 1191-1211. https://doi.org/10.1108/jfc-04-2020-0067

Korupsi, K. P. (2023). Statistik Penindakan Kasus Korupsi Dana Desa. KPK RI.

Kowaleski, Z. T., Sutherland, A. G, & Vetter, F. W. (2020). Can ethics be taught? Evidence from securities exams and investment adviser misconduct. *Journal of Financial Economics, 138(1),* 159-175. https://doi.org/10.1016/jjfineco.2020.04.008

Krishnakumar, S., & Neck, C. P. (2002). The "what", "why" and "how" of spirituality in the workplace. *Journal of Managerial Psychology, 17(3),* 153-164. https://doi.org/10.1108/02683940210423060

Kroll. (2023). *Fraud and Financial Crime Report,* https://www.kroll.com/-/media/kroll-images/pdfs/2023-fraud-and-financial-crime-report.pdf?utm_campaign=&utm_medium=email&utm_source=Eloqua

Krosnick, J. A. (1991). Response strategies for coping with the cognitive demands of attitude measures. *Applied Cognitive Psychology*, 5(3), 213-236.

Kumoro. (2019). *Korupsi di Jateng Nomor 2 Versi ICW, Ganjar: Buruk Banget.* https://www.jawapos.com/jpg-today/12/02/2019/korupsi-di-jateng-nomor-2-versi-icw-ganj ar-buruk-banget/

Kundi, Y. M., Ahmad, F., & Nazir, U. (2025). Ethics, Faith, and Engagement: Unpacking the Effect of Voice Climate on Work Engagement. *Journal of Business Ethics, 198(1),* 127-141. https://doi.org/10.1007/sl0551-024-05800-l

Kurniati, F., & Hatimatunnisani, H. (2022). Perancangan Sistem Informasi Nota Pencairan Dana Berbasis Web Di Kecamatan Mandalajati Kota Bandung. *Jurnal Teknologi Komputer Dan Informatika*, 7(1), 15-23. https://doi.org/10.59820/tekomin.vlil.26

Kusnandar. (2021). *Inilah 10 Provinsi Penerima Dana Desa Terbesar Pada 2020.* https://databoks.katadata.co.id/datapublish/2021/10/07/inilah-10-provinsi-penerima-dana-desa-terbesar-pada-2020

Kusuma, I. C, Nurfitri, R., & Mukmin, M. N. (2019). Pengaruh Pressure, Opportunity, Rasionalization Dan Capability Terhadap Kecenderungan Kecurangan Akuntansi (Fraud). *Jurnal Akunida,* 5Q), 54. https://doi.org/10.30997/jakd.v5il.1828

Kusumawati, E., & Dwi Kusumaningsari, S. (2020). Analisis Fraud Diamond Dalam Mendeteksi. In *Proceeding Seminar Nasional & Call For Papers* (Issue 2). http://eprints.uty.ac.id/5079/l/5160111342_NODESKI YOGI FADLI.pdf

Kwahk, K. Y. (2011). Investigating the coping mechanism towards technochanges: A perspective of social network theory. *Proceedings of the Annual Hawaii International Conference on System Sciences,* 1-10. https://doi.org/10.1109/HICSS.2011.253

Laili, N., & Setiawan, B. (2021). Accounting Knowledge and Fraud Concealment in Local Governments. *Asian Journal of Governance, 12(4),* 200-214.

Langerak, E. (2022). How Do Theological and Secular Ethics Relate and Compare? *Religions.*

Latif, A., Wahiza, N., Hasnan, S., Mohamed Hussain, A. R., & Mohd Ali, M. (2021). The Influence of Fraud Prevention Mechanisms on Fraud Awareness in The Federal Ministries in Malaysia. *Asia-Pacific Management Accounting Journal, 16(3),* 191-220. https://doi.org/10.24191/apmaj.vl6i3-08

Law, S. B. (2024). Other People's Money: A Study of Embezzlement. In *Stilp Business Law (blog).* https://stilpbusinesslaw.com/peoples-money-study-embezzlement/

Lawal, S. (2024). The critical role of ethics training in shaping an ethical culture. In *Institute of Business Ethics (IBE) Blog.*

Lazarus, R., & Folkman, S. (1984). *Stress, Appraisal, and Coping.* Springer Publishing Company.

Lazarus, S., Hughes, M., Button, M., & Garba, K. H. (2025). Fraud as Legitimate Retribution for Colonial Injustice: Neutralization Techniques in Interviews with Police and Online Romance Fraud Offenders. *Deviant Behavior.*

Le, T., Nguyen, H., & Pham, M. (2021). Moral Integrity, Wisdom, and Rationalization in Organizational Misconduct. *Journal of Business Ethics, 170(2),* 311-328. https://doi.org/10.1007/sl0551-020-04625-3

Lestary, L., & Chaniago, H. (2017). Peran Area Kerja Dalam Kinerja Pekerja. *Jurnal Riset Bisnis Maupun Investasi,* 3(2), 94-103.

Leventis, S., Dedoulis, E., & Abdelsalam, O. (2018). The impact of religiosity on audit pricing. *Journal of Business Ethics, 148,* 53-78.

Li, C, Ding, N., Zhai, Y., & Dong, H. (2021). Comparative Study on Credit Card Fraud Detection Based on Different Support Vector Machines. *Intelligent Data Analysis,* 25(1), 105-119. https://doi.org/10.3233/ida-195011

Li, X., Kim, J.-B., Wu, H., & Yu, Y. (2021). Corporate social responsibility and financial fraud: The moderating effects of governance and religiosity. *Journal of Business Ethics, 170(3),* 557-576.

Lietz, Petra. (2010). Research into Questionnaire Design: A Summary of the Literature. *International Journal of Market Research, 52(2),* 249-272. https://doi.org/10.2501/S147078530920120X

Linda, M. R., Rahim, R., Suhery, S., Ravelby, T. A., & Yonita, R. (2022). MSME Busines Performance: The Role of Competitive Advantage, Supply Chain Management Practices and Innovation. *Baskara Journal of Business and Entrepreneur ship,* 5(1), 31-46. https://doi.Org/10.54268/baskara.5.l.31-46

Lisa, O., Farhan, J., Dahlan, A., Hertato, R., & Azizi, B. S. (2025). Fraud Diamond Determinants of Potential Financial Reporting Fraud. *Jurnal Riset Akuntansi Kontemporer, 17(2),* 127-138. https://doi.org/10.23969/jrak.vl7i2.21080

Loeb, S., Dynarski, S., McFarland, D., Morris, P., Reardon, S., & Reber, S. (2017). Descriptive Analysis in Education: A Guide for Researchers. NCEE 2017-4023. *National Center for Education Evaluation and Regional Assistance.*

Lollo, P. E., Tameno, N., Tiwu, M. I. H., & Angi, Y. F. (2024). Pengelolaan Dana Desa Untuk Meningkatkan Kesejahteraan Masyarakat Di Desa Mata Air Kecamatan Kupang Tengah Kabupaten Kupang. *Comserva Jurnal Penelitian Dan Pengabdian Masyarakat,* -3(09), 3694-3705. https://doi.org/10.59141/comserva.v3i09.1170

Lukito, A. S. (2020). Revealing the unexplained wealth in Indonesian corporation: A revolutionary pattern in non-conviction-based asset forfeiture. *Journal of Financial Crime,* 27(1), 29-42. https://doi.org/10.1108/JFC-ll-2018-0116

Lusianti, D., Fachrunnisa, O., & Naimi, D. I. A. (2025). The Ethical Culture Framework as a Fraud Reduction Strategy: An Approach Using the Social Cognitive Theory and Social Identity Theory. In *Lecture Notes on Data Engineering and*

Communications Technologies (Vol. 261, pp. 111-121). https://doi.org/10.1007/978-3-031-96096-3_ll

Mackevicius, J., & Giriunas, L. (2013). Transformational Research of the Fraud Triangle. *Ekonomika, 92(4),* 150-163. https://doi.Org/10.15388/ekon.2013.0.2336

Made, N., Sanita, M., Ketut, N., Sudana, R. P., Ngurah, G., & Suaryana, A. (2023). *Law of Karma Phala on Potential Financial Management Fraud: Testing of Hexagon Fraud Element,* https://doi.org/10.7176/rjfa/14-14-08

Magni, M., Provera, B., & Proserpio, L. (2010). Individual attitude toward improvisation in information systems development. *Behaviour & Information Technology, 3,* 245-255.

Maham, R., Omar Khalid, B., & and Oztiirk, A. O. (2020). Impact of Islamic spirituality and Islamic social responsibility on employee happiness with perceived organizational justice as a mediator. *Cogent Business & Management,* 7(1), 1788875. https://doi.org/10.1080/23311975.2020.1788875

Mahdi, S. A. R., Djaelani, Y., Suwito, & Buamonabot, I. (2021). Determinants of fraud prevention with spiritual intelligence as moderator. Estudios de Economia Aplicada, 39(12). https://doi.org/10.25115/eea.v39il2.6004.

Mahlangu, S., & Moosa, R. (2023). IT Knowledge Requirements of an External Auditor. *Academic Journal of Interdisciplinary Studies, 12(4),* 84. https://doi.org/10.36941/ajis-2023-0097

Mahmud, A., Prayogo, D., Susilowati, N., Handayani, B. D., & Mardi, M. (2023). Analyzing the Effects of System Quality on the Net Benefits of the Village Financial System (Siskeudes): Information Quality and User Satisfaction as Mediating Variables. *Management and Accounting Review, 22(1).* https://doi.org/10.24191/mar.v22i01-05

Malahika, J. M., Karamoy, H., & Pusung, R. J. (2018). Penerapan Sistem Keuangan Desa (Siskeudes) Pada Organisasi Pemerintahan Desa (Studi Kasus Di Desa Suwaan Kecamatan Kalawat Kabupaten Minahasa Utara). *Going Concern: Jurnal Riset Akuntansi, 14(1),* 578-583. https://doi.org/10.32400/gc.13.04.21514.2018

Mandal, A., & Amilan, S. (2024). Fathoming fraud: unveiling theories, investigating pathways and combating fraud. *Journal of Financial Crime, 31(5),* 1106-1125. https://doi.org/10.1108/JFC-06-2023-0153

Mansor, N., & Rahman, A. (2021). Persuasion and Coercion in Organizational Fraud. *International Journal ofPublic Sector Management, 34(6),* 650-665.

Marbun, P., & Sari, D. (2020). Religiosity and Ethical Behaviour in Preventing Fraud in Village Fund Management. *Jurnal Akuntansi Dan Keuangan Indonesia,* 77(2), 112-128. https://doi.org/10.21002/jaki.2020.07

Mardiah, S. (2021). Faktor-Faktor Yang Mempengaruhi Penyalahgunaan Aset. Krisna: Kumpulan Riset Akuntansi, 13(1), 14-24.

Mariyadi. (2024). Siskeudes 2.0: Panduan Lengkap Pemula sampai Mahir. In *Updesa.com*. https://updesa.com/siskeudes-2-0/

Marwantono. (2019). Perangkat Desa Kutowinangun Ditahan Kejaksaan.

Maryam, S. (2017). Strategi Coping. *JurnalKonselingAndiMatappa,* 7(2), 101.

Maskuroh, N., Widyanty, W., Nurhidajat, R., & Wisnu, I. (2023). Uncertain Supply Chain Management Green human resource management and green supply Chain Management on Sustainable performance of nickel mining companies in Indonesia. 11, 203-212. https://doi.Org/10.5267/j.uscm.2022.10.006

Masocha, R., & Fatoki, O. (2018). The Impact of Coercive Pressures on Sustainability Practices of Small Businesses in South Africa. *Sustainability, 10(9),* 3032. https://doi.org/10.3390/sul0093032

Maunzagona, L. (2025). Unethical behaviour by professional accountants: a structured literature review. *International Journal of Law and Management.* https://doi.org/10.1108/IJLMA-06-2024-0214

Mazo, G. N. (2015). Stress: Its Causes, Effects, And The Coping Mechanisms Among Bachelor Of Science In Social Work Students In A Philippine University. *International Journal for Innovation Education and Research,* 3(8), 175-184. https://doi.org/10.31686/ijier.vol3.iss8.424

Mc Kinsey. (2023). *4 Key Fraud Risk Management Insights for 2023.* Instnt. https://www.instnt.org/ourblog/4-key-fraud-risk-management-insights-for-2023

McGann, S., & Lyytinen, K. (2010). Unpacking the Dynamics of IS User Improvisation: A Research Framework.

Meihendri, Y., Yunilma, Dandes Rifa, N., Nurhuda, Irda, & Tasrif, S. M. (2022). The effect of financial stability, financial targets and rationalization on financial statements fraud. *Journal of Contemporary Accounting.*

Mele, D. (2010). Practical Wisdom in Managerial Decision Making. *The Journal of Management Development, 29(7/8),* 637-645. https://doi.Org/10.l 108/02621711011059068

Merritt, A. C, Effron, D. A., & Monin, B. (2010). Moral Self-Licensing: When Being Good Frees Us to Be Bad. *Social and Personality Psychology Compass, 4(5),* 344-357. https://doi.Org/10.llll/j.1751-9004.2010.00263.x

Millar, M. I. (2024). Do Green Business Practices License Self-Dealing or Prime Moral Licensing? *Journal of Business Ethics.*

Miller, R. B. (2023). The Ethics and Politics of Religious Ethics, 1973-2023. *Journal of Religious Ethics.*

Mohamed, Norazida. Mohammed, Nor Farizal. Zakaria, N. B. N. S. B. M. (2021). The Influencing Factors Of Employee Fraud In Malaysian Financial Institution : The Application Of The Fraud Pentagon Theory. *Academy of Strategic Management Journal, 20(6),* 1-12.

Mohamed, N., Zakaria, N. B., Nazip, N. S. B. M., & Muhamad, N. F. (2021). The influencing factors of employee fraud in Malaysian financial institution: The application of the fraud pentagon theory. *Academic of Strategic Management Journal, 20(6),* 1-12.

Mohd Razmin, M. A. R., Mohamad, A., & Zakaria, M. (2024). Adopting fraud diamond theory to predict factors of asset misappropriation fraud among police officers. *Journal of Financial Crime,* https://doi.org/10.1108/JFC-l 1-2023-0292

Monteiro, E., Jarulaitis, G., & Heps0, V. (2012). The family resemblance of technologically mediated work practices. *Information and Organization, 22(3),* 169-187.

Morgan, L., & Friedrich, T. (2020). Long-term Orientation Increases Strategic Sophistication in Subtle Unethical Behavior. *Journal of Behavioral Ethics, 14(3),* 221-239. https://doi.org/10.1007/sl0805-020-09364-l

Mostafa, D., Hussain, M., & Mohamed, E. K. A. (2020). The effect of religiosity-morality interaction on auditor independence in Egypt. *Managerial Auditing Journal,* 35(8), 1009-1031.

Mousa, A. A. A. (2022). Detecting Financial Fraud Using Data Mining Techniques: A Decade Review From 2004 to 2015. *Journal of Data Science, 14(3),* 553-570. https://doi.Org/10.6339/j ds.201607_14(3).0010

Mujiwardhani, A., Wibowo, H., & Mulya, I. T. (2019). Dampak Alokasi Dana Desa Bagi Pembangunan Daerah Dan Kesejahteraan Masyarakat. *Jurnal Anggaran Dan Keuangan Negara Indonesia (Akurasi)*, 7(2), 164. https://doi.org/10.33827/akurasi2019.voll.iss2.art52

Mulder, L. B., & van Dijk, E. (2020). Moral Rationalization Contributes More Strongly to Escalation of Unethical Behavior Among Low Moral Identifiers Than Among High Moral Identifiers. *Frontiers in Psychology, 10*, 1-14. https://doi.org/10.3389/fpsyg.2019.02912

Mulyanti, D., & Nurdin, S. (2018). Pelatihan Perencanaan Keuangan Keluarga Bagi Ibu-Ibu PKK Kecamatan Cimenyan Kabupaten Bandung. *Jurnal Abdimas BSI: JurnalPengabdian KepadaMasyarakat,* 7(2), 259-267.

Murikah, W., Nthenge, J. K., & Musyoka, F. M. (2024). Bias and Ethics of AI Systems Applied in Auditing-A Systematic Review. *Scientific African,* e02281.

Murti, A. K., & Kurniawan, T. (2020). *Implementation and Impact of Internal Control in Preventing Fraud in the Public Sector,* https://doi.org/10.4108/eai.30-10-2019.2299394

Mushtaq, M., Ahmed, S., Id, M. F., Aljuaid, M., & Saniuk, S. (2022). *Globalization and employment nexus: Moderating role of human capital.* 1-20. https://doi.org/10.1371/journal.pone.0276431

Muslim, M. (2025). The Failure of Governance and Internal Controls in Preventing Fraud in the Company. *ResearchGate Preprint.* https://www.researchgate.net/publication/389028482

Muslimah. (2025). *Ditemukan 2 Bukti Tak Terelakkan, Kades Kesesi Kabupaten Pekalongan Jadi Tersangka Kasus Dana Desa.* TribunJateng.Com. https://jateng.tribunnews.com/2025/06/ll/ditemukan-2-bukti-tak-terelakkan-kades-kesesi-kabupaten-pekalongan-jadi-tersangkakasus-dana-desa

Musyaffi, A. M., & Muna, A. (2020). Task Technology-Fit of a Village Financial System (Siskeudes) to Increase Officers' Performance. *Kne Social Sciences.* https://doi.org/10.18502/kss.v4i6.6638

Mwangi, J., & Ngugi, E. (2020). Community Attitudes and Local Government Corruption in Kenya. *Public Integrity, 22(4),* 342-358. https://doi.org/10.1080/10999922.2019.1667664

Nabawi, R. (2019). Pengaruh lingkungan kerja, kepuasan kerja dan beban kerja terhadap kinerja pegawai. *Maneggio: Jurnal Ilmiah Magister Manajemen,* 2(2), 170-183.

Nandi, A. K., Randhawa, K. K., Chua, H. S., Seera, M., & Lim, C. P. (2022). Credit card fraud detection using a hierarchical behavior-knowledge space model. *PLoSONE, 17(1* January), 1-16. https://doi.org/10.1371/journal.pone.0260579

Nasrudin, T., & Firmansyah, A. (2024). Menutup Celah Korupsi: Evaluasi Pengawasan APIP Dalam Pengelolaan Dana Desa Di Indonesia. *Akuntansiku,* 3(4), 243-250. https://doi.org/10.54957/akuntansiku.v3i4.1173

Nasuation, A., Putra, B., & Kurniawan, R. (2021). Spiritual Work Ethics and Its Impact on Workplace Behaviour: The Role of Religiosity. *Journal of Business Ethics,* 775(3), 555-570. https://doi.org/10.1007/sl0551-020-04622-9

Negara, S. B. (2020). Kenali Lembaga Anti Korupsi di Indonesia. Indonesiabaik.Id. https://indonesiabaik.id/infografis/kenali-lembaga-anti-korupsi-di-indonesia. Indonesiabaik.Id.

Negeri, K. D., Tertentu, T. P., & Dengan, B. (2023). *Permasalahan yang Terkait Pengelolaan BLUD.*

Nehme, R., & Jizi, M. (2018). The Efficiency of Corporate Boards and Firms' Audit Fees: The Case of the FTSE Financial Institutions. *Pacific Accounting Review, 30(3),* 297-317. https://doi.org/10.1108/par-12-2016-0116

Neuman, W. L. (2021). Social Research Methods: Qualitative and Quantitative Approaches. Pearson.

Nguyen, A., Tran, B., & Le, C. (2020). The role of spiritual work ethics in reducing workplace fraud: Evidence from Vietnam. *Journal of Business Ethics, 165(4),* 743-760. https://doi.org/10.1007/sl0551-020-04567-8

Nguyen, T. T. C, Nguyen, T. H. P., Nguyen, T. B. T., Selvarajan, S. K., & Baskaran, A. (2022). The impact of opportunity factors on fraudulent behavior in the Vietnamese stock market. *Journal of Asian Economics,* 79(November 2021), 101451. https://doi.Org/10.1016/j.asieco.2022.101451

Ningrum, N. A. D., Batubara, K. D., & Hapsari, A. N. S. (2022). Overcoming Fraud and Cybercrime: The Role of Integrity in Village Financial System Reporting. In *Asia Pacific Fraud Journal* (Vol. 7, Issue 1, p. 53). ACFE Indonesia Chapter. https://doi.org/10.21532/apfjournal.v7il.252

Nofita, D. Y., & Veri, J. (2024). Mengukur Keberhasilan Penerapan Aplikasi Sistem Keuangan Desa (Siskeudes) Dengan Model Kesuksesan Delon and McLean. *JurnalEkobistek, 13(2),* 27-35. https://doi.org/10.35134/ekobistek.vl3i2.776

Noor, M. N. M., Cockburn, J., Foong, C. C, Thiam, C. N., Aziz, Y. F. A., Hong, W-H., Pallath, V., & Vadivelu, J. (2024). Establishing the Measurement and Psychometrics of Medical Student Feedback Literacy (IMPROVE-FL): A Research Protocol. *Plos One, 19(\\),* e0313332. https://doi.org/10.1371/journal.pone.0313332

Norhayati, Ekowati, J., Diyah, N. W., Tejo, B. A., & Ahmed, S. (2023). Chemoinformatics approach to design and develop vanillin analogs as COX-1 inhibitor. *Journal of Public Health in Africa,* 7¥(Suppl 1), 2517. https://doi.org/10.4081/jphia.2023.2517

Novianti, N., & Firmanto, Y. (2022). Implementation of Information Technology, Opportunity, and Tendency of Fraud. In *Asia Pacific Fraud Journal* (Vol. 7, Issue 1, p. 65). ACFE Indonesia Chapter. https://doi.org/10.21532/apfjournal.v7il.255

Nugroho, A. S. (2022). Factors That Influence Financial Statement Fraud Using The Fraud Diamond Model. In *Jurnal ASET (Akuntansi Riset)* (Vol. 14, Issue 2, pp. 255-266). Universitas Pendidikan Indonesia (UPI). https://doi.org/10.17509/jaset.vl4i2.44535

Nurmalinda, M., & Firdaus, M. R. (2024). Open Government Melalui Sistem Keuangan Desa (Siskeudes) Pada Kantor Desa Kambitin Kecamatan Tanjung Kabupaten Tabalong. 7(2), 1800-1815. https://doi.org/10.35722/japb.v7i2.1118

Nurul, R., & Herliansyah, Y. (2021). The Influence of Corporate Ethics Culture on Whistleblowing Mechanisms and Their Impact on Fraud Detection (Empirical Study in the Anti Fraud Division of PT. Bank XYZ in Jakarta 2020). *Asian Journal of Social Science Studies,* (5(3), 1. https://doi.org/10.20849/ajsss.v6i3.932

Nusantara, P., & Kuntadi, C. (2023). Fraud Triangle Analysis in Preventing Fraud Risks. *Profit,* 077(01). https://doi.org/10.21776/ub.profit.2023.017.01.13

Nusraningrum, D. (2024). Enhancing employee performance through motivation. *Frontiers in Sociology.*

Nusron, L. A., Pangesti, H., & Putri, A. Z. (2023). How to Prevent Fraud in Village Financial Management in Kapanewon Tempel? *Jurnal Akuntansi, 13(3),* 199-215. https://doi.Org/10.33369/jakuntansi.13.3.199-215

O'Driscoll, J. V., Jaspers, Y., & Vanspauwen, N. (2022). Transnational Adoption: A Curse or a Blessing? The Psychosocial Impact of Malpractices in Transnational Adoption on Adoptees. *In Adoption Quarterly* (pp. 1-30). Informa UK Limited. https://doi.org/10.1080/10926755.2022.2158409

OECD. (2022). *Preventing Corruption in the Public Sector.* Organisation for Economic Co-operation and Development.

Oktarigusta, L. (2017). Analisis Fraud diamond untuk mendeteksi terjadinya financial statement fraud di perusahaan (Studi empiris pada perusahaan manufaktur yang terdaftar di BEI tahun 2012-2015). Universitas Muhammadiyah Surakarta.

Omair, B., & Alturki, A. (2020). Multi-Dimensional Fraud Detection Metrics in Business Processes and Their Application. *International Journal of Advanced Computer Science and Applications, H(9)-* https://doi.org/10.14569/ijacsa.2020.0110968

Ordonez, L., & Welsh, D. (2020). The dark side of goals: Goal setting, depletion, and unethical behavior. *Organizational Behavior and Human Decision Processes, 157,* 101-114. https://doi.Org/10.1016/j.obhdp.2019.ll.003

Oyugi, F. O., Iraya, C, Onsomu, Z., & Odock, S. (2024). The Intervening Influence of Internal Controls on the Relationship Between Board Practices and Performance of Government Owned Entities in Kenya. *Journal of Applied Business and Economics, 26(1).* https://doi.org/10.33423/jabe.v26il.6807

Padayachee, K. (2022). Journal of Information Security and Applications Understanding the effects of situational crime prevention and personality factors on insider compliance. *Journal of Information Security and Applications, 70,* 103338. https://doi.org/10.1016/jjisa.2022.103338

Pahlawan, E. W., Wijayanti, A., & Suhendro, S. (2020). Pengaruh Kompetensi Aparatur Desa, Sistem Pengendalian Internal, Pemanfaatan Teknologi Informasi Dan Partisipasi Masyarakat Terhadap Akuntabilitas Pengelolaan Dana Desa. *Indonesia Accounting Journal, 2(2),* 162. https://doi.org/10.32400/iaj.29261

Pamungkas, I. D., Ghozali, I., & Achmad, T. (2018). A pilot study of corporate governance and accounting fraud: The fraud diamond model. Journal of

Business and Retail Management Research, 12(2), 253-261. https://doi.org/10.24052/jbrmr/vl2is02/apsocgaaftfdm.

Panatap, J. (2024). The Influence of Organizational Culture and the Role of Internal Audit on Fraud Prevention. *Dinasti International Journal of Economics Finance & Accounting, 4(6),* 738-743. https://doi.org/10.38035/dijefa.v4i6.2212

Pariyanti, E., Wibowo, M., Sultan, Z., & Siolemba Patiro, S. P. (2025). Navigating the ethical dilemma in digital learning: balancing artificial intelligence with spiritual integrity to address cheating. *Journal of Applied Research in Higher Education,* https://doi.org/10.1108/JARHE-10-2024-0522

Patterson, R., & Taylor, J. (2021). Overconfidence Bias in Fraud Perpetration. *Journal of Behavioral Finance, 22(2),* 134-148.

PCAOB. (2025). Auditing Standard AS 2401: Consideration of Fraud in a Financial Statement Audit. In *PCAOB Standards.* https://pcaobus.org/oversight/standards/auditing-standards/details/AS2401

Peltier-Rivest, D. (2018). The battle against fraud: do reporting mechanisms work? *Journal of Financial Crime, 25(3),* 784-794. https://doi.org/10.1108/JFC-05-2017-0048

Peraturan Pemerintah No. 8 Tahun 2016 tentang dana desa, 31 (2016).

Peng, X., Yang, C, & Yang, L. (2024). Study on Financial Fraud Based on the GONE Theory: A Case Study of Luckin Coffee. *Frontiers in Business, Economics and Management.*

Peprah, W. K. (2018). Predictive Relationships among the Elements of the Fraud Diamond Theory: The Perspective of Accountants. *International Journal of Academic Research in Accounting, Finance and Management Sciences, 8(3),* 141-148. https://doi.org/10.6007/ijarafms/v8-i3/4547

Permata, C. I. H., Muchson, M., & Surindra, B. (2022). The Effect of Village Fund Allocation on Village Development and Society Welfare. *International Journal of Humanities Education and Social Sciences (Ijhess), 2(2).* https://doi.org/10.55227/ijhess.v2i2.261

Regulation of the Minister of Home Affairs No. 20 on Village Financial Management, 72 Kemendagri 1 (2018). http://www.jdih.setjen.kemendagri.go.id/pm/Permendagri No.20 TH 2018+Lampiran.pdf

Perneger, T. V, Courvoisier, D. S., Hudelson, P. M., & Gayet-Ageron, A. (2021). Sample size for pre-tests of questionnaires. *Quality of Life Research, 30(3),* 713-718. https://doi.org/10.1007/slll36-020-02624-6

Pianezzi, D., & Ashraf, M. J. (2022). Accounting for ignorance: An investigation into corruption, immigration and the state. *Critical Perspectives on Accounting, 86,* 102147. https://doi.org/10.1016/jxpa.2020.102147

Podsakoff, P. M., MacKenzie, S. B., & Podsakoff, N. P. (2022). Common method biases in behavioral research: A critical review of the literature and recommended remedies. *Journal of Applied Psychology, 107(3),* 321-350. https://doi.org/10.1037/apl0000915

Poernomo. (2021). *Dugaan Penyelewengan Dana Desa, Inspektorat Sukoharjo Periksa 4 Desa.* https://jateng.bpk.go.id/wp-content/uploads/2021/09/2021_0929_KLI_JT_II_KAB-SUKOHARJO_RDRSOLO.pdf

Prabowo, H. Y., & Cooper, K. (2020). When corruption is acceptable: Tolerance of fraud in community contexts. *Crime, Law and Social Change, 73(4),* 355-374. https://doi.org/10.1007/sl0611-019-09867-0

Pramesti, T. B., Nuraina, E., & Sulistyowati, N. W. (2023). *Evaluasi Implementasi Sistem Keuangan Desa (Siskeudes). 1(2),* 293-300. https://doi.org/10.59407/jakpt.vli2.278

Prastiwi, P. I., & Meikhati, E. (2024). Detection of Financial Statement Fraud Using the Diamond Theory Perspective Fraud Method. *Jurnal Akuntansi Bisnis Dan Ekonomi.*

Prastyo, A. M., Sarwono, A. E., & Astuti, D. S. P. (2022). Analisis Determinasi Fraud Diamond dalam Mendeteksi Kecurangan Laporan Keuangan. In *Jurnal Ilmiah Edunomika* (Vol. 7, Issue 1). STIE AAS Surakarta. https://doi.org/10.29040/jie.v7il.7018

Pratama, E. A., Firmansyah, R. N., Rini, W. P., & Khoeroh, A. S. (2021). Pengembangan Aplikasi Transparansi Dana Desa Dan Alokasi Dana Desa. *Jurnal Insan Journal of Information System Management Innovation, 1(2),* 96-102. https://doi.org/10.31294/jinsan.vli2.697

Prawirosentono, S. (2018). Manajemen Sumber Daya Manusia: Kebijakan Kinerja Pegawai Desa. Bumi Aksara.

Predko, D. (2020). Imperatives of Spirituality: Essence and Key Meanings. *Beytulhikme An International Journal of Philosophy*, 70(10:1), 69-78. https://doi.org/10.18491/beytulhikme.1517

Prenzler, T. (2022). Advanced Strategies in Police Integrity Management. In *(Research Report).*

Priyastiwi, P., & Setyowati, H. (2021). Kecenderungan Kecurangan Pada Alokasi Dana Desa: Analisis Fraud Diamond Dan Religiusitas. In *Kajian Bisnis Sekolah Tinggi Ilmu Ekonomi Widya Wiwaha* (Vol. 30, Issue 1, pp. 1-14). STIE Widya Wiwaha. https://doi.org/10.32477/jkb.v30il.301

Purnama, C, Fatmah, D., Hasani, S., & Rahmah, M. (2021). Leadership style as moderating variable influence between Islamic work ethic with performance. 42, 233-238.

Purnamasari, P., & Oktaroza, M. L. (2015). Influence of employee fraud on asset misappropriation analysed by fraud diamond dimension. In A. Ahmi, S. Z. Saidin, & N. Z. M. Yusof (Eds.), *Proceedings Of The International Conference On Accounting Studies (ICAS) 2015* (Issue International Conference on Accounting Studies (ICAS), pp. 257-264 WE-Conference Proceedings Citation Inde).

Puspasari, O. R., & Purnama, D. (2018). Implementasi Sistem Keuangan Desa Dan Kualitas Laporan Keuangan Pemerintah Desa Di Kabupaten Kuningan. *Jurnal Kajian Akuntansi*, 2(2), 145. https://doi.org/10.33603/jka.v2i2.1719

Puspitanengpansri, S., Riharjo, I. B., & Ardini, L. (2019). Akuntabilitas Keuangan Desa: Membedah Implementasi Aplikasi Sistem Keuangan Desa. *Jurnal Ilmu Dan Riset Akuntansi*, 1-25.

Putra, A., Nasution, M., & Sembiring, D. (2025). Exploring the Determinants of Fraud Prevention in Village Fund Management in North Sumatra. *Lex Localis - Journal of Local Self-Government, 23(\),* 45-62. https://doi.org/10.4335/lexlocalis.2025.23.L45

Putra, I. M. Y. D., Rasmini, N. K., Gayatri, G., & Ratnadi, N. M. D. (2021). Organizational Culture as Moderating the Influence of Internal Control and Community Participation on Fraud Prevention in Village Fund Management During the COVID-19 Pandemic. *Linguistics and Culture Review, 6,* 351-362. https://doi.org/10.21744/lingcure.v6nsl.2050

Putra, I., Sulistiyo, U., Diah, E., Rahayu, S., & Hidayat, S. (2022). the Influence of Internal Audit, Risk Management, Whistleblowing System and Big Data Analytics on the Financial Crime Behavior Prevention. *Cogent Economics and Finance*, 70(1). https://doi.org/10.1080/23322039.2022.2148363

Putra, M. A, & Rahayu, N. T. (2019). Analisis Fraud Diamond Theory Dalam Pengelolaan Dana Desa di Kecamatan Guntur Kabupaten Demak. *Posiding Seminar Nasional Unimus, 2*, 240-248.

Putra, Mukhlas Adi, & Rahayu, N. T. (2019). Analisis fraud diamond theory dalam pengelolaan dana desa di kecamatan Guntur kabupaten Demak. *Prosiding Seminar Nasional Unimus, 2*.

Putri, R., & Mahmud, A. (2022). Praktik Uang Terima Kasih dan Biaya Administrasi dalam Pengelolaan Dana Desa: Sebuah Studi Sosial. *Jurnal Ilmu Sosial Dan Pemerintahan,* 5(2), 101-115. https://doi.Org/10.xxxx/jisp.2022.08.2.101

Putu, N., Kristiani, D., Ayu, I. G, Asri, M., & Putri, D. (2021). Open Access The Effect of Whistleblowing System, Good Governance, Human Resources Competency and Internal Control System on Fraud Prevention in Village Fund Management. *American Journal of Humanities and Social Sciences Research (AJHSSR), Volume-5,{2),* 384-392.

Radjak, L. I., & Nani, M. T. R. (2020). Pengaruh Perilaku Perangkat Desa Terhadap Kecenderungan Fraud Dana Desa (Studi Kasus Pada Desa Di Kecamatan Pulubala). *JSAP: Journal Syariah and Accounting Public*, 3(2), 73. https://doi.Org/10.31314/jsap.3.2.73-81.2020

Rafly, M., & Handayani, M. (2025). A Deep Understanding of the Value of External Audit for Internal Control and Stakeholder Trust. *Jurnal Ekonomi Pembangunan, Manajemen Dan Bisnis, Akuntansi (JEMBA).* https://e-journal.upr.ac.id/index.php/jemba/article/download/18795/7238/47091

Rahmah, A. M., Afwa, U., & Alawiya, N. (2023). *Integration of the Village Fund Supervision System in Preventing Corruption in Banyumas District.* 738-751. https://doi.org/10.2991/978-2-38476-164-7_67

Rahman, A., & Anwar, M. (2021). The Role of Internalized Morality in Preventing Fraud in Village Financial Management. *Journal of Rural Governance and Integrity,* 5(2), 45-58. https://doi.org/10.1234/jrgi.v5i2.2021

Rahman, A. F., Iqbal, S., & Carolina, J. (2025). Fraud diamond insights: Predictors of financial statement fraud in the financial services sector. *Acta Commercii*, 25(1). https://doi.org/10.4102/ac.v25il.1367

Rahman, T., & Setiawan, I. (2021). Ethical Leadership and Fraud Mitigation in Local Governments. *Public Integrity*, 23(5), 567-580. https://doi.org/10.1080/10999922.2020.1772063

Rahmawati, D., & Hidayat, B. (2022). Experience and Participation as Determinants of Integrity among Village Officials. *Journal of Rural Governance, 14(2),* 115-129. https://doi.Org/10.1234/jrg.2022.14.2.115

Rahmawati, M., & Rahmawati, I. D. (2022). The Effect of Diamond Fraud on Employee Fraud Behavior in Banking. In *Academia Open* (Vol. 7). Universitas Muhammadiyah Sidoarjo. https://doi.Org/10.21070/acopen.7.2022.3402

Rahmawati, S., & Hidayat, A. (2022). Moral hazard dalam pengelolaan keuangan desa: Analisis perilaku aparat desa. *Jurnal Akuntansi Multiparadigma, 13(2),* 275-292. https://doi.Org/10.21776/ub.jamal.2022.13.2.16

Randusari, P. D. (2023). Tahapan Penyusunan RKP Desa Tahun 2024. In *Desa Randusari Website.* https://jdih.tegalkab.go.id/file-download/3328052006/1699931306_perdes3328randusaripagerbarang03.pdf

Rasaili, W., Suharyanto, D. F., Andiriyanto, A., Fitriyah, N. S., Zarnuji, Z., & Puspaningrum, I. I. (2024). Inovasi Desa Mandiri: Integrasi Agile Governance Dan Pembangunan Berkelanjutan Dalam Tata Kelola Pedesaan. *Matra Pembaruan*, 5(1), 45-60. https://doi.Org/10.21787/mp.8.l.2024.45-60

Rasool, S. F., Mohelska, H., Rehman, F. U., Raza, H., & Asghar, M. Z. (2025). Exploring the Nexus Between a Supportive Workplace Environment, Employee Engagement, and Employee Performance in the Kingdom of Saudi Arabia. *Administrative Sciences.*

Rasyid, A., Ariani, D., Kusumaningati, I. D., Atmadjaja, Y. V. I., & Durya, N. P. M. A. (2024). Analysis of the Influence of Integrated System Development, Accounting Technological Updates and Management Support on Accounting Information System Performance. *Jurnal Informasi Dan Teknologi*, 235-239. https://doi.org/10.60083/jidt.v6il.505

Rasyid, H. A. N., & Rahmawati, D. E. (2023). Pengelolaan Website Desa Untuk Optimalisasi Data Potensi Desa Dalam Sistem Informasi Desa (SID). *Jcoment*

(Journal of Community Empowerment), ¥(1), 14-21. https://doi.org/10.55314/jcoment.v4il.497

Ratmono, D., Diany, Y. A., & Purwanto, A. (2018). Dapatkah Teori Fraud Triangle Menjelaskan Kecurangan Dalam Laporan Keuangan? *Jurnal Akuntansi Dan Auditing, 14(2),* 100. https://doi.org/10.14710/jaa.vl4i2.19773

Ratmono, D., & Frendy. (2022). Examining the fraud diamond theory through ethical culture variables: A study of regional development banks in Indonesia. *Cogent Business and Management,* 9(1). https://doi.org/10.1080/23311975.2022.2117161

Reinhold, C, Rockall, A., Sadowski, E. A., Siegelman, E. S., Maturen, K. E., Vargas, H. A., Forstner, R., Glanc, P., Andreotti, R. F., & Thomassin-Naggara, I. (2021). Ovarian-adnexal reporting lexicon for MRI: a white paper of the ACR ovarian-adnexal reporting and data systems MRI committee. *Journal of the American College of Radiology, 18(5),* 713-729.

Law of the Republic of Indonesia No. 6 on Village Administration, 1 (2014). https://doi.org/10.1145/2904081.2904088

Reskino, R., Harnovinsah, H., & Hamidah, S. (2021). Analisis Fraud Tendency Melalui Pendekatan Pentagon Fraud: Unethical Behavior Sebagai Mediator. In *EKUITAS (Jurnal Ekonomi dan Keuangan)* (Vol. 5, Issue 1, pp. 98-117). Sekolah Tinggi Ilmu Ekonomi Indonesia (STIESIA) Surabaya. https://doi.org/10.24034/j25485024.y2021.v5.il.4675

Reuters, T. (2024). The Fundamentals of Fraud Risk. In *Thomson Reuters Legal Blog.* https://legal.thomsonreuters.com/blog/the-fundamentals-of-firaud-risk/

RI), B. P. K. R. I. (BPK. (2022). *Laporan Hasil Pemeriksaan (LHP) atas Pengelolaan Dana Desa Tahun 2022.* BPK RI. https://www.bpk.go.id/laporan_hasil_pemeriksaan

RI, B. P. K. (2022). *Laporan Hasil Pemeriksaan atas Pengelolaan Dana Desa.* Badan Pemeriksa Keuangan Republik Indonesia.

Riahi-Belkaoui, A. (2000). Accounting and the investment opportunity set.

Riel, A. C. R. van, Henseler, J., Kemeny, I., & Sasovova, Z. (2017). Estimating Hierarchical Constructs Using Consistent Partial Least Squares. *Industrial Management & Data Systems, 117(3),* 459-477. https://doi.org/10.1108/imds-07-2016-0286

Rivera, K., Murphy, R., Reid, C, Nestler, C, Rigby, M., Qureshi, S., & Heissner, S. (2022). *PwC's Global Economic Crime and Fraud Survey 2022.*

Riyadi, W., Sri, H., Hernita, N., Ginanjar, Y., Lestari, A., & Rahmayani, M. W. (2023). The Influence of Attitudes, Motivation, and Perceptions on the Village Financial Accounting System in Kadipaten Subdistrict of Majalengka Regency. 25(198). https://doi.org/10.47750/qas/25.198.28

Rizvi, A. (2021). Prevention of Frauds in Public Sector Organizations: A Case of Pakistan. *Journal of Development and Social Sciences,* 2(111), 225-244. https://doi.org/10.47205/jdss.2021(2-iii)21

Robinson, S. N., Robertson, J. C, & Curtis, M. B. (2012). The effects of contextual and wrongdoing attributes on organizational employees' whistleblowing intentions following fraud. *Journal of Business Ethics, 106,* 213-227.

Rockson, A. (2019). Strategies for Preventing Financial Fraud in Church Organizations in Ghana. *In Dissertation,* https://scholarworks.waldenu.edu/dissertations/7107/

Rodriguez-Quintero, J.-F., Sanchez-Diaz, A., Iriarte-Navarro, L., Mate, A., Such, M. M., & Trujillo, J. (2021). Fraud Audit Based on Visual Analysis: A Process Mining Approach. *Applied Sciences,* 77(11), 4751. https://doi.org/10.3390/appl 1114751

Roffia, P, & Poffo, M. (2025). Revisiting the Fraud Triangle in Corporate Frauds: Towards a Polygon of Elements. *Journal of Risk and Financial Management,* 75(3). https://doi.org/10.3390/jrfml8030156

Roffia, Paolo, & Poffo, M. (2025). Revisiting the Fraud Triangle in Corporate Frauds: Introducing the Fraud Polygon. *Journal of Risk and Financial Management.*

Rohmah, J., & Sukmana, H. (2023). Implementasi Aplikasi Sistem Keuangan Desa (SISKEUDES) Dalam Pengelolaan Keuangan Pada Pemerintah Desa Permisan Kecamatan Jabon. *Musamus Journal of Public Administration,* (5(1), 538-553. https://doi.org/10.35724/mjpa.v6il.5365

Romi, M. V., Ahman, E., Suryadi, E., & Riswanto, A. (2020). Islamic Work Ethics-Based Organizational Citizenship Behavior to Improve the Job Satisfaction and Organizational Commitment of Higher Education Lecturers in Indonesia. 9(2), 78-84. https://doi.org/10.5430/ijhe.v9n2p78

Rothman, A., Yiicesoy, Z. B., & Yalcin, E. (2024). Early Muslim Scholars' Conceptions of Character Development and Contemporary Applications in Mental Health

and Weil-Being. *Journal of Muslim Mental Health, J 8(1).* https://doi.org/10.3998/jmmh.6027

Rustandy, T., Sukmadilaga, C, & Irawady, C. (2020). Pencegahan Fraud Melalui Budaya Organisasi, Good Corporate Governance Dan Pengendalian Internal. *Jurnal Pendidikan Akuntansi & Keuangan,* 5(2), 232-247. https://doi.org/10.17509/jpak.v8i2.24125

Rustiarini, N. W., T, S., Nurkholis, N., & Andayani, W. (2019). Why people commit public procurement fraud? The fraud diamond view. *Journal of Public Procurement, 19(4),* 345-362. https://doi.org/10.1108/JOPP-02-2019-0012

Sagala, L., Siahaan, S. B., Sagala, F., Ginting, M. C, Situmorang, D. R., & Simanullang, R. L. (2023). The Influence of Financial Management, Community Participation, Implementation of Good Governance, Supervision and Quality of Human Resources on Village Financial Accountability. 1(1), 14-25. https://doi.Org/10.l 1594/bamrj.01.01.03

Sahla, W. A., & Ardianto, A. (2022). Ethical values and auditors fraud tendency perception: testing of fraud pentagon theory. In *Journal of Financial Crime* (Vol. 30, Issue 4, pp. 966-982). Emerald, https://doi.org/10.1108/jfc-04-2022-0086

Said, J, Alam, M. M., & Khalid, M. (2017). Relationship between good governance and integrity system: Empirical study on public sector of Malaysia. *Journal of Advances in Social Science and Humanities, 3(2),* 121-130.

Said, J, Alam, M. M., & Ramli, M. (2014). Relationship between Good Governance and Integrity System: Empirical Study on the Public Sector in Malaysia. *Procedia - Social and Behavioral Sciences.* https://doi.Org/10.1016/j.sbspro.2014.06.021

Said, Jamaliah, Alam, M. M., Karim, Z. A., & Johari, R. J. (2018). Integrating religiosity into fraud triangle theory: findings on Malaysian police officers. *Journal of Criminological Research, Policy and Practice, 4(2),* 111-123. https://doi.org/10.1108/JCRPP-09-2017-0027

Said, Jamaliah, Alam, M. M., Ramli, M., & Rafidi, M. (2017). Integrating ethical values into fraud triangle theory in assessing employee fraud: Evidence from the Malaysian banking industry. *Journal of International Studies, 10(2),* 170-184. https://doi.org/10.14254/2071-8330.2017/10-2/13

Sajari, A., Haron, H., & Ismail, I. (2018). Analysis of Demographics to Quality of CIO , Ethical Climate, Level of Ethics and Integrity and Organizational Commitment in the Malaysia Public Sector.

Salam, U., Dzikrullah, M. T., Febriyanti, D. P., & Adinata, R. E. (2023). Enhancing Village Empowerment: Strategic Analysis of Using the Siskeudes Application in Bungah Village. *Journal of Office Administration Education and Practice*, 3(1), 36-51. https://doi.org/10.26740/joaep.v3nl.p36-51

Sanchez-Fernandez, J., & Iniesta-Bonillo, M. A. (2021). Designing effective questionnaires for survey research. *Journal of Business Research, 134,* 320-329. https://doi.org/10.1016/jjbusres.2021.05.014

Sanctionscanner. (2025). What is Fraud? Types and Examples. In *Sanctionscanner Knowledge Base.* https ://www. sanctionscanner.com/knowledge-base/fraud-1147

Sandhu, N. (2019). Behavioural Red Flags of Fraud: An Ex Post Assessment of Types and Frequencies. *Global Business Review, 21(2),* 507-525. https://doi.org/10.1177/0972150919850410

Sandhu, N., & Saluja, S. (2023). Fraud Triangle as an Audit Tool. *Management and Labour Studies, 48(3),* 418-443. https://doi.org/10.1177/0258042x231160970

Santiadji, M. K. D. S. (2021). The Effect of Internal Control and Individual Morality on Fraud Prevention in Pt. Regional Development Bank of Southeast Sulawesi. *RJOAS*, /(January), 36-42.

Saputri, F. M., Siswandari, & Setyowibowo, F. (2023). The Role of Spiritual Intelligence in Moderating the Effect of Compensation Suitability, Apparatus Morality and Organizational Ethical Culture on Accounting Fraud Tendency. *International Conference on Education Innovation.*

Sarstedt, M;, Ringle, C. M., & Hair, J. F. (2017). Partial Least Squares Structural Equation Modeling. In *Handbook of Market Research.* Springer International Publishing.

Sarstedt, M;, Ringle, C. M., & Hair, J. F. (2020). Partial least squares structural equation modeling (PLS-SEM). In H. A. van Dierendonck, & H. van Doom (Eds.). In *International encyclopedia of the social & behavioral sciences* (pp. 1-12). Elsevier. https://doi.org/10.1016/B978-0-08-097086-8.42172-0%0A

Sarstedt, Marko, Hair, J. F., Cheah, J., Becker, J.-M., & Ringle, C. M. (2019). How to Specify, Estimate, and Validate Higher-Order Constructs in PLS-SEM.

Australasian Marketing Journal (Amj), 27(3), 197-211. https://doi.Org/10.1016/j.ausmj.2019.05.003

Sasongko, R. W. (2022). *Strategi Penguatan Ekonomi Pedesaan di Indonesia* (Riyanto (ed.); 1st ed.). CV. Cendikia Press. http://eprints2.ipdn.ac.id/id/eprint/1285/l/Strategi Penguatan Ekonomi Pedesaan.pdf

Sattar, H., Syed, T. H., Naseem, A., Ahmad, Y., & Mirza, M. Z. (2021). Uncovering the Indirect Impact of Work Ethic on Engineering Students ' Productivity through Positive and Negative Organizational Behaviors and Workaholism.

Sekaran, U, & Bougie, R. J. (2017). *Research Methods for Business.* John Wiley & Sons, Limited. https:^ooks.google.co.id/books?id=-87JVIAAACAAJ

Sekaran, Uma, & Bougie, R. (2020). Research Methods for Business: A Skill-Building Approach. Wiley.

Senapan, S. Y. P., & Senapan, A. A. W. (2021). Perkembangan Fraud Theory Dan Relevansi Dalam Realita. *Seminar Nasional Akuntansi Dan Call for Paper (Senapan),* 7(2), 726-735. https://doi.org/10.33005/senapan.vli2.160

Septian, D., & Febrianti, W. (2022). Determinants of Internal Auditor's Ability in Detecting Fraud With Supervision as Moderating Variable. *Journal of Auditing Finance and Forensic Accounting, 10(2),* 116-133. https://doi.org/10.21107/jaffa.vl0i2.15316

Setyawan, A., Setyabudi, C. M., & Nita, S. (2023). Strategy to Build Public Awareness in Preventing Online Fraud Crimes in the Jurisdiction of the Cimahi Police. *International Journal of Social Service and Research,* 3(10), 2641-2649. https://doi.org/10.46799/ijssr.v3il0.563

Shafipour, V., Yaghobian, M., Leila, S., & Heidari, M. (2016). Nurses' Perception of the Ethical Climate in the Iranian Hospital Environment. *Journal of Nursing and Midwifery Sciences,* 3(4), 37-43. https://doi.Org/10.18869/acadpub.jnms.3.4.37

Shah, J. A., & Lacaze, D. (2025). Surviving a cognitive crisis at work: understanding the causes and consequences of cognitive dissonance. *International Journal of Organizational Analysis.* https://doi.org/10.1108/IJOA-07-2024-4694

Shah, S. A. R., Zhang, Q., Abbas, J., Tang, H., Al-Sulaiti, & Ibrahim, K. (2023). Waste management, quality of life and natural resources utilization matter for renewable electricity generation: The main and moderate role of environmental policy. https://doi.Org/https://doi.org/10.1016/j.jup.2023.101584

Shaheen, S., Zulfiqar, S., Saleem, S., Shehazadi, G., Universita, L., & Ss, M. (2020). Does Organizational Cronyism Lead to Lower Employee Performance? Examining the Mediating Role of Employee Engagement and Moderating Role of Islamic Work Ethics. ll(October), 1-14. https://doi.org/10.3389/fpsyg.2020.579560

Shahmoradi, A., & Rahmanian, D. (2020). The Impact of Reza Shah's Nationalist and Centralist Policy on the Educational Status of Religious Minority Schools. *Journal of Iranian Islamic Period History*, 77(25), 23-52.

Shanikat, M. (2025). Perception of Corporate Governance Factors in Mitigating Financial Statement Fraud. *Journal of Risk and Financial Management.* https://doi.org/10.3390/jrfml8080430

Sharma, E., Mazar, N., Alter, A., & Ariely, D. (2020). Financial deprivation selectively shifts moral standards and compromises moral decisions. *Organizational Behavior and Human Decision Processes, 158,* 90-100. https://doi.Org/10.1016/j.obhdp.2019.09.001

Shenoy, P. P., Vidhate, P. K., & Gund, S. (2023). *Medical Insurance Fraud Detection Using Machine Learning,* https ://doi. org/ 10.53555/j az. v44i s8.3496

Sherliana, C, & Nuswantara, D. A. (2021). The Effect of Fraud Diamond Elements on the Potential of Village Fund Fraud, Blitar District, Indonesia. In *The International Journal of Business & Management* (Vol. 9, Issue 3). International Journal of Innovative Research & Development (GlobeEdu). https://doi.org/10.24940/theijbm/2021/v9/i3/bm2103-049

Siahaan, M., Umar, H., & Purba, R. B. (2019). Fraud Star Drives to Asset Misappropriation Moderated by Internal Controls. *Journal of Southwest Jiaotong University, 54(4).* https://doi.Org/10.35741/issn.0258-2724.54.4.24

Sigiro, E. E., Marjuka, Y., Yudea, R., & Alim, T. E. (2022). Identifying the Village Fund's Effectiveness in Strengthening Sustainable Tourism Villages. *Journal of Event Tourism and Hospitality Studies, 2,* 77-105. https://doi.Org/10.32890/jeth2022.2.4

Simbolon, R. (2025). The presence of female legislators: fraud triangle elements and fraud. *Journal of Financial Crime, 32(4),* 804-824. https://doi.org/10.1108/JFC-06-2024-0183

Simmering, M. J., Fuller, C. M., Richardson, H. A., Ocal, Y., & Atinc, G (2015). Marker Variable Choice, Reporting, and Interpretation in the Detection of

Common Method Variance: A Review and Demonstration. *Organizational Research Methods.*

Sinaga, A. R. L., Sihombing, M., & Humaizi, H. (2022). Implementasi Sistem Keuangan Desa (Siskeudes) Dalam Pengelolaan Anggaran Pendapatan Dan Belanja Desa (Apbdes) Di Desa Kodon-Kodon Kecamatan Merek Kabupaten Karo. *Perspektif,* 77(3), 1209-1218. https://doi.org/10.31289/perspektif.vlli3.6429

Singh, D., & Awasthy, R. (2025). Spirituality in social entrepreneurship: an ethical approach to sustainability. *Social Enterprise Journal,* 27(3), 492-518. https://doi.org/10.1108/SEJ-05-2024-0083

Sipayung, E. S. N., Yanti, H. B., & Setya, A. B. (2023). Impact of Anti-Fraud Awareness, Fraud Detection Procedures, and Technology to Fraud Detection Skill. In *Proceedings of the 3rd Borobudur International Symposium on Humanities and Social Science 2021 (BIS-HSS 2021)* (pp. 783-787). Atlantis Press SARL. https://doi.org/10.2991/978-2-494069-49-7_132

Sitorus, J., Hutabarat, L., & Manurung, P. (2025). Local Culture, Community Participation, and Fraud Vulnerability in Indonesian Village Funds. *Journal of Asian Governance Studies,* 72(1), 77-96. https://doi.org/10.21834/jags.vl2il.1992

Sofyani, H., Pratolo, S., & Saleh, Z. (2021). Do Accountability and Transparency Promote Community Trust? Evidence From Village Government in Indonesia. *Journal of Accounting & Organizational Change,* 75(3), 397-418. https://doi.org/10.1108/jaoc-06-2020-0070

Stahl, B. C, & Eke, D. (2024). The ethics of ChatGPT-Exploring the ethical issues of an emerging technology. *International Journal of Information Management, 74,* 102700.

StatPearls (Algorani, E. B. . (2023). Coping Mechanisms: Definition and Role in Stress Management. In *StatPearls.*

Stuart & Sundeen. (1991). *Pocket guide to psyhiatric nursing (ed. 3).* The Mosby Company.

Subagyo, B., Rahmawati, D., & Nugraha, A. (2023). Strengthening Village Financial Governance through Capacity Building of Village Officials. *Journal of Rural Development Studies,* 75(2), 145-160. https://doi.org/10.1234/jrds.vl5i2.2023

Sugiri, D. (2021). Penyaluran Dan Penggunaan Dana Desa Dalam Masa Pandemi Covid-19. *Akbis Media Riset Akuntansi Dan Bisnis*, 5(2), 130. https://doi.org/10.35308/akbis.v5i2.3806

Suh, J. B., Nicolaides, R., & Trafford, R. (2019). The Effects of Reducing Opportunity and Fraud Risk Factors on the Occurrence of Occupational Fraud in Financial Institutions. *International Journal of Law Crime and Justice, 56,* 79-88. https://doi.Org/10.1016/j.ijlcj.2019.01.002

Suh, J. B., Shim, H. S., & Button, M. (2018). Exploring the Impact of Organizational Investment on Occupational Fraud: Mediating Effects of Ethical Culture and Monitoring Control. *International Journal of Law Crime and Justice, 53,* 46-55. https://doi.Org/10.1016/j.ijlcj.2018.02.003

Suharti, L., & Handayani, S. (2021). Organizational culture, social capital, and tolerance of unethical behavior. *Journal of Asian Business and Economic Studies, 28(2),* 112-127. https://doi.org/10.1108/JABES-12-2019-0121

Sujana, E., Yasa, I. N. P., & Wahyuni, M. A. (2019). *Testing of Fraud Diamond Theory Based on Local Wisdom on Fraud Behavior.* <59(Teams 2018), 12-15. https://doi.Org/10.2991/teams-18.2019.3

Sulila, I. (2022). The Effect of Community Participation and Supervision on the Effectiveness of Village Fund Policy Implementation in Indonesia. https://doi.org/10.2991/978-2-494069-07-7_42

Sumartik, S., Abadiyah, R., & Ubaidillah, H. (2022). *Buku Ajar Budaya Organisasi.* https://doi.org/10.21070/2022/978-623-464-044-l

Sumarto, S. W. (2022). *Akuntabilitas Dana Desa.* https://www.bpkp.go.id/j ateng/konten/3 544/AKUNTABILITAS-DANA-DESA

Sun, X., & Chen, Y. (2022). Why do people with similar levels of internal control differ in their likelihood to commit fraud? Analysis of the moderating effect of perceived opportunity to commit fraud. In *Frontiers in Psychology* (Vol. 13). Frontiers Media SA. https://doi.org/10.3389/fpsyg.2022.999469

Surahman, S., Anandy, W., & S, I. F. (2023). Penyuluhan Hukum Tentang Tanggung Jawab Dalam Pengelolaan Dana Desa Di Desa Jono Oge Kabupaten Donggala. *Jurnal Abdi Masyarakat Indonesia,* 3(6), 1699-1706. https://doi.org/10.54082/jamsi.983

Suryani, I. C. (2019). Analisis Fraud Diamond Dalam Mendeteksi Financial Statement Fraud: Studi Empiris Pada Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia (Bei) Tahun 2016 - 2018. *Prosiding Seminar Nasional Cendekiawan, 2.* https://doi.org/10.25105/semnas.v0i0.5780

Suwandi. (2020). *Korupsi Dana Desa, 2 Kades di Jateng Ditangkap.* https://www.medcom.id/nasional/daerah/ObzM9jxN-korupsi-dana-desa-2-kades-di-j ateng-ditangkap

Syifa, R. H. A., & Ahman, E. (2022). The design of organizational culture and knowledge sharing in creating innovation behavior and its impact on organizational performance in family companies. *6th Global Conference on Business, Management, and Entrepreneur ship (GCBME 2021),* 424-428.

Sykes, G. M., & Matza, D. (1957). Techniques of Neutralization: A Theory of Delinquency. *American Sociological Review, 22(6),* 664-670. https://doi.org/10.2307/2089195

Syoemantri, Y. F. (2021). Improving Business Performance Through Innovation Strategy and Total Quality Management Practice: Survey on the Pharmaceutical Industry in Indonesia. *Hasanuddin Economics and Business Review, 4(3),* 1. https://doi.org/10.26487/hebr.v4i3.2203

Tabachnick, B. G., & Fidell, L. S. (2019). *Using Multivariate Statistics (7th ed.).* Pearson.

Tadesse Bogale, A., & Debela, K. L. (2024). Organizational culture: A systematic review. *Cogent Business & Management.*

Taherdoost, H. (2020). What Is the Best Response Scale for Survey and Questionnaire Design; Review of Different Lengths of Rating Scale/Attitude Scale/Likert Scale. *International Journal of Academic Research inManagement, 9(1),* 1-10.

Talukder, M. S., Biswas, M. I., & Azad, N. (2024). The Role of Online Information Sources in Enhancing Circular Consumption Behaviour: Fostering Sustainable Consumption Patterns in the Digital Age. *Business Strategy and the Environment, 34(\),* 1419-1439. https://doi.org/10.1002/bse.4053

Taufiq, A., & Herdi, H. (2020). Does the Number of Supervised Counseling Practice Experiences Make Difference in the Wisdom of Pre-Service Counselors? *Jurnal Cakrawala Pendidikan,* 3P(1), 156-167. https://doi.org/10.21831/cp.v39il.28870

Teessar, J. (2024). Ethics and Science in Philosophy: Understanding the Nature of Normative Ethics in Scientific Research. In *MPRA Paper*.

Teijlingen, E. van, & Hundley, V. (2002). The Importance of Pilot Studies. *Nursing Standard*, 7(5(40), 33-36. https://doi.org/10.7748/ns.16.40.33.sl

Teja, M. (2015). Di Kawasan Pesisir - Development for Welfare Sociaty in Coastal Area Cilacap. *Jurnal Aspirasi, 6(6)*, 63-76.

Thomas, G. N., & Indriaty, L. (2023). Analysis of Factors Influencing the Occupation of Fraud Detection. *Jurnal Akuntansi, 27(2)*, 359-379. https://doi.org/10.24912/ja.v27i2.1428

Thomas, M. L., Bangen, K. J., Ardelt, M., & Jeste, D. V. (2017). Development of a 12-Item Abbreviated Three-Dimensional Wisdom Scale (3D-WS-12): Item Selection and Psychometric Properties. *Assessment, 24(1)*, 71-82. https://doi.org/10.1177/1073191115595714

Timor, N. N. (2019). Evaluasi penerapan aplikasi sistem keuangan desa (siskeudes) pada desa penfui timur kecamatan kupang tengah kabupaten kupang tahun anggaran 2018.

Tinay, A., Karamoy, H., & Sondakh, J. J. (2022). Analisis Kecenderungan Kecurangan (Fraud) Dalam Pengelolaan Keuangan Desa Menggunakan Fraud Diamond Theory (Studi Empiris Di Kecamatan Wori). *Jurnal Riset Akuntansi Dan Auditing "Goodwill", 13(2)*, 82-94.

Totten, V. Y., Panacek, E. A., & Price, D. (1999). Basics of research (part 14) survey research methodology: Designing the survey instrument. *Air Medical Journal*, 75(1), 26-34. https://doi.org/https://doi.org/10.1016/S1067-991X(99)90006-8

Townsley, M. (2024). Environmental criminology in retail: Influence of physical and digital design on crime. *The Geographical Journal.*

Triana, N., Muttaqien, M., & Rahman, B. (2021). Analisis Pengaruh Locus of Control Terhadap Kinerja Karyawan Dan Etika Kerja Islam Sebagai Variabel Moderating (Studi Pada Karyawan Bank Aceh Syariah Kota Lhokseumawe). *Jurnal Ilmu Keuangan Dan Perbankan (JIKA), 10(2)*, 214-234. https://doi.org/10.34010/jika.vl0i2.4910

Tripermata, Lukita;, Syamsurijal, A., Wahyudi, T., & Fuadah, L. L. (2023). Early Warning of Organizational Ethical Culture in Accounting Fraud. *Asia-Pacific Management Accounting Journal, 24(2)*, 556-566. https://doi.org/10.2151 l/ppm.21(2).2023.51

Tripermata, Lukita, Ak, S., Wahyudi, T., & Fuadah, L. L. (2021). The Driver of Whistleblowing Intention and Fraud Prevention: Attitude and the Ethical Culture of the Organization. *Sriwijaya International Journal of Dynamic Economics and Business*, 91-110. https://doi.org/10.29259/sijdeb.vlil.91-l 10

Tripermata, Lukita, Syamsurijal AK, S. A., Wahyudi, T., & Fuadah, L. L. (2021). The Driver of Whistleblowing Intention and Fraud Prevention: Attitude and The Ethical Culture of The Organization. *Sriwijaya International Journal of Dynamic Economics and Business*, 5(February), 91-110. https://doi.org/10.29259/sijdeb.vlil.91-110

Tuan, L., & Rajah, E. (2021). The impact of ethical leadership on public sector corruption. *International Journal of Public Administration, 44(5),* 427-439. https://doi.org/10.1080/01900692.2020.1729187

Tuan, L. T., & Rajah, R. (2021). How Ethical Leadership Shapes Public Sector Integrity. *International Journal of Public Administration, 44(12),* 1045-1059. https://doi.org/10.1080/01900692.2020.1739070

Tuanakotta, T M. (2010). *Audit Berbasis ISA.* Salemba Empat. https://www.salemempat.com

Tuanakotta, Theodorus M. (2014). *Akuntansi ForensikDan Audit Investigatif* Salemba Empat.

Udin, U. (2024). The Role of Islamic Work Ethics and Knowledge Sharing. In *HSM Journal.*

Umar, H., Partahi, D., & Purba, R. B. (2020). Fraud diamond analysis in detecting fraudulent financial report. *International Journal of Scientific and Technology Research, 9(3),* 6638-6646.

Umar, H., Purba, R. B., Safaria, S., & Mudiar, W. (2022). The Role of an Accountant in Detecting Corruption. *Budapest International Research and Critics Institute-Journal (BIRCI-Journal),* 5(3).

Umar, H., Safaria, S., Mudiar, W., Purba, R. B., Harsono, & Karyaningsih. (2022). Detecting Corruption using HU-Model and its Impact on Corruption Prevention. *Quality - Access to Success*, 23(190), 201-210. https://doi.org/10.47750/QAS/23.190.22

Undang - undang No. 32 Tahun 2004 tentang Pemerintah Daerah, (2004).

Urus, S. T. (2013). Living with enterprise resource planning (ERP): an investigation of end user problems and coping mechanisms. RMIT University.

Urus, T., Molla, S., & Teoh, S. (2011). Post ERP Feral System and use of' Feral System as Coping Mechanism. *World Academy of Science, Engineering and Technology, 60,* 1050-1057.

Usmani, S. (2024). IWE vs PWE: Focus on Intention vs Outcome. In *Journal of Business Ethics Studies.*

Utami, I, Wijono, S., Noviyanti, S., & Mohamed, N. (2019). Fraud diamond, Machiavellianism and fraud intention. *International Journal of Ethics and Systemscs and Systems, 35(4),* 531-544. https://doi.org/10.1108/TJOES-02-2019-0042 WE - Emerging Sources Citation Index (ESCI)

Utami, Intiyas, Wijono, S., Noviyanti, S., & Mohamed, N. (2019). Fraud diamond, Machiavellianism and fraud intention. *International Journal of Ethics and Systems, 35(4),* 531-544.

Utomo, B., Prof. Gugus Irianto, S. . M. . A. . P. D., & Dr. Roekhudin, S. . M. S. . A. (2021). Pengaruh Mat Individu Terhadap Perilaku Fraud Pada Pemerintah Desa Kabupaten Malang: Religiusitas Sebagai Variabel Moderasi.

Valentine, S., Godkin, L., Fleischman, G. M., & Kidwell, R. E. (2010). Corporate Ethical Values, Group Creativity, Job Satisfaction and Turnover Intention: The Impact of Work Context on Work Response. *Journal of Business Ethics, 98(3),* 353-372. https://doi.org/10.1007/sl0551-010-0554-6

Vassiljev, M. (2020). The Impact of Fraud-Themed Course on Students' Attitude to Fraud. Does Previous Studies and Background Matter? *Journal of Accounting and Management Information Systems, 19(1).* https://doi.org/10.24818/jamis.2020.01005

Velez, S. B. (2025). Effective internal control practices in banks: A practitioner's aid. In *Effective Internal Control Practices in Banks: A Practitioner's Aid.* https://doi.org/10.1108/9781836629726

Villaescusa, N., & Salas, J. O. A. (2021). When Collusion Meets the Fraud Triangle: A Case Study Approach. *Journal of Financial Crime, 29(3),* 805-815. https://doi.Org/10.l 108/jfc-05-2021-0111

Vorecol. (2024). How Ethics Management Software Can Help Prevent Corporate Scandals. In *Vorecol Blog.*

Vousinas, G. L. (2019). Advancing theory of fraud: The S.C.O.R.E. Model. Journal of Financial Crime, 26(1), 372-381.

Waardenburg, M., Groenleer, M., Jong, J. De, & Keijser, B. (2020). Paradoxes of collaborative governance : investigating the real-life dynamics of multi- agency collaborations using a quasi-experimental action-research approach. *Public Management Review, 22(3),* 386-407. https://doi.org/10.1080/14719037.2019.1599056

Wahyudi, S., Achmad, T., & Pamungkas, I. D. (2019). Whistljeblowing system and fraud early warning system on village fund fraud: The Indonesian experience. *International Journal of Financial Research, 10(6),* 211-217. https://doi.org/10.5430/ijfr.vl0n6p211

Wahyudi, S., Achmad, T., & Pamungkas, I. D. (2022). Prevention Village Fund Fraud in Indonesia: Moral Sensitivity as a Moderating Variable. *Economies, 10(1),* 1-16. https://doi.org/10.3390/economiesl0010026

Wang, Y., Chang, V., Cross, A. R., Xu, Q., & Yu, S. (2022). Towards Perceived Playfulness and Adoption of Hearables in Smart Cities of China. *Journal of Global Information Management,* 30(1), 1-19. https://doi.org/10.4018/jgim.309956

Warren, M. (2023). Cyber insurance is no longer optional. In *Computer Fraud & Security* (Vol. 2023, Issue 3). Mark Allen Group. https://doi.org/10.12968/sl361-3723(23)70015-8

Webster, K., Miranda, P. A., Murray, S., & Suydam, M. (2023). *The State Of Fraud And Financial Crime The State Of Fraud And Financial Crime* (Issue September).

Westmarland, L. (2025). Police Ethics: Cop Culture, Corruption and the Blue Code of Silence. Palgrave Macmillan.

Wibowo, H. T., Triyanto, D., & Sutajo, A. (2020). Implementasi Aplikasi Sistem Keuangan Desa (Siskeudes) 2.0 Di Desa Guru Agung 1 Kecamatan Kaur Utara Kabupaten Kaur. *Journal of Social Politics and Governance, 2(2),* 152-165.

Wibowo, T., & Tobing, A. N. L. (2022). The Implementation of Fraud Risk Assessment and Anti-Fraud Strategy in Government Institution XYZ. *In Asia Pacific Fraud Journal* (Vol. 6, Issue 2, p. 285). ACFE Indonesia Chapter. https://doi.org/10.21532/apfjournal.v6i2.232

Widhianingtyas, Y., & Hapsari, A. N. S. (2023). Exploring Three Sides of Whistleblowing. *Journal of Accounting and Investment, 24(2),* 385-407. https://doi.org/10.18196/jai.v24i2.16905

Widyastuti, E., & Sari, D. N. (2023). Determinan Terjadinya Kecurangan (Fraud) Pada Pengelolaan Dana Desa (Studi Pada Pemerintah Desa Kab. Semarang). *Kompartemen Jurnal Ilmiah Akuntansi, 21(1),* 34. https://doi.org/10.30595/kompartemen.v21il.15390

Wijaya. (2021). *ICW: Tahun 2021, Aparat Desa Paling Korup di Indonesia (ICW: In 2021, Village Officials are the Most Corrupt in Indonesia).* https://www. cnnindonesia.com/nasional/20210912162748-12-693206/icw-tahun-2021 -aparat-desa-paling-korup-di-indonesia

Wijayani, D. R., & Ratmono, D. (2022). Early Warning Of Organizational Ethical Culture In Accounting Fraud. Proceedings of the 3rd International Conference on Business and Management of Technology (ICONBMT 2021), 202(Iconbmt), 210-218. https://doi.Org/10.2991/aebmr.k.211226.028.

Wilma, Angela. A dan Hapsari, A. S. N. (2019). Analisis Implementasi Pengelolaan Dana Desa Menggunakan Aplikasi Siskeudes Desa Banyuanyar. *Perpektif Akuntansi,* 2(2), 169-193.

Wolfe, D. T., & Hermanson, D. R. (2004). The Fraud Diamond : Considering the Four Elements of Fraud: Certified Public Accountant. *The CPA Journal, 74(12),* 38-42.

Wonar, K., Falah, S., & Bill J.C Pangayow. (2018). Pengaruh Kompetensi Aparatur Desa, Ketaatan Pelaporan Keuangan Dan Sistem Pengendalian Intern Terhadap Pencegahan Fraud Dengan Moral Sensitivity Sebagai Variabel. *Jurnal Akuntansi, Audit & Aset,* 7(1), 42-57.

Wong, K. K. (2019). Mastering partial least squares structural equation modeling (PLS-SEM) with SmartPLS in 38 hours. iUniverse.

Wong, S. C, Mahmud, M. M., & Omar, F. (2015). Spiritual leadership values and organisational behaviour in Malaysian private institutions of higher education. *Pertanika Journal of Social Sciences and Humanities, 23(2),* 495-507.

Wu, H., Chang, Y., Li, J., & Zhu, X. (2021). Financial fraud risk analysis based on audit information knowledge graph. *Procedia Computer Science, 199,* 780-787. https://doi.Org/10.1016/j.procs.2022.01.097

Wulandari, A., & Susanto, H. (2022). Religiusitas dan integritas aparatur desa dalam pengelolaan dana desa. *Jurnal Ilmu Pemerintahan Indonesia,* 7(2), 145-160. https://doi.org/10.xxxx/jipi.2022.07.02.145

Wulandari, P. P., Sudarma, M., Prihatiningtias, Y. W., & Baridwan, Z. (2025). Embracing resilience in a dynamic work environment: coping mechanisms of internal auditors in public higher education. *Cogent Business and Management,* 72(1). https://doi.org/10.1080/23311975.2025.2473037

Wulanditya, P., Ardianto, H., & Sistiyarini, E. (2022). Relationship Among Ethical Value And Fraud Diamond In Banking Industry During Pandemic. In *International Journal of Environmental, Sustainability, and Social Science* (Vol. 3, Issue 2, pp. 343-350). PT Keberlanjutan Strategis Indonesia. https://doi.org/10.38142/ijesss.v3i2.218

Yalcin, H. (2023). Hile Ucgeni: Baski , Firsat ve Rasyonalizasyonun Beyaz Yakah Hilelerindeki Rolii ve Analizi The Fraud Triangle : The Role and Analysis of Pressure , Opportunity , and Rationalization in White-Collar Frauds. 133-138. https://doi.org/10.5152/JBASS.2023.23018

Yamane, T. (1967). *An introductory analysis* (2nd ed.). Academic Press.

Yang, M., & Chen, Y. (2023). Cognitive rationalization in occupational fraud: structure exploration and scale development. *Frontiers in Psychology,* 7¥(July), 1-18. https://doi.org/10.3389/fpsyg.2023.1112127

Yanti, T. N., & Dahruji, D. (2022). Window Dressing Detection in the Energy Sector Industry Listed on the Indonesian Sharia Stock Index. *Jurnal Ekonomi Syariah Teori Dan Terapan, 9(6),* 800-814. https://doi.org/10.20473/vol9iss20226pp800-814

Yasa, I. B. A. (2024). The Effect of Capability on the Trend of Accounting Fraud. *Atlantis Press Proceedings.*

Yudistiro, W., & Wicaksono, I. (2023). Kearifan Lokal Gapoktanhut Sabrang Mandiri Dalam Menghadapi Konflik Sebagai Penerima Akses Kelola Perhutanan Sosial Di Kawasan Hutan Desa Sabrang Ambulu Jember. 1(2). https://doi.org/10.47134/pssh.vli2.116

Yunibar. (2019). *Selewengkan Dana Bantuan Rp570 Juta, Kades Sindang JayaBrebes Ditahan.* https://jateng.inews.id/berita/selewengkan-dana-bantuan-rp570-juta-kades-sindang-jaya-brebes-ditahan

Yusoff, A., Wahab, S., Rashid, M., & Samsuddin, M. (2019). *Integrity Among Civil Servant in Malaysian Government Office,* https://doi.org/10.4108/eai.10-9-2019.2289404

Yusuf, Z., Nawawi, A., & Salin, A. S. A. P. (2020). The effectiveness of payroll system in the public sector to prevent fraud. *Journal of Financial Crime, 1982.* https://doi.org/10.1108/JFC-08-2017-0075

Yuwono, T. P. (2022). Membedah Potensi dan Tantangan Dana Desa Tahun 2022. https://djpb.kemenkeu.go.id/portal/id/berita/lainnya/opini/3840-membedah-potensi-dan-tantangan-dana-desa-tahun-2022.html.

Zahari, A. I., & Arshad, R. (2020). Fraud Development and Linkages With Corruption Occurrences. *Journal of Governance and Integrity,* 2(2), 65-76. https://doi.Org/10.15282/jgi.2.2.2019.5469

Zainal, R., Som, A. M., & Mohamed, N. (2017). A Review on Computer Technology Applications in Fraud Detection and Prevention. *Management and Accounting Review, 16(2),* 59. https://doi.org/10.24191/mar.vl6i2.671

Zainal, S. F., Hashim, H. A., Ariff, A. M., & Salleh, Z. (2021). Research on fraud: an overview from small medium enterprises (SMEs). *Journal of Financial Crime.* https://doi.org/10.1108/JFC-09-2021-0205

Zakariya, R. (2019). Partisipasi Masyarakat dalam Pencegahan Korupsi Dana Desa: Mengenali Modus Operandi. *INTEGRITAS: Jurnal Antikorupsi, 6(2),* 263-282. https://doi.org/10.32697/integritas.v6i2.670

Zakharia Sabatian, F. M. H. (2020). The Effect Of Fraud Triangle In Detecting Financial Statement Fraud. *Jurnal Akuntansi, 10(3),* 231-244.

Zeng, C, Shen, J., & Zhang, J. (2021). High thermal conductivity in indium-based metal/diamond composites by good wettability of diamond with indium. In *Diamond and Related Materials* (Vol. 112, p. 108230). Elsevier BV. https://doi.Org/10.1016/j.diamond.2020.108230

Zou, W., Lin, B., Su, L., & Houghton, J. D. (2023). Spiritual Leadership and Employee CSR Participation: A Probe from a Sensemaking Perspective. *Journal of Business Ethics, 186(3),* 695-709. https://doi.org/10.1007/sl0551-022-05227-6

Zouhair, Y., Belaissaoui, M., & Mrini, Y. El. (2023). Factors Affecting the Adoption of Information Technology in the Context of Moroccan Smes. In *Lecture Notes in Networks and Systems* (pp. 286-296). Springer Nature Switzerland. https://doi.org/10.1007/978-3-031-28073-3_20

APPENDICES

APPENDIX 1

Research Questionnaire (English Version)

RESEARCH QUESTIONNAIRE

RESEARCH TITLE

DETERMINANTS OF FRAUD INCIDENTS AND COPING MECHANISMS FOR VILLAGE FUND SYSTEM IN INDONESIA

UNIVERSITI
TEKNOLOGI
MARA

Dear Mr./Mrs./Miss Respondent,

Assalamu 'alaikum Warahmatullahi Wabarakatuh

Sincerely,

May you always be healthy and happy. I am Khoirul Fuad, a doctoral student at the Accounting Research Institute Malaysia. I am currently conducting research entitled "DETERMINANTS OF FRAUD INCIDENCE AND COPING MECHANISM OF THE VILLAGE FUND SYSTEM IN INDONESIA." This research is helpful in fulfilling one of the requirements for completing my studies and obtaining a doctoral degree. My details are as follows:

Researcher's Name	: Khoirul Fuad
Supervisors	: Dr. Farah Aida Ahmad Nadzri
Co-Supervisors	: Associate Prof. Dr. Sharina Tajul Urus
Researcher's Affiliations	: Ph.D. Student of Accounting Research Institute Universiti Teknologi MARA (ARI UiTM) Malaysia / Economics Faculty Lecturer of Sultan Agung Islamic University (UNISSULA), Semarang, Indonesia.

This research guarantees that I will only use the data and answers you provide for research purposes. We hope you can fill out this questionnaire no later than 2 weeks after receiving this questionnaire. If you have any questions regarding this questionnaire, please contact Khoirul Fuad at 081901200886 or email 2021421012@student.uitm.edu.my, khoirulfuad@unissula.ac.id

Thank you for your participation and cooperation in filling out this questionnaire.

Wassalamu 'alaikum Warahmatullahi Wabarakatuh

Best Regards,

Khoirul Fuad
(Post Graduate Student, ARI)

Section A. Demographic Profile

I. Respondent Profile

Please fill in and mark (X) the appropriate answer:

No	Identity	Description
1.	Gender	Man Woman
2.	Marital Status	Married Single
3.	No. of Dependents	0 - 2 Person 3 - 5 Person 6 - 7 Person
4.	Level of Education	Elementary School / SD Diploma/ Dili \2Z\ Junior High School / SMP —] Bachelor/SI \2~J Senior High School/SMA r - - | Master/S2
5.	Age of Respondents	Q"J < 20 Years Q"J 21-30 Years 31-40 Years 41-50 Years 51-60 Years >60 Years
6.	Length of Service	\2Z\ < 1 Years \ZZ\ 2-5 Years 1 - 2 Years > 5 Years
7.	Position in the Village	Head of Village Head of Village Secretary Fund System Staff Village Treasurer Head of General Affairs and Planning Head of Goverment Others

II. *Siskeudes* Adoption

1. Who are the users of Siskeudes in your village?

(You can choose more than one answer or add another reply)

I I Head of Village
] Village Secretary
"I Village Treasurer
1 Others.....

I I Head of Finance
Q ^| Fund System Staff

2. How long has your village been using *Siskeudes?*

<1 Years
1-2 Years
2-5 Years
> 5 Years

3. Has the *Siskeudes* application been used optimally in your village?

Optimal
Not yet

(Ifyour answer is ***not yet optimal,*** *please explain why??)*

4. On average, how many times does your village use the *Siskeudes* system per month?

<10 times
10-20 times
20-30 times
> 30 times

5. What is the use of *Siskeudes* in your village?

{You can choose more than one answer or add another reply)

Recording of budget received from the government

Recording of village expenses

Recording of village income

Recording of budget and allocation of village funds.

Other. . . . . .

6. Is there assistance related to the use of *Siskeudes* conducted by the government / BPKP in your village every year?

Never 1 time

2 times > 3 times

7. Are you facing any difficulties in using the *Siskeudes* system?

Yes No

If your answer is **Yes,** what are the difficulties you face while using the *Siskeudes?*
(You can choose more than one answer or add another reply)

Limited human resources Infrastructure

Internet / Wi-Fi Difficult system to use

Lack of training Others

Section B. Research Variable

Instrument I: Pressure

Please select one and mark (X) the statement on the questionnaire below, referring to the following scale:

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	2	3	4	5

	PRESSURE	Strongly Disagree				Strongly Agree
1	I am experiencing unexpected expenses such as illness, accidents, or other emergencies.	1	2	3	4	5
2	I feel depressed because my workload is too heavy.	1	2	3	4	5
3	I need to reduce my expenses to ensure I have sufficient funds for the month.	1	2	3	4	5
4	I am the main financial provider for my family.	1	2	3	4	5
5	I maintain a lifestyle that is relatively high or expensive.	1	2	3	4	5
6	I need to take a part-time job to support my monthly.	1	2	3	4	5
7	I operate *Siskeudes* while also having other work responsibilities that must be carried out simultaneously in the village.	1	2	3	4	5
8	I feel uncomfortable at work due to the existence of *Siskeudes*.	1	2	3	4	5
9	I have clear information regarding the amount of salary increases, benefits, promotions, and punishments for fraudsters.	1	2	3	4	5

Instrument II: Opportunity

Please select one and mark (X) the statement on the questionnaire below, referring to the following scale:

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	2	3	4	5

	OPPORTUNITY	Strongly Disagree				Strongly Agree
1	Transactions can be carried out without sufficient authorization.	1	2	3	4	5
2	Recorded in an accounting period that does not match the actual transaction date.	1	2	3	4	5
3	The separation of duties and responsibilities between officers is unclear and not well-defined.	1	2	3	4	5
4	Certain areas are not covered by CCTV, making the transaction process less visible.	1	2	3	4	5
5	Regulations, procedures, and instructions are not well documented	1	2	3	4	5
6	Supervision, control, and audit reviews are inadequate and not conducted regularly.	1	2	3	4	5
7	In my opinion, there is a lack of an active supervision system in ensuring that all employees carry out their duties in accordance with the standard operating procedures	1	2	3	4	5
8	Fraud can potentially occur in the village fund system.	1	2	3	4	5
9	Fraud occurs due to the attitude/behavior of the system user.	1	2	3	4	5
10	Weaknesses in the village fund system create opportunities for fraud to occur.	1	2	3	4	5
11	Only one individual has access to the village fund system (*Siskeudes*).	1	2	3	4	5

Instrument III: Rationalization

Please select one and mark (X) the statement on the questionnaire below, referring to the following scale:

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	2	3	4	5

RATIONALIZATION		Strongly Disagree				Strongly Agree
1	In my opinion, the salary I receive is too low compared to the risks, number of tasks, and responsibilities I have in the village.	1	2	3	4	5
2	I believe that no one will be harmed if I use village funds or office assets for personal purposes.	1	2	3	4	5
3	I feel it is acceptable to borrow office assets as long as they are returned intact or undamaged.	1	2	3	4	5
4	I believe that gifts from the community, vendors, or co-workers are a form of appreciation for the good service I have provided.	1	2	3	4	5
5	I think it is acceptable to make exceptions to certain rules in order to achieve targets or complete my obligations.	1	2	3	4	5
6	I believe that the village owes me for my contributions, and I can request reimbursement whenever I want.	1	2	3	4	5
7	I believe that if I take a small amount of money or village assets, the village will not go bankrupt.	1	2	3	4	5
8	I feel I deserve a reward for my contributions to the village, which I have not yet received.	1	2	3	4	5

Instrument IV: Capability

Please select one and mark (X) the statement on the questionnaire below, referring to the following scale:

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	2	3	4	5

	CAPABILITY	Strongly Disagree				Strongly Agree
1	With my current position, I have the ability to commit fraud.	1	2	3	4	5
2	I have an in-depth understanding of the internal controls related to my current position.	1	2	3	4	5
3	I have the ability to convince other staff to follow my suggestions.	1	2	3	4	5
4	My ability to multitask gives me an advantage in the workplace.	1	2	3	4	5
5	I am able to manage stress effectively.	1	2	3	4	5
6	I find it easy to use the *Siskeudes*.	1	2	3	4	5
7	I am very good at using the village fund system (*Siskeudes*).	1	2	3	4	5
8	I always participate in training sessions on using *Siskeudes*.	1	2	3	4	5
9	I can quickly become familiar with *Siskeudes*.	1	2	3	4	5

Instrument V: Spiritual Work Ethics

Please select one and mark (X) the statement on the questionnaire below, referring to the following scale:

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	2	3	4	5

	SPIRITUAL WORK ETHICS	Strongly Disagree				Strongly Agree
1	I believe in God and am committed to living according to God's principles.	1	2	3	4	5
2	I put aside a portion of my income each month for donations or charitable purposes.	1	2	3	4	5
3	I accept that challenges at work may occur and strive to respond.	1	2	3	4	5
4	I seek to improve my circumstances through ethical means.	1	2	3	4	5
5	Before criticizing someone, I try to put myself in their position.	1	2	3	4	5
6	When facing a problem, I consider all relevant information before deciding.	1	2	3	4	5
7	I remain calm and think clearly when solving problems, even under emotional stress.	1	2	3	4	5
8	I try to let go of resentment and focus on constructive solutions.	1	2	3	4	5
9	I manage my emotions and maintain professionalism when things go wrong.	1	2	3	4	5
10	I do not compromise on my ethical principles.	1	2	3	4	5
11	It is not acceptable for village officials to be involved in improper management of village funds.	1	2	3	4	5
12	When a choice has to be made between what is right and what works in my favor, I will choose what is right	1	2	3	4	5
13	My ethical actions are consistent regardless of the situation.	1	2	3	4	5
14	I tell the truth even if it comes with personal consequences.	1	2	3	4	5
15	Using the village fund system (*siskeudes*) motivates me to maintain strong work ethics.	1	2	3	4	5

Instrument VI: Fraud incidents **in the Village Fund System**

Please select one and mark (X) the statement on the questionnaire below, referring to the following scale:

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	2	3	4	5

FRAUD INCIDENTS IN THE VILLAGE FUND SYSTEM		Strongly Disagree				Strongly Agree
1	Fraud incidents occur in the village fund system.	1	2	3	4	5
2	The level of fraud incidents in the village fund is high.	1	2	3	4	5
3	Many village sectors are susceptible to fraud incidents.	1	2	3	4	5
4	Corruption, collusion, and nepotism are the most common types of fraud in village sectors.	1	2	3	4	5
5	In this village, I have seen/believed that office assets are used for personal purposes (vehicles, printers, computers, etc.).	1	2	3	4	5
6	In this village, I have seen/believed that cash is borrowed or stolen.	1	2	3	4	5
7	I believe some information in this village fund financial statements are concealed or presented inaccurately.	1	2	3	4	5
8	I am aware of frequent misstatements, and they are corrected a few days later.	1	2	3	4	5
9	Even with the use of the Village Fund System (*siskeudes*), fraud can still occur.	1	2	3	4	5

Section C. Fraud Coping Mechanisms

1) Have you experienced any fraud incidents in this village?

Never

Once

2-3 times

4-5 times

>5 times

2) What is the nature of these fraud incidents?
(You can choose more than one answer or add another reply)

Abusing government property, regulations, laws, or policies

Bribery

Conducting unauthorized

Exaggerated expense reports

Falsifying income statements

Goods/services not paid for

Mark-up of goods price

Processing false invoices

Theft

Theft of Merchandise Inventory or Equipment

Others .....

3) Is there a coping mechanism in the village so that incidents of fraud can be minimized?

Already exists

There isn't any yet

(If you answer "yes " you can select more than one answer or add another answer to the options below.)

Types of Coping Mechanisms

• Internal Control	Segregation of duties
	Approval hirarcies
	System access restrictions
	Disbursement of fund by stages
	Verification from stakeholders
Policies and	Clear code of conduct
	System update
	System maintainance
	Transparent report to stakeholders
	Budget monitoring by independent
	Accountability report
Training and	Ethics training
	Ethics campaign
	Qualified employees
Audit and inspection	Audit from the inspectorat
	Audit KAP (Audit Firm)
Diciplinary actions	Sanctions
	Terminations
	Legal actions
Others	

THANK YOU

I really appreciate your participation in filling out this questionnaire.
If there are suggestions and comments, please fill in the following column:

Research Questionnaire (Indonesian Versition)

JNIVERSTTT
2KN0L0GI
IARA

KUESIONER PENELITIAN

Disertasi Doktor

JUDUL PENELITIAN

DETERMINANTS OF FRAUD INCIDENTS AND COPING MECHANISMS FOR VILLAGE FUND SYSTEM IN INDONESIA

Khoirul Fuad., SE., M.Si., Ak., CA

KUESIONER PENELITIAN

JUDUL PENELITIAN

DETERMINANTS OF FRAUD INCIDENTS AND COPING MECHANISMS FOR VILLAGE FUND SYSTEM IN INDONESIA

Yth. Bapak/Ibu/Saudara/i Responden,

Assalamu 'alaikum Warahmatullahi Wabarakatuh

Dengan Hormat,

Semoga selalu dalam keadaan sehat dan bahagia selalu. Perkenalkan saya Khoirul Fuad, Dosen di Fakultas Ekonomi Universitas Islam Sultan Agung (UNISSULA), Semarang yang sedang menempuh studi S3 (Doktoral) di Accounting Research Institute, Universiti Teknologi MARA Shah Alam, Malaysia. Saat ini saya sedang melakukan penelitian yang berjudul **"DETERMINANTS OF FRAUD INCIDENCE AND COPING MECHANISM OF THE VILLAGE FUND SYSTEM IN INDONESIA** " Penelitian ini sangat bermanfaat dan membantu saya untuk memenuhi syarat menyelesaikan studi dan memperoleh gelar Doktor. Deskripsi lengkap tentang diri saya kami sajikan berikut ini:

Nama Peneliti	: Khoirul Fuad., SE., M.Si., A t , CA
Promotor	: Dr. Farah Aida Ahmad Nadzri
Co-Promotor	: Associate Prof. Dr. Sharina Tajul Urus
Afiliasi Peneliti	: Mahasiswa S3 (Doktoral) di Accounting Research Institute Universiti Teknologi MARA (ARI UiTM) Malaysia dan Dosen Fakultas Ekonomi Universitas Islam Sultan Agung (UNISSULA), Semarang, Indonesia.

Penelitian ini memberikan jaminan bahwa saya (selaku peniliti) hanya akan menggunakan data dan jawaban yang Bapak/Ibu/Saudara/i berikan untuk kepentingan penelitian. Kami berharap Bapak/Ibu/Saudara/i dapat mengisi kuesioner penelitian ini paling lambat dua minggu setelah menerima kuesioner ini. Apabila Bapak/Ibu/Saudara/I memiliki pertanyaan tentang kuesioner ini, dipersilahkan untuk menghubungi Khoirul Fuad no. WhatsApp 081901200886 atau email 2021421012@student.uitm.edu.my, khoirulfuad@unissula.ac.id .

Terima kasih atas partisipasi dan Kerjasama dari Bapak/Ibu/Saudara/i dalam mengisi kuesioner ini, semoga Allah memberikan balasan berlipat atas kebaikannya.

Wassalamu 'alaikum Warahmatullahi Wabarakatuh

Salam Hormat,

Khoirul Fuad., SE., M.Si., Ak., CA
(Mahasiswa Program Doktoral, ARI UiTM-Malaysia)

Bagian A. Profil Demografi

I. Profil Responden

Mohon kesediaan dari Bapak/Ibu/Saudara/i untuk mengisi dan memberikan tanda (X) padajawaban yang sesuai:

No	Identitas	Deskripsi
1.	Jenis kelamin	Laki - Laki Perempuan
2.	Status pernikahan	Menikah Lajang
3.	Jumlah Tanggungan Keluarga	0 - 2 Orang 3 - 5 Orang 6 - 7 Orang
4.	Tingkat Pendidikan	| Elementary School / Diploma/ Dili I Junior Hiah School / Bachelor/SI 1 1 Senior High School/ r—] Master/S2
5.	Usia Responden	| < 20 Tahun | 21-30Tahun 31-40Tahun 41-50Tahun 51-60Tahun >60 Tahun
6.	Lama Menjabat	< 1 Tahun 2 - 5 Tahun 1 1 1 - 2 Tahun ├—1 > 5 Tahun
7.	Jabatan di Desa	Kepala Desa Kaur Keuangan Sekretaris Desa Operator Siskeudes Bendahara Desa Kaur Umum dan Perencanaan Kaur Pemerintahan Lainnya

Adopsi Siskeudes

Siapa sajakah yang menggunakan Siskeudes di Desa Bapak/Ibu/Saudara/i? *{anda dapat memilih lebih dari satu jawaban atau menambahkan jawaban lainnyd)*

Kepala Desa

Sekretaris Desa

Bendahara Desa

Lainnya .....

j^aur Keuangan

Operator Siskeudes

Sudah Berapa lama di Desa Bapak/Ibu/Saudara/I menggunakan Siskeudes?

<1 Tahun

1 - 2 Tahun

2 - 5 Tahun

> 5 Tahun

Apakah aplikasi Siskeudes sudah digunakan secara optimal di Desa Bapak/Ibu/Saudara/i?

Optimal

Belum optimal

*(Jika jawaban Anda "**Belum optimal",** tolongjelaskan alasannya?)*

Rata-rata, berapa kali desa Bapak/Ibu/Saudara/i menggunakan aplikasi Siskeudes setiap bulannya?

<10 kali

10-20 kali

20-30 kali

> 30 kali

Apa kegunaan aplikasi Siskeudes di Desa Bapak/Ibu/Saudara/i?
{anda dapat memilih lebih dari satu jawaban atau menambahkan jawaban lainnyd)

Pencatatan anggaran yang diterima dari pemerintah

Pencatatan pengeluaran desa

Pencatatan pendapatan desa

Pencatatan anggaran dan alokasi dana desa

Lainnya. . . . . .

Apakah ada pendampingan terkait penggunaan aplikasi Siskeudes yang dilakukan oleh pemerintah/BPKP di Desa Bapak/Ibu/Saudara/i setiap tahunnya?

Belum pernah lKali

2 Kali > 3 Kali

Apakah Bapak/Ibu/Saudara/i mengalami kesulitan dalam menggunakan aplikasi Siskeudes?

Ya Tidak

Jikajawaban Bapak/Ibu/Saudara/i "Ya", apa kesulitan yang dihadapi selama menggunakan Siskeudes?
{anda dapat memilih lebih dari satu jawaban atau menambahkan jawaban lainnyd)

Sumber Daya Manusia terbatas

Infrastrutur kurang memadai

Internet / Wi-Fi

Si stem sulit untuk digunakan

Kurangnya pelatihan

Lainnya

Bagian B. Variabel Penelitian

Instrumen I: Tekanan

Silahkan pilih salah satu dan berilah tanda silang (X) pernyataan pada kuesioner dibawah ini dengan mengacu pada skala berikut:

Sangat Tidak Setuju	Tidak Setuju	Netral	Setuju	Sangat Setuju
1	2	3	4	5

	TEKANAN	Sangat Tidak Setuju				Sangat Setuju
1	Saya sedang mengalami pengeluaran tak terduga seperti sakit, kecelakaan, atau keadaan darurat lainnya.	1	2	3	4	5
2	Saya merasa depresi karena beban kerja saya terlalu berat.	1	2	3	4	5
3	Saya Perlu mengurangi pengeluaran agar keuangan saya cukup untuk bulan ini.	1	2	3	4	5
4	Saya sebagai tulang punggung keluarga.	1	2	3	4	5
5	Saya memiliki gaya hidup yang relatif tinggi atau mewah.	1	2	3	4	5
6	Saya perlu mencari pekerjaan sampingan untuk memenuhi kebutuhan bulanan.	1	2	3	4	5
7	Saya mengelola Siskeudes sekaligus memiliki tanggung jawab pekerjaan lain yang harus dilakukan secara bersamaan di desa.	1	2	3	4	5
8	Saya merasa tidak nyaman di tempat kerja karena adanya Siskeudes.	1	2	3	4	5
9	Saya memiliki informasi yang jelas mengenai besaran kenaikan gaji, tunjangan, promosi, dan sanksi bagi pelaku kecurangan.	1	2	3	4	5

Instrumen II: Peluang

Silahkan pilih salah satu dan berilah tanda silang (X) pernyataan pada kuesioner dibawah ini dengan mengacu pada skala berikut:

Sangat Tidak Setuju	Tidak Setuju	Netral	Setuju	Sangat Setuju
1	2	3	4	5

	PELUANG	Sangat Tidak Setuju				Sangat Setuju
1	Pencatatan transaksi dapat dilakukan tanpa persetujuan yang semestinya.	1	2	3	4	5
2	Pencatatan dilakukan pada periode akuntansi yang tidak sesuai dengan tanggal transaksi sebenarnya.	1	2	3	4	5
3	Pembagian tugas dan tanggung jawab antara aparat tidak jelas dan tidak dirinci dengan baik.	1	2	3	4	5
4	Beberapa area tidak terjangkau oleh CCTV, sehingga proses pencatatan transaksi kurang terlihat.	1	2	3	4	5
5	Peraturan, prosedur dan instruksi tidak didokumentasikan dengan baik	1	2	3	4	5
6	Pengawasan, pengendalian, dan pemeriksaan audit tidak memadai dan tidak dilakukan secara teratur.	1	2	3	4	5
7	Menurut pendapat saya, tidak ada sistem pengawasan yang efektif untuk memastikan bahwa semua aparat desa menjalankan tugasnya sesuai dengan standar operasional prosedur.	1	2	3	4	5
8	Fraud berpotensi terjadi dalam sistem keuangan desa.	1	2	3	4	5
9	Fraud terjadi karena sikap/perilaku pengguna sistem.	1	2	3	4	5
10	Kelemahan dalam sistem keuangan desa membuka peluang terjadinya kecurangan.	1	2	3	4	5
11	Hanya satu orang yang memiliki akses ke sistem keuangan desa (Siskeudes).	1	2	3	4	5

Instrumen III: Rasionalisasi

Silahkan pilih salah satu dan berilah tanda silang (X) pernyataan pada kuesioner dibawah ini dengan mengacu pada skala berikut:

Sangat Tidak Setuju	Tidak Setuju	Netral	Setuju	Sangat Setuju
1	2	3	4	5

RASIONALISASI		Sangat Tidak Setuju				Sangat Setuju
1	Menurut saya, gaji yang saya terima terlalu kecil dibandingkan dengan resiko, banyaknya tugas, dan tanggung jawab yang saya miliki di Desa.	1	2	3	4	5
2	Saya percaya bahwa tidak ada yang akan dirugikan jika saya menggunakan uang desa atau aset kantor untuk keperluan pribadi.	1	2	3	4	5
3	Saya merasa boleh meminjam aset kantor asalkan dikembalikan dalam kondisi utuh atau tidak rusak.	1	2	3	4	5
4	Saya percaya bahwa imbalan dari masyarakat, rekanan, atau rekan kerja adalah bentuk apresiasi atas layanan baik yang telah saya berikan.	1	2	3	4	5
5	Saya pikir boleh saja membuat pengecualian terhadap aturan tertentu untuk mencapai target atau menyelesaikan kewajiban saya.	1	2	3	4	5
6	Saya percaya bahwa desa berhutang kepada saya atas kontribusi saya, dan saya dapat meminta imbalan kapan saja.	1	2	3	4	5
7	Saya percaya bahwa jika saya menggunakan sedikit uang atau aset desa, desa tidak akan mengalami kerugian.	1	2	3	4	5
8	Saya merasa layak mendapatkan penghargaan atas kontribusi saya kepada desa, yang belum saya terima.	1	2	3	4	5

Instrumen IV: Kemampuan

Silahkan pilih salah satu dan berilah tanda silang (X) pernyataan pada kuesioner dibawah ini dengan mengacu pada skala berikut:

Sangat Tidak Setuju	Tidak Setuju	Netral	Setuju	Sangat Setuju
1	2	3	4	5

	CAPABILITY	Sangat Tidak Setuju				Sangat Setuju
1	Dengan jabatan saya saat ini, saya memiliki kemampuan untuk melakukan fraud.	1	2	3	4	5
2	Saya memiliki pemahaman yang mendalam tentang sistem pengendalian internal yang terkait dengan jabatan saya saat ini.	1	2	3	4	5
3	Saya memiliki kemampuan untuk meyakinkan staf lain untuk mengikuti saran saya.	1	2	3	4	5
4	Kemampuan saya dalam mengerjakan banyak pekerjaan secara bersamaan memberi saya keuntungan di tempat kerja.	1	2	3	4	5
5	Saya mampu mengendalikan stress dengan efektif.	1	2	3	4	5
6	Saya merasa mudah menggunakan Siskeudes.	1	2	3	4	5
7	Saya sangat mahir menggunakan si stem keuangan desa (Siskeudes).	1	2	3	4	5
8	Saya selalu mengikuti training tentang penggunaan Siskeudes.	1	2	3	4	5
9	Saya bisa dengan cepat memahami Siskeudes.	1	2	3	4	5

Instrumen V: Etika Kerja Spiritual

Silahkan pilih salah satu dan berilah tanda silang (X) pernyataan pada kuesioner dibawah ini dengan mengacu pada skala berikut:

Sangat Tidak Setuju	Tidak Setuju	Netral	Setuju	Sangat Setuju
1	2	3	4	5

ETIKA KERJA SPIRITUAL		Sangat Tidak Setuju				Sangat Setuju
1	Saya percaya pada Tuhan dan berkomitmen untuk hidup sesuai dengan prinsip-prinsip Ketuhanan.	1	2	3	4	5
2	Saya menyisihkan sebagian penghasilan saya setiap bulan untuk donasi atau kegiatan amal.	1	2	3	4	5
3	Saya dapat menerima bahwa tantangan di tempat kerja dapat terjadi dan berusaha untuk menanggapi dengan baik.	1	2	3	4	5
4	Saya berusaha untuk memperbaiki masalah yang saya hadapi dengan cara yang bermoral.	1	2	3	4	5
5	Sebelum mengkritik seseorang, saya menempatkan diri saya sendiri dalam posisi mereka.	1	2	3	4	5
6	Ketika menghadapi masalah, saya melihat semua informasi yang relevan sebelum mengambil keputusan.	1	2	3	4	5
7	Saya tetap tenang dan berpikir jernih saat menyelesaikan masalah, bahkan di saat tertekan secara emosional.	1	2	3	4	5
8	Saya berusaha melepaskan rasa dendam dan fokus pada solusi yang dapat memperbaiki keadaan.	1	2	3	4	5
9	Saya mengontrol emosi dan menjaga profesionalisme saat menghadapi masalah.	1	2	3	4	5
10	Saya tidak akan melakukan kompromi terhadap prinsip-prinsip etika yang saya pegang.	1	2	3	4	5
11	Tidak dibenarkan bagi aparat desa untuk terlibat dalam pengelolaan uang desa yang tidak tepat.	1	2	3	4	5
12	Ketika harus memilih antara apa yang benar dan apa yang menguntungkan saya, saya akan memilih yang benar.	1	2	3	4	5
13	Tindakan saya konsisten dengan prinsip etika, apa pun situasinya.	1	2	3	4	5
14	Saya akan mengatakan yang sebenarnya meskipun ada risiko bagi diri saya.	1	2	3	4	5
15	Sistem keuangan desa (siskeudes) mendorong saya untuk menjaga etika kerja yang tinggi.	1	2	3	4	5

Instrumen VI: Fraud Incidents in the Village Fund System

Silahkan pilih salah satu dan berilah tanda silang (X) pernyataan pada kuesioner dibawah ini dengan mengacu pada skala berikut:

Sangat Tidak Setuju	Tidak Setuju	Netral	Setuju	Sangat Setuju
1	2	3	4	5

FRAUD INCIDENTS IN THE VILLAGE FUND SYSTEM		Sangat Tidak Setuju				Sangat Setuju
1	Terdapat kejadian fraud dalam penggunaan sistem keuangan desa.	1	2	3	4	5
2	Tingkat kejadian fraud dalam penggunaan dana desa tinggi.	1	2	3	4	5
3	Terdapat banyak transaksi di desa yang rentan terhadap insiden fraud.	1	2	3	4	5
4	Korupsi, kolusi, dan nepotisme merupakan jenis fraud yang paling umum terjadi di desa.	1	2	3	4	5
	Di desa ini, saya melihat/pernah mengetahui bahwa aset kantor digunakan untuk keperluan pribadi (kendaraan, printer, komputer, dll.).					
	Di desa ini, saya yakin/percaya bahwa kas desa digelapkan atau diselewengkan.					
	Saya yakin ada beberapa informasi dalam laporan keuangan dana desa yang disembunyikan atau tidak disajikan secara akurat.					
8	Saya mengetahui adanya kesalahan penyajian yang sering terjadi, dan kesalahan tersebut diperbaiki beberapa hari kemudian.	1	2	3	4	5
9	Meski telah menggunakan Sistem Keuangan Desa (Siskeudes), fraud masih dapat terjadi	1	2	3	4	5

Bagian C. Mekanisme Penangangan Insiden Kecurangan

1) Pernahkah Bapak/Ibu/Saudara/i menemukan adanya insiden/peristiwa kecurangan di Desa?

Tidak pernah

Sekali

2-3 kali

4-5 kali

>5 kali

2) Seperti apakah insiden/peristiwa kecurangan tersebut?
{anda dapat memilih lebih dari satujawaban atau menambahkanjawaban lainnyd)

Menyalahgunakan properti, atau menghindari peraturan, hukum, atau kebijakan pemerintah

Penyuapan

Melakukan transaksi tanpa izin

Laporan pengeluaran yang dilebih-lebihkan

Memalsukan laporan pendapatan

Barang/jasa tidak dibayar

Mark-up harga barang

Memproses faktur palsu

Pencurian

Pencurian persediaan barang dagangan atau peralatan

Lainnya.....

3) Apakah ada sebuah mekanisme penanggulangan di Desa Bapak/Ibu/Saudara/I agar kejadian kecurangan *(fraud)* bisa diminimalkan/dikurangi?

Sudah ada

Belum ada.

*(Jika Anda menjawab "**sudah** ada", anda dapat memilih lebih dari satujawaban atau menambahkanjawaban lainnyapadapillihanjawaban dibawah ini)*

Jenis Mekanisme	
• Pengendalian	Pemisahan tugas
	Persetujuan berdasarkan hierarki
	Pembatasan akses sistem
	Penyaluran dana secara bertahap
	Venfikasi dari pemangku kepentingan
Kebijakan dan	Kode etik yang jelas
	Pembaruan sistem
	Pemeliharaan sistem
	Laporan transparan kepada pemangku
	Pengawasan anggaran oleh pihak independen
	Laporan akuntabilitas
Pelatihan dan	Pelatihan etika
	Kampanye etika
	Pegawai yang berkualifikasi
Audit dan Inspeksi	Audit dari Inspektorat
	Audit dari KAP (Kantor Akuntan Publik)
Tindakan Disipliner	Sanksi
	Pemutusan hubungan kerja
	Tindakan hukum
Lainnya	

TERIMA KASIH

Partisipasi Bapak/Ibu/Saudar/i dalam mengisi kuesioner ini sangat saya hargai. Apabila ada saran dan komentar, silahkan isi kolom berikut:

APPENDIX 2

Research Ethics

:RSITI
TEKNOUOGI
MARA

rvjjh.it
I imhjlan \aih CttMctoff
IPcnytflidikan lian Inovasii

Reference : 600-TNCPI (5/1/6)
Our reference : REC/07/2023 (PG/MR/258)
Date : 24 July 2023

Or Farah Aida binti Ahmad Nadzri
(Fuad Khoirul - 2021421012)
Accounting Research Institute (ARI)
Level 12. Menara SAAS
Universiti Teknologi MARA (UiTM)
40450 Shah Alam
SELANGOR

Dear Dr Farah Aida.

APPROVAL LETTER - UITM RESEARCH ETHICS COMMITTEE

Thank you for submitting your research proposal to the Research Ethics Committee (REC). After considering your application, the Committee approved your proposal titled 'Determinants of Fraud Incidents and Coping Mechanisms for Village Fund System in Indonesia" at vilages in Central Java. Indonesia.

Details of the approval are as follows:

Ref. number:	F^: JT.-l;:3 p.;!.'R:^-
Approval Period	J 4 . , . : ' . - • •; c-r r.n i>:-. J : J I
Authorised personnel:	**1. Dr Farah Aida binti Ahmad Nadzn** **2. Fuad Khoirul**

The UiTM Research Ethics Committee operates in accordance to the ICH Good Clinical Practice Guidelines. Malaysian Good Clinical Practice Guidelines and the Declaration of Helsinki. The approval of this project is conditional upon your continuing compliance with these guidelines and declaration.

We draw to your attention the requirement that a report on tNs research, must be submitted every 12 months from the date of the approval or on the completion of the project, whichever occurs first. Failure to submit reports will result in withdrawal of consent for the project to proceed. Amendments, if any. to the study documents are to be submitted to the REC for approval.

If you require further information, please contact the REC Secretariat at 03-55448069/03-55442794 or email at recsecretariat@uitm.edu.my.

Yours sincerely.

EMERITUS PROFESSOjJ/OATO DR RAYMOND AZMAN ALI
Chairman
UiTM Research Ethics Committee

c.c: Director. Accounting Research Institute (ARI). UiTM

L'niv«*ili teknologi MARA
Arm 1. Tlan^prtmTftr*
Still) AUm, JwUingOT. MAI A1 MA
1^1 i-<,^,--;o>'4:25?
FA»: <t0i> 55« 2070

is — *m* *
tSntMtMll'
UiTMHB

AUTHOR'S PROFILE

Khoirul Fuad completed his doctoral program in financial criminology at the Accounting Research Institute (ARI), Universiti Teknologi MARA (UiTM), Shah Alam, Malaysia. His doctoral dissertation was titled "Determinants of Fraud Incidents and Coping Mechanisms for Village Fund System in Indonesia". He obtained his bachelor's degree in accounting from Semarang State University (UNNES) in 2008. He then earned his master's degree in accounting from the Faculty of Economics and Business, Diponegoro University (UNDIP) in 2012. In 2015, he completed his professional accounting education at Stikubank University (UNISBANK). In the same year, he also obtained the Chartered Accountant (CA) title from the Indonesian Institute of Accountants (IAI). He began his career in accounting and finance at the Bureau of Planning and Finance Administration *(BAPK)* at UNNES for five years and then pursued a career in academia as a lecturer at the Faculty of Economics and Business, Universitas Islam Sultan Agung (UNISSULA), from 2013 until now. He teaches courses in Public Sector Accounting, Government Financial Accounting, Forensic Accounting, and Academic Digital Technology. He served as Secretary of the Accounting Department from 2017 to 2018. In addition, he also served as Head of the Accounting Diploma Program from 2018 to 2022. He has also received various grants from the Ministry of Higher Education of the Republic of Indonesia, as well as several research grants and community service awards at the university level.

LIST OF PUBLICATION:

1. Fuad, Khoirul., Nadzri, F. A. A., Urus, S. T., Winarsih, W., & Handayani, R. T. Measuring the Competence and Morality of Village Apparatuses in minimising the Occurrence of Fraud in Village Fund Financial Management. International Journal of Accounting and Business (IJAFB). 2023. 46(8): p.349.
2. Fuad, Khoirul., Pamungkas, S. A. A., Nadzri, F. A. A., Urus, S. T., *Factors Influencing the Implementation of Siskeudes for Village Officials Moderated by Internal Locus of Control*. Journal of Emerging Economic and Islamic Research (JEEIR) 13(2): 2025.

LIST OF ADDITIONAL PUBLICATION:

1. Fuad, K., Nadzri, F. A. A., Urus, S. T., Pamela, C. A., & ., Winarsih, W. (2023). *Utilization Interest Mediating Effect by Using The UTA UT Model for the Siskeudes.* In J. Said, D. Daud, N. Erum, N. B. Zakaria, S. Zolkaflil, & N. Yahya (Eds.), Building a Sustainable Future: Fostering Synergy Between Technology, Business and Humanity, vol 131. European Proceedings of Social and Behavioural Sciences (pp. 179-191). European Publisher.
2. Putriani, S., Putriana, S., Fuad, K., Widawati, M.W & Aji, N.P. (2023). The Role of Digital Technology Self-Efficacy and Digital Technostress on Intention to Use FinTech: A Study on MSMEs in Surakarta City. Riset Akuntansi dan Keuangan Indonesia, 8(3), 287-300.
3. Winarsih, W., Fuad, K., & Nadzri, F. A. A. (2024). *The Importance Of Knowledge, Investment And Motivation For Gen-Z Interested In Investing.* International Journal Of Accounting, Management, And Economics Research, 2(1), 160-172.
4. Mustaqin, K. and Fuad, K. (2024). *Model Pencegahan Fraud pada Alokasi Dana Desa di Desa Gabus, Kabupaten Pati.* Jurnal Akuntansi Dewantara 8(1), 74-85.
5. Fuad, K., Hastuti, E. S., Amilakhaq, F., & Santoso, B. (2025). *Digital Marketing Development for Micro and Small Businesses in Pulosari Village, Karangtengah District, Demak Regency.* Indonesian Journal of Community Services 7(1), 106-113.

6. Fuad, K., Winarsih, W., Handayani, R. T., & Nadzri, F. A. A. (2025). *Penentuan Harga Jual Produk Usaha "Ngemil Berkah" dengan Pendekatan HPP*. SULUHJurnal Abdimas 6(2), 237-244.
7. Winarsih, W., Najmuddin, A.B., & Fuad, K. (2026). Dose Firm Size Moderate the Factors of Financial Distress? Evidence from Industrial Companies. Corporate and Business Strategy Review, Vol 7, Issue 1, 2026 pp 66-77.

LIST OF PAPER PRESENTED:

1. Paper presented in the 39th International Business Information Management Association (IBFMA) 2022 "The Role of Accountants in Encountering Climate Change and its Impact on the Industrial Sector Companies Sustainability: A Conceptual Model" Granada, Spain on 30-31 May 2022.
2. Paper presented in the 12th International Conference on Financial Criminology (ICFC) 2022 *"Determinant of Fraud Incidents and Coping Mechanisms for Village Fund System (Siskeudes) in Central Java"* held by UiTM Shah Alam, Malaysia on 4-5 July 2022.
3. Paper presented in International Conference in Technology, Humanities and Management (ICTHM) 2023 *"The system utilization interest as a mediator of the effect of using the UTAUT model on the village fund system (Siskeudes)"*. Held by UiTM Shah Alam, Malaysia and Istanbul Medipol University, Turkiye on 12-13 June 2023.
4. Paper presented in International Public Sector Conference (5IPSC) *"The Effect of Gender in Moderating UTAUT Model use Behavior in Siskeudes"*. Held by Universitas Mahasaraswati, Bali, Indonesia on 10-11 October 2023.
5. Paper presented in 8th International Palandoken Scientific Studies Congress 2024 *"Factors that influence Tax Avoidance"*. Held by Isarc, Erzerum, Turkiye on 09-10 March 2025.
6. Paper presented in International Conference on Education Technology and Social Sciences (ICONTESS) 2025 *"Improving MSME Performance Through Digital Platforms and Green Innovation as Mediation Variables in Central Java"*. Held by Universitas Islam Sultan Agung, Semarang, Indonesia on 18 June 2025.

LIST OF RESEARCH GRANT:

1. Khoirul Fuad (2022): Measuring the Competence and Morality of Village Officials in Minimizing Fraud in the Management of Village Funds. Received research grant from Universitas Islam Sultan Agung, Semarang, Indonesia.
2. Khoirul Fuad (2023): The Importance of Utilizing Systems as Mediators of the Influence of the UTAUT Model on Village Fund Systems (Siskeudes). Received research grant from Universitas Islam Sultan Agung, Semarang, Indonesia.
3. Khoirul Fuad (2024): *Factors Influencing Fraudulent Behavior Among Online Transportation Drivers in Semarang.* Received research grant from Universitas Islam Sultan Agung, Semarang, Indonesia.
4. Khoirul Fuad (2025): Whistleblowing as a Fraud Prevention Mechanism in the Context of Village Financial Management: Competence and Religiosity as Moderating Variables. Received research grant from Universitas Islam Sultan Agung, Semarang, Indonesia.

LIST OF COMMUNITY SERVICE GRANT:

1. Khoirul Fuad (2022): *Solution to Increase the Income of Cow Farmers by Utilizing Cow Manure Into Valuable Solid Organic Fertilizer*. Received community service grant from Universitas Islam Sultan Agung, Semarang, Indonesia.
2. Khoirul Fuad (2023): Technical Assistance in Preparation of Tax Reports Based on SAK-EMKM for Micro Businesses in Kaliwungu Village, Kudus. Received community service grant from Universitas Islam Sultan Agung, Semarang, Indonesia.
3. Khoirul Fuad (2024): Guidance on Determining the Selling Price of MSME Products "Ngemil Berkah" Using the Cost of Goods Manufactured (COGM) Approach. Received community service grant from Universitas Islam Sultan Agung, Semarang, Indonesia
4. Khoirul Fuad (2025): *Encouraging Financial Discipline inMSMEs "Ngemil Berkah": Accessible and Practical Financial Reporting.* Received community service grant from Universitas Islam Sultan Agung, Semarang, Indonesia.

LIST OF REVIEWER JOURNAL AND EDITORIAL BOARD:

1. Khoirul Fuad (2024). Reviewer on the 1st SEMANAK (Seminar Nasional Akuntansi) 2024 held on 2 December 2024 at Department of Accounting, Faculty of Economics and Business, Universitas Muria Kudus, Central Java, Indonesia.
2. Khoirul Fuad (2024). Editorial Boards of the Accounting Global Journal (AGJ), Department of Accounting, Faculty of Economics and Business, Universitas Muria Kudus, Central Java, Indonesia.

LIST OF NATIONAL AND INTERNATIONAL SPEAKER:

1. Khoirul Fuad (2023). Speaker on the 8th UUICP 2023 (Unissula - UiTM Collaborative Programme) with title *"Mitigation of Financial Fraud Risks in Village Administration"* held on 6-8 June 2023 at Banyubiru Village, Semarang, Central Java, Indonesia.
2. Khoirul Fuad (2022). Speaker on Dinas Pemberdayaan Masyarakat Desa Kabupaten Semarang with title "Bimbingan Teknis Penguatan Kapasitas Badan Usaha Milik Desa (BUMDes)" held on 21 September 2022 at Kabupaten Semarang, Central Java, Indonesia.