

## The Influence of Internal Control, Leadership Morality, and Organizational Justice on the Tendency of Accounting Fraud in Regional Apparatus Organization of Bima City

Sunny Aulia Aisa Putri<sup>1\*</sup>, Rr. Sri Pancawati Martiningsih<sup>2</sup>  
Faculty of Economics and Business, Universitas Mataram, Indonesia  
**Corresponding Author:** Sunny Aulia Aisa Putri  
[sunnyauliaaisaputri@gmail.com](mailto:sunnyauliaaisaputri@gmail.com)

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### ABSTRACT

Good accounting applied by government agencies will prepare appropriate financial reports. Improving the quality of financial reporting on the performance of government agencies is expected to minimize fraud practices so that it is hoped that the Indonesian government can implement good governance for the regions and the central government. The research conducted aims to find out how the Influence of Internal Control, Leadership Morality, and Organizational Justice Prevents Accounting Fraud in Bima City Regional Apparatus Organization. The research was conducted using the Associative Quantitative research method with data processing carried out using the SPSS program, and had the result that "Internal Control, Leadership Morality, and Organizational Justice have an influence on the tendency of accounting fraud" in Bima City Regional Apparatus Organization. The results of the study show that in each Regional Apparatus Organization in Bima City, it must be wiser both in shaping the character of employees, the fairness of leaders and creating a fair and clean organizational space so that it can minimize accounting fraud in every Regional Apparatus Organization in Bima City.

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## INTRODUCTION

The unitary state of the Republic of Indonesia adheres to the principle of decentralization in the implementation of local government (Zulkifli, Suasa, Mukarramah, Daswati, & Samad, 2018), by providing opportunities and flexibility for regions to implement regional autonomy (Wu, Hao, & Ren, 2020). Local governments have the authority to regulate and manage their territories in accordance with applicable laws, which is considered one of the reform agendas (Su, Umar, & Khan, 2021). Local governments, both at the provincial and district/city levels, have their own regional apparatus to turn the wheels of government. (G. Li, Guo, & Di, 2021).

To achieve a just, advanced, and prosperous society, local governments are responsible for realizing the State's goals in the preamble to the 1945 Constitution. To achieve this goal, the government plans a budget work plan, approves regional budgets and expenditures approved by the House of Representatives, implements regional revenue and expenditure budgets, and is responsible for the implementation of regional revenues, and expenditures in the form of local government financial statements. If local governments make revenue and expenditure budgets, they must comply with financial principles such as accountability, professionalism, proportionality, openness, and financial audit by independent institutions (Law of the Republic of Indonesia Number 17 of 2003).

In regional financial management, the Regional Apparatus Organization (OPD) is part of the regional apparatus of the local government that manages local government affairs within the scope of work it leads. Regional Apparatus Organization makes financial reports that will be submitted to regional heads through accounting procedures. This is the responsibility for the management of regional finances, which includes the budget and goods, and the funds are managed by the treasurer as a functional official. Regional apparatus included in Regional Apparatus Organization are the Regional Secretariat, Expert Staff, DPRD Secretariat, Agencies, Inspectorates, Districts, Districts (or other units at the same level), and Villages or Villages (or other units at the same level). Strengthening the performance of Regional Apparatus Organization will definitely improve the quality of regional performance, especially in terms of financial governance.

The local government financial statements prepared by the Regional Apparatus Organization present the use of the annual regional revenue and expenditure budget implemented by the local government. In implementing the budget, local governments are inseparable from the risk of irregularities in various forms of malpractice, such as corruption, bribery, and embezzlement (Law of the Republic of Indonesia Number 20 of 2001)." To ensure that the government is free from fraud, the Financial Audit Agency is mandated in Law No. 15 of 2006 concerning the Financial Audit Agency to examine the management and responsibility of state finances which includes financial audits, performance audits, and audits for certain purposes to fulfill information systems that will prevent fraud" (Suhandi, 2023) or what is called *Fraud*.

*Fraud* is a common occurrence in the government sector in Indonesia (Riyanto & Arifin, 2022), involving several officials at various levels, both central and regional, as well as other dangers that threaten the world (Lingga Rani et al., 2021). So that the government's performance in preventing *fraud* "is in the public spotlight because the public begins to question the value they get for government services themselves because more and more government agencies seem to be indifferent to efforts to improve better performance. The level of corruption in NTB is one of the highest in Indonesia. Based on KPK data, from 2015-2022, as many as 601 cases related to villages in NTB have been handled by the KPK with a total of 686 suspects" ([www.kompas.id](http://www.kompas.id)).

Based on the initial observations of the research, "The Corruption Eradication Commission has designated Bima Mayor Muhammad Lutfi as a suspect in a corruption case because he allegedly received" Rp 8.6 billion related to various projects in Bima City. In addition, two Bima Regency Government officials are suspects in the Rp2.3 billion BANSOS corruption case. Performance accountability problems at Bima City Regional Apparatus Organization from 2020-2022 Based on the Bima City Local Government Financial Statements (LKPD), a review of the Clarity of Budget Objectives and Performance Accountability Reporting System since August 2023 shows that the expenditure absorption rate is only 82.27% and 17.73% of the 2023 spending plan has not been achieved. In that year, the local government was unable to make payments due to the unavailability of regional cash, both in the form of short-term debt and regional debt to third parties, the Expenditure Treasurer's accountability report had not yet been made; additional budget calculations for 2022 are still needed; and the Village Financial Management Accountability Report must be submitted before the deadline specified at the end of 2023.

The use of good accounting by government organizations will result in good financial statements as well. Better arrangement of government financial statements will ensure that such financial statements are presented correctly and reasonably in accordance with government financial accounting standards, and that the information contained in such reports is available to users and decision-makers. The use of good accounting and optimization of supervision of government financial reporting is expected to improve government performance so that it can optimize the performance of government affairs. Improving the quality of financial reports is expected to have an impact on the government's performance to minimize *fraud* practices so that it is hoped that the Indonesian government can implement good governance for the center and blood. The poor accounting at the Bima City Regional Apparatus Organization from 2020-2022 shows the importance of factors that affect this, including internal control, leadership morality, and organizational justice.

Internal control is the process of supervising the accounting system/accounting information system in an active company or organization. Internal control aims to keep the company away from risks and threats that may harm or cause harm to the company or organization. According to the Government Internal Control System (SPIP) related to internal control,

Government Regulation Number 60 of 2008 concerning the Government Internal Control System (SPIP) states: This is the main basis for the implementation of SPIP in the government environment. This regulation regulates how government agencies must exercise internal controls to improve accountability and organizational performance. Regulation of the Financial and Development Supervisory Agency (BPKP) Number 4 of 2016 concerning technical guidelines for the implementation of SPIP". BPKP as the institution responsible for fostering and monitoring the implementation of SPIP issued this guideline so that SPIP can be implemented more effectively. Government Regulation Number 60 of 2023: This is a regulation that replaces Government Regulation Number 60 of 2008 and updates several important aspects in the implementation of SPIP. The focus is on strengthening integrity, effectiveness, and efficiency in risk management as well as internal control processes in government agencies. (<https://www.bpkp.go.id/id>). The research of Suh, Nicolaides and Trafford (2019) concluded that internal control systems play an important role in preventing fraudulent behavior actions. An inadequately designed Internal Control System can result in weak company control, opening up opportunities for someone to commit fraudulent behavior that can harm an agency or institution (Setiawan, 2018). With adequate internal control, it is hoped that accounting fraud activities in an agency or institution can be minimized. "Disclosure of internal controls has become one of the main focuses in business over the past few years in the wake of repeated cases and threats of accounting *fraud*, and thus became a determining factor in Internal decision-making" (Nawawi, A., & Copy, A. S. A., 2018). Based on the research of BN Muna (2016), it shows that the results of internal control have an effect on the tendency to cheat. However, Eliza (2015) research, this shows that the internal control system has a negative and significant influence on the level of accounting *fraud* trends.

In addition to internal control, the morality of an act is a moral aspect that affects the tendency of accounting fraud. By knowing the nature and characteristics of humans who are most likely to commit fraud, companies can reduce the possibility of accounting fraud (Hertati, L. 2023), while on the topic of individual morality and accounting fraud. The level of morality that a person has can affect his actions and behavior, preventing him from committing fraudulent acts.

Morality in the context of the Government Internal Control System (SPIP) refers to the integrity and ethics that must be possessed by every individual in a government organization, especially at the leadership level. SPIP aims to ensure that the activities of government organizations run effectively and efficiently, comply with applicable regulations, and prevent irregularities or fraud, including in terms of state financial management. Based on Government Regulation Number 60 of 2008 concerning the Government Internal Control System (SPIP), leadership morality is an important part of the control environment, which is one of the five elements of SPIP. This environmental control includes integrity, ethical values, competence, and leadership management philosophy. In this case, leaders who have high morality will

provide examples of good behavior, maintain transparency, and comply with legal and regulatory standards, thereby preventing the potential for fraud or fraud. The latest regulation regulating SPIP, namely Regulation of the Financial and Development Supervisory Agency (BPKP) Number 4 of 2016 concerning Guidelines for Assessing the Maturity of SPIP Implementation, also emphasizes the importance of morality in good governance. Good morality from leaders serves as the foundation for the creation of a strong control system, where leaders must be role models in the application of ethics and integrity.

(<https://peraturan.bpk.go.id/Details/4876>)

"According to Liyanarachchi and Newdick (2009) who explain that the level of moral reasoning of a leader is likely to affect his ethical behavior. People with low levels of moral reasoning behave differently than people who have high levels of moral literacy when faced with ethical dilemmas" (Kuntadi et al., 2023). "The higher the level of a person's moral circulation, the more likely the individual is to do the right thing. Individuals at a certain moral level will also view their interests as the main thing in action." Research researched by Putri and Irwandi (2016) and Setiawan (2018) shows that leadership morality has a positive influence on the treatment of accounting fraud. However, the research of Novitasari (2019) and Astuti, et al. (2017) "concluded that leadership morality has no effect on the tendency of accounting *fraud*".

The last variable of organizational justice, organizational justice is a person's assumption about the fairness of a decision taken by their leader. Colquitt et al. (2001) argue that organizational justice has three types, namely distributive justice, procedural justice, and interactional justice. Distributive justice is justice in the amount and reward of individuals in government agencies (Robbin & Judge, 2015: 145). The second is procedural justice, which focuses on the process used to make decisions. The decision-making process can be in the form of making regulations that exist in government agencies. The third is interactional justice, which is the value of justice felt by employees because of the process of interaction with other parties in the organization, both from leaders and colleagues. With justice in government agencies, *fraud* will be reduced because employees will feel satisfied with what they are doing. results obtained and can improve its performance in managing and presenting government financial statements. Likewise, when justice is not applied to government agencies, it will cause them to commit accounting *fraud*. This is supported by research conducted by Rizqia (2022), which shows that organizational fairness has an effect on the tendency of accounting fraud. However, research by Sri & Ratna (2021) shows that organizational fairness has a negative effect on the tendency of accounting fraud and fraud.

Organizational justice in the context of the Government Internal Control System (SPIP) includes several important dimensions related to how decisions and resource allocation are carried out within the organization. The three main aspects of organizational justice are (1) Distributive Justice, it is closely related to employees in terms of the contributions they make and the rewards they earn. Distributive justice assesses the equality of rewards with the efforts made, as well as the eligibility of rewards based on the completion of the tasks

undertaken. For example, if an employee does a good job, then the reward he receives should reflect his or her performance. (2) Procedural Fairness, this aspect assesses the decision-making process used to determine the outcome. Procedural fairness focuses on how decisions are made and the extent to which employees have the opportunity to be involved in the process. The principles underlying procedural justice include freedom from bias, consistency in the application of rules, and transparency in the information used for decision-making. (3) Interactional Fairness, This relates to the way individuals are treated in everyday interactions in the workplace. Interactional fairness includes respect and appreciation for individuals, which can have an impact on the work climate and employee motivation. Employees who feel well treated and valued tend to be more engaged and loyal to the organization. The implementation of the principles of organizational justice in SPIP can support good governance, increase transparency, and accountability, and reduce the risk of abuse of authority. With good fairness, it is expected that decision-making can be done better, which in turn improves the overall performance of the organization. (<https://peraturan.bpk.go.id/peraturan-bpkp-no-5-tahun-2021>)

Effective internal control, high leadership morality, and organizational fairness are important pillars in creating a healthy work environment, especially in government financial management. In Bima City Regional Apparatus Organization, the internal control function through the Government Internal Control System (SPIP) is expected to prevent accounting fraud practices. However, the phenomenon that occurred shows that there is still a tendency for fraud in several government agencies, including Regional Apparatus Organization. This can be seen from the findings of the BPK (Financial Audit Agency) which shows indications of irregularities in budget management in several Bima City Regional Apparatus Organization in recent years.

This phenomenon reflects the weakness in the internal control applied. In addition, the morality of leaders and organizational fairness are also factors that affect the tendency of accounting fraud. Low leadership morality can trigger deviant practices, while poorly enforced organizational justice can cause dissatisfaction among employees, which in turn increases the potential for fraud.

Previous research has discussed the relationship between internal control and accounting fraud. However, the research is still limited in the context of Regional Apparatus Organization and local government areas, especially in Bima City. For example, research by Susanto (2021) only focuses on aspects of internal control without considering the moral factors of leadership and organizational fairness, which also plays an important role in preventing accounting fraud. The inconsistency in previous research makes this study important as a gap for researchers in filling research gaps, therefore, this study aims to determine the influence of internal control, leadership ethics, and organizational fairness on the tendency of accounting fraud.

This gap prompts the need for further research on how the combination of internal control, leadership morality, and organizational fairness together affects the tendency of accounting fraud in Bima City Regional Apparatus Organization. In addition, with the latest developments in government financial management, such as the tightening of rules in SPIP, it is important to review the effectiveness of internal control in preventing fraud. This research is expected to contribute to strengthening the internal control system and creating a more transparent and integrity environment in Bima City Regional Apparatus Organization. From the description that the researcher has explained straightforwardly, the researcher is interested in raising the title of the research, namely "The Influence of Internal Control, Leadership Morality, and Organizational Justice on the Tendency of Accounting Fraud in Bima City Regional Apparatus Organization".

## LITERATURE REVIEW

### *Accounting Trend Theory*

The *Fraud Octagon* Theory is a development of the more comprehensive *Fraud Hexagon* theory and includes 8 main factors that affect the occurrence of fraudulent actions in organizations. In the *Fraud Octagon* theory, these 8 factors (Capability, Rationalization, Opportunity, Financial Pressure, Non-Financial, Ethical Culture, Knowledge And Awareness, Social Environment) are interrelated and can strengthen each other, thereby increasing the risk of fraudulent acts. Therefore, the detection and prevention of fraud needs to pay attention to these 8 factors and be carried out comprehensively to minimize the risk of fraudulent acts in the organization.

### *The Effect of Internal Control on Accounting Fraud*

Fraud in the government sector can be caused by a weak internal control system and a lack of employee compliance. Internal control systems are used to provide adequate confidence in the reliability of financial statements, compliance with laws and regulations, and operational success. Effective internal controls can reduce the likelihood of accounting fraud. This is supported by research conducted by Wilopo, Pristiyanti, Najahningrum, Adelin, and Fauzihardani. This study examines the influence of internal control on the tendency to cheat. They found that the better the internal controls, the less likely it was to cheat. (Rizky Amalia 2018). Dengan demikian, hipotesis pertama yang diusulkan, yaitu:

H<sub>1</sub> : There is a significant influence of internal control on accounting fraud.

### *The Influence of Leadership Morality on Accounting Fraud*

Leadership morality has an important role in preventing accounting fraud in the organization. A leader who has high morality tends to uphold ethical principles in every decision making related to finance. This will create a more transparent and accountable work environment. In addition, the morality of leaders also affects the organizational culture, where the norms of honesty and integrity are prioritized, thereby reducing the possibility of accounting fraud.

On the other hand, if the morality of the leader is low, then there will be a tendency to tolerate or even engage in fraudulent practices, either directly or indirectly. Leaders who lack integrity will be more likely to ignore existing procedures and regulations, which can ultimately trigger accounting fraud in the organization. "Research shows that good leadership ethics is one of the key factors in preventing accounting irregularities in an organization." (Arens, A. A., Elder, R. J., & Beasley, M. S.: 2020). Thus, the first hypothesis proposed, namely:

H<sub>2</sub>: There is a significant influence of leadership morality on accounting fraud.

### *The Effect of Organizational Justice on Accounting Fraud*

Fairness in an organization is essential to employee motivation. If employees feel that there is fairness in the organization, their satisfaction will become a reality, and they will work with professionalism. Distributive justice, procedural justice, and interactional justice are the three types of justice. Organizational fairness is concerned with rewards such as salaries, promotions, and awards. In general, justice refers to social conditions in which regulations relating to rights and obligations are fulfilled. (Yuliana, Satriawan S., and Hariyani 2016). Thus, the first hypothesis proposed, namely:

H<sub>3</sub>: There is a significant influence of organizational fairness on accounting fraud.

Based on the development of the hypothesis, the conceptual framework can be prepared as follows:

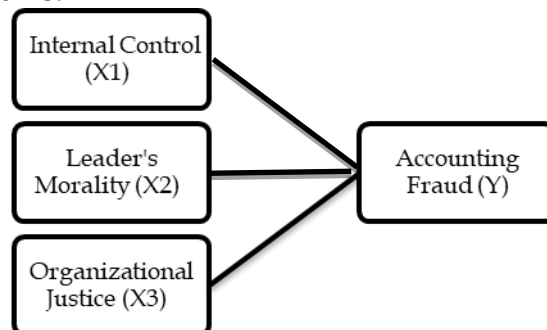


Figure 1. Conceptual Framework

## **METHODOLOGY**

### *Type of Research*

Quantitative research is a systematic scientific study of parts and phenomena as well as cause-and-effect relationships by collecting measurable data using statistical, mathematical, and computational methods. "Quantitative research methods, according to Sugiyono (2009:14) can be interpreted as research methods based on the philosophy of positivism used to research on certain populations/samples, sampling techniques are generally carried out randomly, data collection using research instruments and data analysis are quantitative/statistical with the aim of testing hypotheses that have been determined. Researchers also use a correlational approach, which is a type of research method that asks about the relationship between two or more

variables. The causal relationship between the influencing variable (independent variable) and the influenced variable (dependent variable).

**Population and Sample**

a. Population

In the research conducted by the researcher who became the population in this study, namely all Regional Apparatus Organization units in Bima City totaling 36 Regional Apparatus Organization units.

b. Sample

The research conducted, which became the research sample, was respondents who had criteria such as:

- 1) Budget Manager;
- 2) Treasurer of Expenditure;
- 3) Financial Management Officials;
- 4) Technical Implementation Officer.

Table 1. List of Bima City Regional Apparatus Organization

No	Regional Apparatus Organization
1	Education, Youth and Sports Office
2	Health Office
3	Housing, Residential Areas and Defence Service
4	Population and Civil Registration Office
5	Social Service
6	Women's Empowerment and Child Protection Office
7	Pamong Praja Police Unit
8	Population Control and Family Planning Office
9	Regional Library and Archives Service
10	Tourism and Culture Office
11	Communication, Informatics and Statistics Office
12	Public Works and Spatial Planning Office
13	One-Stop Investment and Integrated Services Office
14	Cooperatives, Industry and Trade Office
15	Manpower Office
16	Transportation Agency
17	Food Security Service
18	Agriculture Service
19	Marine and Fisheries Service
20	Environment Agency
21	Fire and Rescue Service
22	Inspectorate
23	Personnel and Human Resources Development Agency
24	National and Political Unity Agency
25	Regional Disaster Management Agency
26	Regional Development Planning Agency
27	Regional Financial and Asset Management Agency
28	Regional Research and Innovation Agency
29	DPRD Secretariat
30	Regional Secretariat

31	Bima City Hospital
32	West Rasanae District
33	Mpunda District
34	Raba District
35	East Rasanae District
36	Asakota District

From the criteria that have been determined by the researcher, 144 samples were obtained (results from 36 Regional Apparatus Organization X 4 criteria).

### **Research Instruments**

The researcher used a questionnaire as a research tool in this study. According to Sugiyono (2019:199), a questionnaire is a data collection method that involves giving respondents a series of questions or written statements to be answered. The research measurement was carried out using a "likert scale with conditions of 1-5 (1= strongly disagree, 2= disagree, 3= neutral, 4= agree, 5= strongly agree)". The questionnaire is used as the main instrument to explore the data needed in this study. The questionnaire was developed by the researcher based on the indicators of the variables involved, which are as follows:

Table 2. Research Variable Indicators

<b>Variable Indicators</b>	<b>Indicators</b>
Internal Maneuver (X1)	1. Control Environment. 2. Risk Assessment 3. Control Activities 4. Information and Communication 5. Monitoring
Leadership Morality (X2)	1. Integrity, 2. Compliance with Rules, 3. Responsibility, 4. Exemplary, 5. Commitment to Organizational Values
Organizational Justice (X3)	1. Distributive Justice 2. Procedural Justice 3. Interactional Justice 4. Informational Justice
Accounting Fraud (Y)	1. Capability 2. Rationalization 3. Opportunity 4. Financial Pressure 5. Non-Financial 6. Ethical Culture 7. Knowledge And Awareness 8. Social Environment

### ***Data Analysis Methods***

The data in this study was processed by computer using SPSS (Statistical Package for the Social Sciences), with the aim of obtaining accurate calculation results and making it easier to process data, so that data can be obtained quickly and precisely. Research data will be useless if the instruments used to collect research data do not have high reliability and validity. These tests and measurements indicate the consistency and accuracy of the data collected. The data analysis techniques used are as follows:

#### **a. Validity Test**

According to Sugiyono (2019:175), the findings of the study are said to be valid if there is a similarity between the data collected and the data that actually occurred regarding the research topic. A valid measuring tool means that the measuring tool used to obtain the data is valid. A valid measuring tool means that the measuring tool can be used to measure what is to be measured". "Valid indicates the degree of accuracy between the data that actually occurs on the object and the data that can be collected by the researcher". The criteria for determining the validity of a questionnaire are as follows:

- 1) If the calculation  $> r_{table}$  then the question is declared valid.
- 2) If the count  $< r_{table}$  then the question is declared invalid.

#### **b. Reliability Test**

According to Sugiyono (2019:176) "Reliable research results are when the same data is obtained at different times. A reliable measuring tool is one that provides the same data when used multiple times to measure the same subject". According to Ghozali (2016:48) "A variable is said to be reliable if it gives a value of the Cronbach Alpha coefficient  $> 0.60$ ".

- 1) A result of  $\alpha > 0.60$  = reliable or consistent.
- 2) Result  $\alpha < 0.60$  = unreliable or inconsistent.

#### **c. Normality Test**

According to Khairinal (2016:350) "the normality test is a data test showing that the data is around the normal average. The normality test can be carried out using two approaches, the first is the histogram approach and the second is the R-squared approach, which focuses on the histogram image. A normality test is needed to see if the data in a study is normal or abnormal, and what is desired is normal data."

#### **d. Homogeneity Test**

According to Misbahuddin and Hasan (2013:289) "The homogeneity test is a test of the requirements for analysis for the feasibility of data to be analyzed using certain statistical tests. This homogeneity test was carried out by the Variance Homogeneity Test and the Bartlett Test. The homogeneity test was carried out to find out whether the data of the C and Y variables were homogeneous or not". The decision in this homogeneity test is:

- 1) If the significance value (sig.) on the Based on Mean  $> 0.05$  then the data has a homogeneous variant.
- 2) If the significance value (sig.) on the Based on Mean  $< 0.05$ , the data has a variant that is not homogeneous.

e. Partial Test (T- Test)

The t-test is used to show how far the influence of one independent variable individually in explaining the dependent variable" (Ghozali, 2018:99). "The t-test is carried out to test the significance of the constant of each independent variable that will affect the dependent variable.  $t_{count}$  is then compared with  $t_{table}$  with an error rate of 5% with a 2-party test and a degree of freedom (dk) which is  $n-2$ ". The criteria for the t-test are as follows:

If the  $t_{table}$  is  $t_{count} >$  then  $H_0$  is rejected and  $H_a$  is accepted, meaning it has a significant effect. On the other hand, if the  $t_{count}$  is  $< t_{table}$ ,  $H_0$  is accepted and  $H_a$  is rejected, meaning it has no significant effect.

f. Simultaneous Test (Test F)

The simultaneous test F is used to find out whether there is a joint influence between independent variables on dependent variables". The criteria for the F test are as follows:  $F_{count} > F_{table}$  with a significance level of 5% (0.05) then  $H_0$  is rejected and  $H_a$  is accepted, so it can be said that the independent variables of the regression model can explain the variables bound together.

- 1)  $F_{count} < F_{table}$  with a significance level of 5% (0.05), then  $H_0$  is accepted and  $H_a$  is rejected. Thus it can be said that the independent variable of the multiple linear regression model is not able to explain its bound variable.
- 2)  $F_{count} < F_{table}$  with a significance level of 5% (0.05), then  $H_0$  is accepted and  $H_a$  is rejected. Thus it can be said that the independent variable of the multiple linear regression model is not able to explain its bound variable.

## RESEARCH RESULTS

### *Respondent Data*

Based on the results of the collection of respondent data conducted by the researcher, there were 80 male respondents (55.56%), and 64 female respondents (44.44%). Respondents with an age range between 30-40 years were 56 respondents (38.89%), respondents with an age range between 41-50 years were (86 respondents (59.72%)), and respondents with an age range of 51-60 years were 2 respondents (1.39%)." The characteristics of the respondents' positions were adjusted to the characteristics in the research sample, namely respondents who had positions as budget managers, expenditure treasurers, financial management officials, technical implementation officials, all consisting of 4 respondents in each Regional Apparatus Organization in Bima City.

Table 3. Respondent Data

Information	Exceptional	"Sum"	"Percentage"
Gender	Male	80	55,56%
	Female	64	44,44%
Age	30-40 Years old	56	38,89%
	41-50 Years old	86	59,72%
	51-60 Years old	2	1,39%
Position	Budget Manager	36	25%
	Treasurer of Expenditure	36	25%
	Financial Management Officer	36	25%
	Technical Implementation Officer	36	25%

**Data Quality Test Results**

a. *Validity Test*

Table 4. "Validity Test Results"

Variable	Table R Values	Variable Value	Information	
<b>Internal Control</b>	X1.1	0.1637	0.510	Valid
	X1.2	0.1637	0.300	Valid
	X1.3	0.1637	1	Valid
	X1.4	0.1637	0.706	Valid
	X1.5	0.1637	0.426	Valid
<b>Leadership Morality</b>	X2.1	0.1637	0.510	Valid
	X2.2	0.1637	0.703	Valid
	X2.3	0.1637	0.426	Valid
	X2.4	0.1637	0.300	Valid
	X2.5	0.1637	0.319	Valid
<b>Organizational Justice</b>	X3.1	0.1637	0.429	Valid
	X3.2	0.1637	0.571	Valid
	X3.3	0.1637	0.297	Valid
	X3.4	0.1637	0.557	Valid
<b>Accounting Fraud</b>	Y1	0.1637	0.245	Valid
	Y2	0.1637	0.247	Valid
	Y3	0.1637	0.358	Valid
	Y4	0.1637	0.374	Valid
	Y5	0.1637	0.457	Valid
	Y6	0.1637	0.469	Valid
	Y7	0.1637	0.255	Valid
	Y8	0.1637	0.486	Valid

From table 4, it can be seen that the value of each variable has valid data because the value of the r table (0.1637) < the value in each variable Reliabilities test.

Table 5. Reliability Test Results"

Reliability Statistics	
Cronbach's Alpha	N of Items
.631	22

From table 5 of the reliability test results, it can be seen that the research variable has a consistent value because the value of Cronbach's Alpha is  $0.631 > 0.60$ . Normalities Test.

Table 6. Normality Test Results

One-Sample Kolmogorov-Smirnov Test			Unstandardized Residual
N			144
Normal Parameters <sup>a,b</sup>	Mean		.0000000
	Std. Deviation		1.50299886
Most Extreme Differences	Absolute		.073
	Positive		.073
	Negative		-.050
Test Statistic			.073
Asymp. Sig. (2-tailed) <sup>c</sup>			.058
Monte Carlo Sig. (2-tailed) <sup>d</sup>	Sig.		.062
	99% Confidence Interval	Lower Bound	.056
		Upper Bound	.068
a. Test distribution is Normal.			

From table 6 of the normality test results, it can be seen that the value of sig.  $0.62 > 0.05$  which means that the research data carried out is distributed normally.

*b. Homogeneity Test*

Table 7. Homogeneity Test Results

Tests of Homogeneity of Variances					
		Levene Statistic	df1	df2	Sig.
Variable results X1 X2 Dan X3	Based on Mean	22.534	2	429	,1
	Based on Median	20.637	2	429	,1
	Based on Median and with adjusted df	20.637	2	414.521	,1
	Based on trimmed mean	23.046	2	429	,1

From table 7 of the homogeneity test results, it can be seen that the data in the study is homogeneous data or has the same characteristics in the study, because the  $g$  value in the data is  $0.1 > 0.005$ .

c. *Partial Test (T-Test)*

Table 8. Results of the Internal Control Variable (X1) T Test on the Accounting Fraud Variable (Y)

Coefficients <sup>a</sup>								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	32.169	3.870		8.313	,001		
	Internal Control	-.745	.168	.348	4.425	,001	1.000	1.000

a. Dependent Variable: Accounting fraud

In accordance with table 8, the results of the t-test show that the significance value of Internal Control (X1) on Accounting Fraud (Y) is  $0.001 < 0.05$  and the t-value is calculated at  $4.425 > 1.977$ , meaning that there is a significant influence of Internal Control (X1) on Accounting Fraud (Y).

Table 9. Results of the t-test of the leadership morality variable (X2) against the accounting fraud variable (Y)

Coefficients <sup>a</sup>								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	14.087	2.251		.431	<,001		
	Leader Morality	.053	.123	.036	6.259	.667	1.000	1.000

a. Dependent Variable: Accounting fraud

According to table 9, the results of the t-test show that the significance value of Leadership Morality (X2) on Accounting Fraud (Y) is  $<0.001 < 0.05$  and the value  $t_{count} 6.259 > 1,977$ , meaning that there is a significant influence of Leadership Morality (X2) on Accounting Fraud (Y).

Table 10. Results of the T Test of the Organizational Justice Variable (X3) against the Accounting Fraud Variable (Y)

Coefficients <sup>a</sup>							
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	24.196	3.071		7.880	<.001		
Organizational Justice	-.484	.162	-.243	2.980	.003	1.000	1.000

a. Dependent Variable: Accounting Fraud

In accordance with table 10, the results of the t-test show that the significance value of Organizational Justice (X3) on Accounting Fraud (Y) is  $0.001 < 0.05$  and the  $t_{count}$  is calculated at  $2,980 > 1,977$ , meaning that there is a significant influence of Organizational Justice (X3) on Accounting Fraud (Y).

d. Simultaneous Test (Test F)

Table 11. F- Test Result

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	56.518	3	18.839	8.165	<.001 <sup>b</sup>
	Residual	323.038	140	2.307		
	Total	379.556	143			

a. Dependent Variable: Accounting Fraud

b. Predictors: (Constant), Organizational Justice, Leadership Morality, Internal Control

From table 11, it is known that the significance value for the variables of Internal Control (X1), Leadership Morality (X2), and Organizational Justice (X3) on the variables of Accounting Fraud (Y) is as much as  $<0.001 < 0.05$  and f count  $8.165 > f$  table 2.44, this proves that there is an influence between the variables of Internal Control (X1), Leadership Morality (X2), and Organizational Justice (X3) on the variables of Accounting Fraud (Y) significantly.

## DISCUSSION

### *The Effect of Internal Control on Accounting Fraud*

The internal control system is a process that is carried out to provide adequate confidence in the achievement of the reliability of financial statements, compliance with the law, and the effectiveness and efficiency of operations. A low internal control system and low employee compliance with internal control can trigger fraud in the government sector.

Based on the results of the study, it was stated that the significance value of Internal Control (X1) on Accounting Fraud (Y) was  $0.001 < 0.05$  and the t-value was calculated at  $4,425 > 1,977$ , meaning that there was a significant influence of Internal Control (X1) on Accounting Fraud (Y). This is in line with the theory of Fraud octagon in the point of Temptation which means that the Bima City Regional Apparatus Organization has not been able to control itself not to commit accounting fraud in its institutions.

The results of this study are in line with the research conducted by Nelli Noviyarni (2023) with the research title *The Influence of Internal Control System Effectiveness, Compliance with Accounting Rules, and the Implementation of Good Corporate Governance on Fraud*. The results of the research conducted by Nelli said that the analysis showed that the effectiveness of the internal control system had an effect on Fraud.

### ***The Influence of Leadership Morality on Accounting Fraud***

Leadership morality has an important role in preventing accounting fraud in the organization. A leader who has high morality tends to uphold ethical principles in every decision making related to finance. This will create a more transparent and accountable work environment. In addition, the morality of leaders also affects the organizational culture, where the norms of honesty and integrity are prioritized, thereby reducing the possibility of accounting fraud.

The results of the research conducted show that the significance value of Leadership Morality (X2) on Accounting Fraud (Y) is  $<0.001 < 0.05$  and the value  $t_{count}$  is  $6.259 > 1,977$ , meaning that there is a significant influence of Leadership Morality (X2) on Accounting Fraud (Y). The results of this study are in accordance with the Fraud Octagon theory, seen at the point of Rationalization and Conscience, which means that many leaders in each Bima City Regional Apparatus Organization still have a permissive attitude towards fraudulent actions or even consider them as acceptable in certain circumstances and there are still many leaders who encourage their employees to commit fraud in accounting.

The research conducted is in line with the research conducted by Hasnurul Baharuddin (2022) with the research title *The Influence of the Effectiveness of Internal Control, Leadership Morality, Compensation Appropriateness, and Organizational Justice on the Tendency of Accounting Fraud (Fraud) with Islamic Work Ethics as a Moderation Variable (Case Study of the North Luwu Regency Regional Apparatus Work Unit)*, which states that leadership ethics has a significant influence on the tendency of accounting fraud (Fraud). This shows that the higher the leadership ethics, the lower the tendency to account fraud.

### ***The Effect of Organizational Justice on Accounting Fraud***

Fairness in an organization is essential to employee motivation. If employees feel that there is fairness in the organization, their satisfaction will be achieved and they will work professionally. There are three types of justice: distributive justice, procedural justice, and interactional justice. In particular, organizational justice is concerned with the distribution of rewards, such as salaries,

promotions and awards. In general, justice refers to a social situation in which standards relating to rights and obligations are met.

The results of the research conducted by the researcher showed that the value of The significance of Organizational Justice (X3) to Accounting Fraud (Y) is  $0.001 < 0.05$  and the  $t_{\text{count}}$  is  $2,980 > 1,977$ , meaning that there is a significant influence of Organizational Justice (X3) on Accounting Fraud (Y). From the results of the above research in accordance with the theory of Fraud Octagon at the point of Pressure, Integrity, which means that the Bima City Regional Apparatus Organization in its organizational justice is still low so that there is still a lot of pressure for individuals to find illegal ways to gain profits or overcome the dissatisfaction they feel, and there is still low integrity in the Bima City Regional Apparatus Organization so that there are still many who commit fraud in accounting."

The results of the research conducted are in accordance with the research conducted by Eka Pramudita Sinaga (2022) with the research title *The Influence of Internal Control Systems, Organizational Justice, Apparatus Competence, and Apparatus Morality on Fraud Prevention Empirical Study of Riau Province Regional Apparatus Organizations* which says that organizational justice has a positive and significant effect on the prevention of Fraud in Riau Province Regional Apparatus Organizations.

## CONCLUSIONS AND RECOMMENDATIONS

"From the results of the research conducted by the researcher related to the Influence of Internal Control, Leadership Morality, and Organizational Justice on the Tendency of Accounting Fraud in the Bima City Regional Apparatus Organization, it can be concluded that:

"The significance value of Internal Control (X1) on Accounting Fraud (Y) is  $0.001 < 0.05$  and the  $t_{\text{count}}$  is calculated  $4,425 > 1,977$ , meaning that there is a significant influence of Internal Control (X1) on Accounting Fraud (Y).

"The significance value of Leadership Morality (X2) on Accounting Fraud (Y) is  $<0.001 < 0.05$  and the value  $t_{\text{count}} 6.259 > 1,977$ , meaning that there is a significant influence of Leadership Morality (X2) on Accounting Fraud (Y)."

"The significance value of Organizational Justice (X3) on Accounting Fraud (Y) is  $0.001 < 0.05$  and the value  $t_{\text{count}} 2.980 > 1.977$ , meaning that there is a significant influence of Organizational Justice (X3) on Accounting Fraud (Y)."

From the results of the research carried out, the researcher recommends that in every Regional Apparatus Organization in Bima City, it must be wiser both in shaping employee character, leadership justice and creating a fair and clean organizational space so that it can minimize accounting fraud in every Regional Apparatus Organization in Bima City."

## ADVANCED RESEARCH

For the next researcher, other variables such as organizational culture, work pressure, or transparency of financial statements can be added as factors that affect accounting fraud, so that the research results become more comprehensive.

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