Journal Homepage: -www.journalijar.com

INTERNATIONAL JOURNAL OF ADVANCED RESEARCH (IJAR)

ISSN NO. 2320-5407

Article DOI:10.21474/IJAR01/9057
DOI URL: http://dx.doi.org/10.21474/IJAR01/9057

RESEARCH ARTICLE

MODERATION OF THE INTERNAL CONTROL SYSTEM ON THE EFFECT OF UNETHICAL BEHAVIOR ON ACCOUNTING FRAUD IN THE ENREKANG REGENCY

Nurdiana Ningsih[1], Andi Kusumawati[2], Mursalim Nohong[3].

1. Magister of Regional Finance, Faculty of Economics and Business, Hasanuddin University, Indonesia.
2. Department of Accounting, Faculty of Economics and Business, Hasanuddin University, Indonesia.
3. Department of Management, Faculty of Economics and Business, Hasanuddin University, Indonesia.

Manuscript Info

Manuscript History
Received: 13 March 2019
Final Accepted: 15 April 2019
Published: May 2019

Key words:-
Internal Control System, Unethical Behavior, Accounting Fraud.

Abstract

This study aims to examine and analyze the effect of unethical behavior on accounting fraud and moderation of the internal control system on unethical behavior towards accounting fraud.
The method used in this study is an explanatory method with data collection techniques using a questionnaire with a sample of 167 government officials in the Enrekang district who conduct financial management based on sampling methods using the Slovin formula.
The data analysis technique used is Moderation Regression Analysis (MRA) using SPSS version 22 software.
The results showed that unethical behavior has a direct and significant positive effect on accounting fraud. The internal control system moderates (weakens) the effect of unethical behavior on accounting fraud. The conclusions of the research results illustrate that the optimal internal control system will weaken the behavior of local government officials in carrying out accounting fraud.

Introduction:-

Today public sector organizations are a concern of the public with a variety of corruption issues that ensnare various elements of stakeholders, both at the central government level, regional governments and even to village governments. Corruption is a result of fraud committed by individuals who violate regulations. The fact that is encountered in government organizations is that there are still many actions that violate the applicable rules, especially deviations in financial statements that cause the presentation of financial statement information to be unreliable or the information presented is not real information (not in accordance with real data) that has intentional elements in it. Such actions are known as fraud or fraud (Novrianti, 2015).

Fraud is an act of fraud committed to gain personal gain or to harm another person. In terms of criminal law, fraud is a form of crime or violation committed intentionally deceiving other people

Corresponding Author:-Nurdiana Ningsih.
Address**:-**Magister of Regional Finance, Faculty of Economics and Business, Hasanuddin University, Indonesia.

with the intention of harming others. Usually this is done to own something or services or profits in an unfair/fraudulent manner. Cheating can be born through forgery of goods or objects. In criminal law in general it is stated that fraud is theft by fraud, theft with deception tricks, theft with embezzlement or other similar things (Fitrawansyah, 2013: 8).

Accounting fraud has developed in various countries, including Indonesia. Based on the results of the corruption index survey conducted on 176 countries in the world, Indonesia is ranked 90th (Transparency International, 2016). In the public sector (government), fraud in accounting is carried out in the form of budget leaks (APBN and APBD).

This research was conducted on the local government of Enrekang Regency in South Sulawesi based on facts and information that there are still many local government officials in Enrekang involved in fraud cases. Based on the tribal.com case, the corruption cases that occurred included the former Head of the Health Office, the Head of the Industry and Trade Office (Disperindag), the Secretary of the Council, the Secretary of the Public Works Office, and three members of the Enrekang Regency DPRD (http://makassar.tribunnews.com/ 2019/03/10/accessed March 28, 2019). This illustrates that corruption cases that occur involve both the executive and the legislature. Corruption that occurs leads to accounting fraud through actions that are detrimental to the state in the form of leaked APBD budgets.

Accounting fraud includes various forms, such as tendencies to commit acts of corruption, tendencies to abuse assets, and tendencies to commit fraudulent financial reporting (Wilopo, 2006). Actions that are often carried out in the practice of accounting fraud are actions that cause reporting errors in financial statements, or an intentional act to use company resources unnaturally and misrepresent the facts to obtain personal benefits.

The problem of accounting fraud can be solved by designing an effective internal control or internal control system. Internal control is a process designed to provide reasonable certainty regarding the achievement of management objectives regarding the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations (Fawzi, 2011). Internal controls that effectively reduce accounting fraud (Wilopo, 2006). So, if a system of internal control is weak, it will result in the company's wealth not being guaranteed security, existing accounting information is not trustworthy, inefficient and ineffective in the company's operational activities and management policies that have been determined cannot be complied with. Shintadevi (2015) argues that weak or loose internal controls can provide a person's opportunity to conduct unethical behavior that refers to the occurrence of accounting fraud that can harm an agency or institution.

Cases of accounting fraud or corruption that occurred in Indonesia initially started from a person's ethical attitude in carrying out their responsibilities (Risanty, 2017). Ethical behavior is closely related to ethics. Arens (2008: 99) explains that ethical behavior is an action that is in accordance with ethical standards. An accountant has an obligation to maintain their highest standards of ethical behavior to the organization in which they belong, their profession, society and themselves. Accountants have a responsibility to be competent and to maintain their integrity and objectivity. Analysis of ethical attitudes in the accounting profession shows that accountants have the opportunity to take unethical actions in their profession (Finn et al, in Fatt, 1995). Professional accounting ethics standards are regulated in the Indonesian accountant's code of ethics, namely, professional responsibility, public interest, integrity, objectivity, competence and professional prudence, confidentiality, professional behavior, technical standards. This principle is used by accounting professionals to behave ethically.

Literature Review:-

Unethical Behavior

Behavior is a person's psychological reaction to his environment. Handrane (2017) states that behavior can be defined as an action (action) or reactions (reaction) of an object. Behavior can be either concious or unconscious (unconcious), frankly or quietly, voluntary (voluntary) or not voluntary (unvoluntary). Human behavior can be in the form of a general (common behavior), not general, acceptable or unacceptable (Fawzi, 2011). Humans evaluate acceptance of behavior by using comparative standards called social norms and oversee behavior using social control.

Ethical behavior is behavior that reflects a person's beliefs and social norms that are generally accepted with respect to right and good actions (Griffin and Ebert, 2006: 58). According to Arens et al. (2012: 71) there are five ethical principles of accountants that must be applied to all members who have careers as accountants, namely: (1) integrity which is an element of character that underlies the emergence of professional recognition. Integrity is a quality that underlies public trust and is a benchmark for members to test decisions taken; (2) objectivity where each member must maintain his objectivity and be free from conflicts of interest in fulfilling his professional obligations; (3) professional and careful competence in which each member must carry out his professional services with care, competence and perseverance, and has the obligation to maintain professional knowledge and skills at the level needed to ensure that the client or employer benefits from professional services and techniques the most recent; (4) confidentiality where each member must respect the confidentiality of information obtained during professional services and may not use or disclose such information without consent, unless there is a professional or legal right or obligation to disclose it; and (5) professional behavior which is the behavior of each member who is consistent with the reputation of a good profession and away from actions that can discredit the profession. The obligation to stay away from behavior that can discredit the profession must be fulfilled by members as an embodiment of their responsibilities to service recipients, third parties, other members, staff, employers and the general public.

Internal Control System

Internal control is part of a system of protection against fraud designed to prevent irregularities and early fraud detection efforts (Silverstone, 2007). The general principle of internal control, patterned on a system that carries out the procedures of responsibility for an institution. A strong internal control system can be developed if the institution is large enough. Internal control in an institution where cheating can not only be done by subordinates, but carried out by a superior/leader, needs to be done by several/many people.

For such problems, an integrated system is needed to monitor and supervise each other, both at a higher and lower level. With these consequences will have a stronger influence than the existence of internal supervision. Many studies conclude that the controls carried out together have a significant impact on the results to be achieved.

According to Arens (2003) an internal control system consists of policies and processes designed to provide management with a reasonable guarantee that the company reaches its goals and objectives. Krismadji (2002) says that the internal control system is a method used to safeguard or protect assets, produce reliable information, improve efficiency and to protect management policies. With the existence of a good internal control system will certainly narrow or reduce the opportunities that exist to commit fraud.

Accounting fraud

In accounting, there are two types of errors, namely errors and fraud. The difference between the two types of errors is only distinguished by a very thin gap, namely the presence or absence of intentional elements. Standard also recognizes that often detecting fraud is more difficult than mistakes because management or employees will try to hide the fraud. Fraud is a fraudulent act, which is carried out in such a way that it benefits oneself/group or harms others (individuals, companies or institutions).

Accounting fraud (fraud) refers to accounting errors that are done intentionally with the aim of misleading readers/users of financial statements (Hadi and Nirwanasari, 2014). This goal is done with negative motivation to take advantage of individuals or certain parties. According to the Association of Certified Fraud Examiners (ACFE), accounting fraud can be classified into three types, namely fraud in financial statements, misuse of assets and corruption.

In 1970, Cressey, a criminologist and sociologist from the United States stated that there were three things that encouraged the occurrence of fraud attempts, namely the impulse that caused someone to commit fraud (pressure), the opportunity or opportunity that allowed fraud to occur (opportunity), and important elements the occurrence of fraud is where the perpetrator seeks justification for his actions (rationalization).

The types of fraud based on the perpetrators are grouped into two, namely: (1) employee fraud, is fraud committed by employees in a work organization, and (2) fraud management, is fraud committed by management with use financial statements or financial transactions as a means of fraud, usually carried out to rigging stakeholders associated with the organization. While the types of fraud based on actions are grouped into: (1) misappropriation of assets, is the misuse of company assets intentionally for personal interests, usually carried out by employees such as embezzlement of corporate cash and use of facilities for personal interests; and (2) fradulent finacial reporting, is a misstatement or neglect of the amount and intentional disclosure with the intention of deceiving report users, usually carried out by management, such as overstating assets and understating liabilities.

Accounting fraud is closely related to ethics. Accounting fraud is an illegal act (Puspasari and Suwardi, 2012). According to Baucus (1994), in general illegal behavior is part of unethical behavior, therefore there are laws that must be enforced as part of efforts to enforce moral standards. Research from Hernandez and Groot (2007) found that the ethics and environment of accounting controls are two very important things related to a person's tendency to commit accounting fraud.

Albrecht (2004) states that the factor of personal integrity in fraud scale refers to the personal code of ethics held by each individual.

Methodology:-

This study uses explanatory patterns, which are studies that intend to explain the position of the variables studied and the relationship between one variable and another variable. This research was carried out at the Regional Devices Organization (OPD) of Enrekang Regency, South Sulawesi Province which consisted of 31 OPDs.

Determination of respondent samples used in this study is through the sampling technique used is random sampling which is a sampling technique from members of the population carried out randomly regardless of the population strata. The number of samples used can be calculated using the Slovin formula (Ariola, 2006) to obtain 167 respondents from 288 study populations.

The method used to collect data in this study is the questionnaire is a number of written questions that are used to obtain information from respondents. The questionnaire in this study was distributed to respondents to collect data relating to unethical behavior variables, internal control systems, and accounting fraud.

In this study researchers used a questionnaire or closed questionnaire, where respondents only chose the available answers. The measurement scale used in this instrument is the Likert scale. Likert scale is a scale used to measure attitudes, opinions, and perceptions of a person or group of people about social phenomena (Priyatno, 2010). Data is processed using a Likert scale with the answer to the question, the scale is 1-5. The intended value is the score of the respondent's answer, where the value used by the researcher is as follows: (1) Strongly Disagree, (2) Disagree, (3) Neutral, (4) Agree, and (5) Strongly Agree. The distinctive feature of the Likert scale is that the higher the score obtained by a respondent is an indication that the respondent has a more positive attitude towards the object the researcher wants to examine.

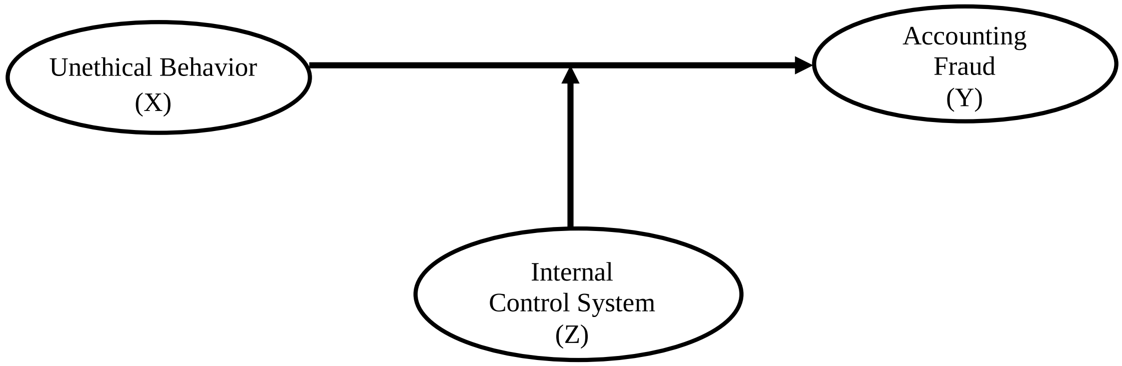
The analytical model used to test the hypothesis is by using Moderated Regression Analysis (MRA) with the help of SPSS version 22 software. This test is useful to determine the effect of independent variables on the dependent variable and its effects after being moderated or interacting with moderating variables. The equation of analysis is as follows:

$$Y = \beta_0 + \beta_1 X + e \quad (1)$$
$$Y = \beta_0 + \beta_1 X + \beta_2 Z + \beta_3 X.Z + e \quad (2)$$

Explanation:

Y	=	Accounting Fraud
X	=	Unethical Behavior
Z	=	Internal Control System
X.Z	=	Interaction between Unethical Behavior and Internal Control Systems
β_0	=	Constant
$\beta_1 - \beta_2$	=	Regression Coefficient
e	=	Error

The conceptual framework of research based on relationships between research variables is shown in Figure 1 below.



Picture 1.
Conceptual Framework

Results:-

The method of data collection in this study to provide a questionnaire directly to each respondent on the object of research in the Government of Enrekang Regency, South Sulawesi Province. The questionnaire was distributed to 167 state civil servants. Of the total 167 examplar questionnaires there were 162 questionnaires that returned and were eligible to be processed with a return rate of 97 percent.

Testing Validity and Reliability of Research Variables

Testing of valid and reliable research instruments can be seen in Table 1 below.

Table 1 Recapitulation of Testing Validity and Reliability of Research Data

Variable	Indicator	Correlation	Explanation	Cronbach's Alpha	Explanation
Unethical Behavior (X1)	X4.1	0,862	Valid	0,732	Reliable
	X4.2	0,790	Valid		
	X4.3	0,713	Valid		
	X4.4	0,631	Valid		
Internal Control System (Z)	Z2.1	0,757	Valid	0,811	Reliable
	Z2.2	0,807	Valid		
	Z2.3	0,824	Valid		
	Z2.4	0,752	Valid		
	Z2.5	0,647	Valid		

Variable	Indicator	Correlation	Explanation	Cronbach's Alpha	Explanation
Accounting Fraud (Y)	Y.1	0,739	Valid	0,809	Reliable
	Y.2	0,719	Valid		
	Y.3	0,805	Valid		
	Y.4	0,749	Valid		
	Y.5	0,776	Valid		

Source: Primary Data Processed, 2019

Table 1, above shows that the correlation value of all item statements on the questionnaire for all indicators and items is above 0.153 (r count > 0.153 for N = 162), so it can be concluded that all items statement on the instrument are valid. The table above also shows that the cronbach's alpha value of all variables is greater than the standard value of alpha coefficient 0.6. This means that the instruments used in this study are reliable.

Testing of Classical Assumptions

Testing of classic assumptions which include multicollinearity test, heterocedasticity, and normality test. Based on the results of testing classical assumptions, it was found that the variables of this study did not occur multicollinearity, did not occur symptoms of heteroscedasticity and had normal data distribution.

VIF values for unethical behavior variables and internal control systems of 2.029 and 1.614 are still below 10 so multicollinearity does not occur. The probability value of 0.784 unethical behavior variable and internal control system 0.395 in absolute dependent residual variables shows that heteroscedasticity does not occur because of the probability value> 0.05. Normality testing was statistically carried out using the Kolmogorov Smirnov test. The normality test results show the value of Asymp. Sig. (2-tailed) in the One-Sample Kolmogorov Smirnov Test of 0.076 for the effect of unethical behavior on accounting fraud is moderated by the internal control system. This value has fulfilled the normality test requirement, that is if the test results are obtained a probability value> 0.05, then the assumption of normality is met (normally distributed data).

Hypothesis Testing

The results of testing the data before and after the moderating variable of the internal control system on the influence of unethical behavior on accounting fraud are shown in the following table.

Table 2 Results of the Moderation Regression Analysis of the Internal Control System on the Effect of Unethical Behavior on Accounting Fraud

Variable Direct Relations	Regression Coefficient	Standard Error	t- Statistics	Prob.	Explanation
Before Moderating					
Constant	0,268	0,133	2,008	0,046	
X → Y	0,896	0,031	28,929	0,000	Significant
R^2	= 0,839				
F count Significant F count	= 836,863 = 0,000				
After Moderating Variables of the Internal Control System					
Constant	4,263	0,188	22,709	0,000	
X*Z → Y	0,214	0,008	27,915	0,000	Significant
R^2	= 0,834				
F count Significant F count	= 262,040 = 0,000				

Source: Primary Data Processed, 2019

The Effect of Unethical Behavior on Accounting Fraud

The determination coefficient value of R square in the above test results shows a value of 0.839. These results indicate that the accounting fraud variable is influenced by the variable unethical behavior (X) of 83.9 percent. The remaining 16.1 percent is influenced by other variables outside the independent variables examined in this study.

The value of t count variable unethical behavior 28,929> value of t table 1,975 and the probability value is 0,000 <0,05, then H0 is rejected. That is, unethical behavior has a positive and significant effect on accounting fraud.

The Effect of Unethical Behavior on Accounting Fraud Moderated by Internal Control Systems

Based on the results of the analysis in Table 2, it can be seen that the determination coefficient value of R-square (R2) in the test results above shows a value of 0.834. These results indicate that the accounting fraud variable (Y) is influenced by 83.4 percent by unethical behavior variables (X) after interacting with the internal control system variable (Z). The remaining 16.6 percent is influenced by other variables outside the independent variables examined in this study.

In addition, it can be seen that the internal control system variable is able to weaken my internal influence unethically towards accounting fraud. This is indicated by the reduced coefficient of determination, the effect of unethical behavior on accounting fraud (before moderation) which is equal to 0.839 to 0.834 after being moderated by internal control system variables.

From Table 2, it is known that after unethical behavior variables interact with internal control system variables (moderation), a probability value of 0,000 is obtained below the value of the significance standard of 0.05. This shows that the internal control system can moderate the effect of unethical behavior on accounting fraud. The coefficient for the interaction of unethical behavior variables and internal control systems is positive which is 0.214, which has a unidirectional relationship, meaning that the weaker unethical behavior causes lower accounting fraud. Overall, it can be concluded that with the higher internal control system causing weaker unethical behavior and lower accounting fraud.

The results of data analysis also show that the moderating variable in this study is that the internal control system is a quasi moderator variable. Based on the results of data analysis it can be seen that the internal control system variables have a significant effect on accounting fraud with a significance value of 0,000 <0,05, while the interaction effect of unethical behavior variables with internal control system variables is significant to accounting fraud with a significance value of 0,000 <0,05 , so it was concluded that the internal control system variable is a quasi moderator variable.

Discussion:-

The Effect of Unethical Behavior on Accounting Fraud

The results of the analysis show that unethical behavior can affect accounting fraud. The higher a person's unethical behavior, the higher the actions of accounting fraud.

The findings of this study are consistent with Fraud Diamond's theory that unethical behavior as part of rationalization is an element that causes fraud. Unethical behavior is a pattern of wrong behavior, which is done consciously and becomes a tradition in a part of the organization.

The results of this study also support the behavioral decision theory which states that a decision maker no longer uses rational thinking if he feels that the decision to be taken is closely related to his personal interests. Personal interests referred to here are interests to meet their needs, the need to get rewards and other interests that only benefit themselves and harm the organization.

According to Griffin and Ebert (2006), unethical behavior is behavior that according to individual beliefs and social norms is considered right or wrong. Arens et al. (2003) state that there are two reasons why people behave unethically, namely a person's ethical standards are different from the general public and someone chooses to act selfishly. If someone thinks that the behavior is ethical and acceptable even if it is not for other people, conflicts will arise over ethical values that cannot be resolved. Both of these are reasons why someone behaves unethically when facing an ethical dilemma. If employees work with unethical behavior, then employees will work not in accordance with applicable regulations in the organization where they work so fraud can occur. This opinion shows that unethical behavior has a positive effect on the occurrence of fraud. If the employee's unethical behavior gets higher, then the occurrence of fraudulent actions will be higher.

The findings of this study support the research conducted by Mustika, et al. (2016) and Zulkarnain (2013) found that unethical behavior affects accounting fraud. In addition, the findings of the results of this study reinforce the findings of the research conducted by Lestari et al. (2017) on the effect of opportunity, pressure, rationalization, and unethical behavior on the tendency for accounting fraud to occur that unethical behavior has a positive and significant effect on the tendency for fraud to occur.

The results of this study are not relevant to the research conducted by Adelin (2013), who examined the effect of internal control, adherence to accounting rules and unethical behavior towards the tendency of accounting fraud. Correspondingly, the findings of the results of this study are not consistent with the findings of the research conducted by Ahriati, et al. (2015) and Najahningrum (2013) that unethical behavior has no effect on accounting fraud. The results of the study indicate that unethical behavior has no significant effect on the tendency of accounting fraud.

The implications of this study indicate that the higher the unethical behavior in the organization, the higher the tendency for accounting fraud in the organization. Because unethical behavior shows behavior that is not in accordance with generally accepted provisions, where unethical behavior is also related to accounting standards. So if the behavior shown by management tends to be unethical, it can lead to accounting fraud. In other words, the higher the unethical behavior, the higher the accounting fraudulent behavior. But conversely if a management behaves ethically or in accordance with the provisions generally accepted in the organization, then the level of tendency for fraud in the organization can be controlled or can decrease.

Organizations or companies as legal entities are seen as individuals. With regard to this status, organizations are required to behave ethically towards workers, consumers, or society in general. This is proven by the existence of responsibilities that must be fulfilled (Thoyibatun, 2012). Unethical behavior is behavior that deviates from the agreed upon main tasks or main objectives. Unethical behavior should not be morally acceptable because it causes harm to others and the environment (Thoyibatun, 2012). But in an ethical dilemma organization often arises when at the same time management is required to increase organizational profits and maximize benefits that can be obtained by consumers through products produced by the organization.

Unethical behavior can arise because employees feel dissatisfied and disappointed with the results obtained from the agency or government as well as the weak management supervision that can open the employee's freedom to take actions that can harm the government so that giving birth to unethical behavior and various biased policies (Adelin, 2013) Thus the level of tendency for accounting fraud in the government / organization where employees work will increase.

Unethical behavior can be indicated that someone who has strong unethical behavior will tend to commit fraud. The higher the unethical behavior that exists in each individual towards the organization will increase the tendency for accounting fraud.

The Effect of Unethical Behavior on Accounting Fraud Moderated by Internal Control Systems

Based on the results of research data analysis, it can be seen that a person's unethical behavior in carrying out accounting fraud will be able to be suppressed by a strong internal control system.

In attribution theory, it is explained that the actions of a leader and the person given authority are influenced by causal attributes (Green and Mitchell, in Waworuntu, 2003). In line with that, in the theory of moral development, Kohlberg (1969) states that moral develops through three stages, namely the pre-conventional stage, the conventional stage, and the post-conventional stage. The post-conventional stage is the end of the stages of moral development that shape the ethical principles that management has. The principle shows the attitude of management in the management of the company to determine good or bad decisions for the company.

The internal control system is a process that is carried out to provide adequate assurance about the achievement of the reliability of financial statements, compliance with the law, and the effectiveness and efficiency of operations (Mulyadi and Puradiredja, 1998 in Fauwzi, 2011). AICPA (1947) in Wilopo (2006) explains that internal control is very important, among others, to provide protection for entities against human weaknesses and to reduce the possibility of errors and actions that are not in accordance with the rules.

Weak internal control systems can provide an opportunity to conduct unethical behavior resulting in a tendency for accounting fraud to be detrimental to an entity (Shintadevi, 2015). With the existence of an internal control system, unethical behavior will decrease. If the effectiveness of the internal control system is high, then unethical behavior will decrease (Fitri, 2016). In accordance with Shintadevi (2015) research shows that the effectiveness of the internal control system has an effect on unethical behavior. Meanwhile, unethical behavior in the form of abuse of authority or position encourages someone to commit fraud (Fitri, 2016). In accordance with Shintadevi's research (2015) shows that unethical behavior has a positive and significant effect on accounting fraud tendencies. That is, the more a person behaves unethically, the greater the likelihood of fraud in the agency. The findings of this study are consistent with the research conducted by Wolfe and Hermanson (2004) and Irphani (2017) who found that the internal control system can influence (weaken) the effect of unethical behavior on accounting fraud.

The justification of this study can provide an explanation that there is an interaction or moderation between the internal control system and unethical behavior towards accounting fraud. The ethical principle of a management is represented by management behavior in the management of the company. If the behavior shown by management tends to be unethical, it can lead to accounting fraud. In other words, the higher the unethical behavior, the higher the accounting fraudulent behavior. With internal control, unethical actions will decrease. If the effectiveness of internal control is high, then unethical behavior will decrease so that fraudulent actions will also decrease.

Conclusion:-

Unethical behavior can increase the occurrence of accounting fraud. The findings of this study can be interpreted that unethical behavior shows behavior that is not in accordance with generally accepted provisions, where unethical behavior is also related to accounting standards. So if the behavior shown by management tends to be unethical, it can lead to accounting fraud. In other words, the higher the unethical behavior, the higher the accounting fraudulent behavior. But conversely if a management behaves ethically or in accordance with the provisions that are generally accepted in the organization, then the level of tendency for fraud in the organization can be controlled or can decrease. The results of this study support fraud diamond theory and behavioral decision theory.

The internal control system weakens a person's unethical behavior to commit accounting fraud. The findings of this study can be interpreted that there is interaction or moderation between the internal control system and unethical behavior towards accounting fraud. The ethical principle of a management is represented by management behavior in the management of the company. If the behavior shown by management tends to be unethical, it can lead to accounting fraud. In other words, the higher the unethical behavior, the higher the accounting fraudulent behavior. With internal control, unethical actions will decrease. If the effectiveness of internal control is high, then unethical behavior will decrease so that fraudulent actions will also decrease.

Reference:-

1. Adelin, Vani dan Eka Fauzihardani. 2013. Pengaruh Pengendalian Internal, Ketaatan pada Aturan Akuntansi dan Kecenderungan Kecurangan terhadap Perilaku Tidak Etis. *WRA*. 2(1): 259-276.
2. Albrecht, W.S., Albrecht, C.C., dan Albrecht, C.O. (2008). Fraud and Corporate Executives: Agency, Stewardship and Broken Trust. *Journal of Forencis Accounting*, Vol.V (2004), pp.109-130.
3. Albrecht, S. W. dan C. Albrecht. 2004. *Fraud Examination and Prevention*. Australia: Thomson, South-Western.
4. Bologne, J., dan Robert. 1993. *Handbook of Corporate Fraud*. Butterworth-Heinemann. Boston.
5. COSO. 1992. Guidance on Monitoring Internal Control Systems, *The American Institute of Certified Public Accuntant*.
6. Cressey, D. 1953. Other people’s money, dalam: Detecting and Predicting Financial Statement Fraud: The effectiveness of The Fraud Triangle and SAS No. 99, Skousen et al. 2009. *Journal of Corporate Governance and Firm Performance*. Vol. 13 h. 53-81.
7. Fatt, J. P. T. 1995. Ethics and The Accountant. *Journal of Business Ethics*. (4): 997-1004.
8. Ghozali, Imam. 2013. Aplikasi Analisis Multivariate dengan Program SPSS. Edisi Ketujuh. Badan Penerbit Universitas Diponegoro, Semarang.
9. Murdock, H. 2008. *The Three Dimensions of Fraud: Internal Auditors*. Retrieved on September 22, 2013 from www.emerald.com.
10. Fawzi, M. Glifandi Hari. 2011. Analisis Pengaruh Keefektifan Pengendalian Internal, Persepsi Kesesuaian Kompensasi, Moralitas Manajemen terhadap Kecenderungan Kecurangan Akuntansi. *Tesis*. Universitas Diponegoro Semarang.
11. Griffin, Ricky dan Ronald. J. Ebert. 2006. *Bisnis*. Edisi Kedelapan. Erlangga, Jakarta.

12. Mardiasmo. 2006. Perwujudan Trasnparansi dan Akuntabilitas Publik Melalui Akuntansi Sektor Publik: Suatu Sarana Menuju Good Governance. *Jurnal Akuntansi Pemerintahan*.
13. Maroney, J. J. Roselie, E.M. 2008. The Effect of Moral Reasoning on Financial Reporting Decisions in Post Sarbanes-Ocley Environment, *Behavioral Research in Accounting*, Vol. 20 No, 2 pp 89-110.
14. Najahningrum, A. F. 2013, Faktor-Faktor yang Mempengaruhi Fraud: Persepsi Pegawai Dinas Provinsi DIY. Universitas Negeri Semarang: *Accounting Analysis Journal*. ISSN 2252-6765.
15. Noviani, Dita Putri dan Yudhanta Sambharakreshna. 2014. Pencegahan Kecurangan Dalam Pemerintahan. *JAFFA*. 2(2): 61-70.
16. Prawira, I Made Darma., Nyoman Trisna Herawati dan Nyoman Ari Surya Darmawan. 2014. Pengaruh Moralitas Individu, Asimetri Informasi dan Efektivitas Pengendalian Internal terhadap Kecenderungan Kecurangan (Fraud) Akuntansi (Studi Empiris pada Badan Usaha Milik Daerah Kabupaten Buleleng). *JIMAT*. 1(2): 1-12.
17. Rae, K., dan Subramaniam, N. (2008). "Quality of Internal Control Procedures: Antecedents and Moderating Effect on Organizational Justice and Employee Fraud. *Managerial Auditing Journal*, Vol.23(2): Retrieved from www.emerald.com on September 30, 2013.
18. Shintadevi, Prekanida Farizqa. 2015. Pengaruh Keefektifan Pengendalian Internal, Ketaatan Aturan Akuntansi dan Kesesuaian Kompensasi Terhadap Kecenderungan Kecurangan Akuntansi dengan Perilaku Tidak Etis sebagai Variabel Intervening. *Jurnal Nominal*. 2(4): 111-126.
19. Tang, T. L. P., dan Chiu, R. K. 2003. Income, Money Etic, Pay Satisfaction, Commitment, and Unethical Behavior: Is the Love of Money the Root of Evil for Hong Kong Employees? *Journal of Business Ethics*, 46, pp: 1330.
20. Thoyibatun, S., Made Sudarma, Eko Ganis. 2009. Analysing The Influence of Internal Control Compliance and Compensation System Against Unethical Behavior and Accounting Fraud Tendency, *Proceeding Simposium Nasional Akuntansi XII Palembang*.
21. Thoyibatun, Siti. 2012. Faktor-Faktor Yang Berpengaruh terhadap Perilaku Tidak Etis dan Kecenderungan Kecurangan Akuntansi Serta Akibatnya Terhadap Kinerja Organisasi. *Jurnal Ekonomi dan Keuangan*. 2(16): 245-260.
22. Vona, L.W. 2008. *Fraud Risk Assessment: Building a Fraud Audit Programme: Hoboken*, New Jersey: John Wiley and Sons.
23. Waworuntu, Bob. 2003. Determinan Kepemimpinan. *Makara, Sosial Humaniora*. 7(2): 71-78.
24. Wilopo. 2006. Analisis Faktor-faktor yang Berpengaruh terhadap Kecenderungan Kecurangan Akuntansi: Studi pada Perusahaan Publik dan Badan Usaha Milik Negara di Indonesia, *Proceeding Simposium Nasional Akuntansi IX Padang*.
25. Wolfe, D. T., dan Hermanson, D. R. 2004. The Fraud Diamond: Considering the Four Elements of Fraud. *The CPA Journal*, Vol. 74 Issue 12, p38.

26. Shintadevi, Prekanida Farizqa. 2015. Pengaruh Keefektifan Pengendalian Internal, Ketaatan Aturan Akuntansi dan Kesesuaian Kompensasi Terhadap Kecenderungan Kecurangan Akuntansi dengan Perilaku Tidak Etis sebagai Variabel Intervening. *Jurnal Nominal*. 2(4): 111-126.
27. Zulkarnain, R. M. 2013. Analisis Faktor Yang Mepengaruhi Terjadinya Fraud Pada Dinas Kota Surakarta. Universitas Negeri Semarang: *Accounting Analysis Journal*. ISSN 2252-6765.