



The Effect Of Competence, Morality, Integrity, Internal Control, And Organizational Culture On Fraud Prevention With Whistleblowing System As Moderating Variables

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ARTICLE INFO

ABSTRACT

Article history:

Received Sep 30, 2022

Revised Oct 07, 2022

Accepted Oct 28, 2022

Keywords:

Competence,
Morality,
Integrity,
Whistleblowing System and
Fraud Prevention

This study aims to determine the effect of apparatus competence, apparatus morality, apparatus integrity, internal control and organizational culture on the prevention of fraud that occurs in the management of village fund allocations with the whistleblowing system as a moderating variable in the Village Office in Baturiti sub-district. This study uses a quantitative descriptive design. The population in this study were village officials in Baturiti sub-district totaling 84 people. The sample uses a saturated sample. Data obtained from the distribution of questionnaires to respondents who have been determined. The data analysis technique used the MRA test. The results showed that the morality of the apparatus, the integrity of the apparatus and the organizational culture had no influence on the prevention of fraud in the management of village fund allocations. The internal control variable has a positive and significant effect on preventing fraud in managing village fund allocations, while the competence of the apparatus has a negative effect on preventing fraud in managing village fund allocations. And the whistleblowing system has been proven to moderate the influence of competence, internal control and organizational culture on fraud prevention in the management of village fund allocations, while the whistleblowing system does not moderate the morality of the apparatus and the integrity of the apparatus towards preventing fraud in the management of village fund allocations. The internal control variable has a positive and significant effect on preventing fraud in managing village fund allocations, while the competence of the apparatus has a negative effect on preventing fraud in managing village fund allocations. And the whistleblowing system has been proven to moderate the influence of competence, internal control and organizational culture on fraud prevention in the management of village fund allocations, while the whistleblowing system does not moderate the morality of the apparatus and the integrity of the apparatus towards preventing fraud in the management of village fund allocations.

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1. INTRODUCTION

The village is the level of government that is directly related to the community. Village development has a very vital role in increasing national development and regional development because the village has the authority, duty, and obligation to regulate and manage the interests of the household (community) itself (Wilopo: 2006). New hope emerged when Law Number 6 of 2014 concerning Villages began to be passed on January 15, 2014 after previously starting discussions for approximately 7 years by members of the legislature. The birth of this Law on Villages will provide significant changes in village governance. One of the village governance policies contained in the new village law is the allocation of a large budget to villages which is intended to increase the village budget in development, services, development and empowerment of rural communities. Then there is the provision of fixed income and allowances to the village head and his apparatus which are expected to improve services to the entire village community. A large budget allocation policy has consequences for its management which should be carried out in a professional, effective, efficient, and accountable manner based on the principles of good public management in order to avoid the risk of irregularities, fraud and corruption. Village financial management basically follows the pattern of regional financial management where the Village Head is the holder of the power to manage village finances.

Village income and expenditure (APB) determined in village regulations by the Village Head together with the Village Consultative Body (BPD). Based on the results of monitoring by Indonesia Corruption Watch (ICW) from 2015 to 2019, cases of corruption in village funds have increased from year to year. There have been at least 296 cases of corruption in village funds with 214 corruption suspects and a total loss of IDR 139 billion. There were 22 cases recorded in 2015. In 2016, the number increased to 48 cases. Meanwhile, in 2017, corruption in village funds more than doubled to 98 cases. While in 2018, there were 96 cases and in 2019, there were 46 cases in the village, all of which made the village budget the object of corruption. In terms of perpetrators, the village head is the largest actor for village fund corruption cases (CNN Indonesia 2019). In 2015 it was suspected that there was a misappropriation of the Special Financial Aid (BKK) funds that occurred in Candikuning Village, Baturiti District, Tabanan Regency. It is known based on public reports that if the BKK funds from the Province in 2015 were received and it was suspected that there was fraud, the Tabanan Kejari then conducted an investigation. The village's financial losses in this case amounted to Rp. 200 million. (nusabali.com 2015). Based on the above phenomenon, in addition to the need for community participation in monitoring and evaluating the use of village finances, preventive measures are also needed to minimize the occurrence of fraudulent actions in villages throughout the Baturiti sub-district. Fraud prevention is an integrated effort that can suppress the occurrence of factors causing fraud (fraud triangle), namely reducing the opportunity for fraud to occur, reducing pressure on employees so that they are able to meet their needs, as well as eliminating reasons to justify or rationalize or commit fraudulent acts.

A form of anticipation to prevent similar cases from happening is very necessary such as the competence of the apparatus with adequate apparatus competence in village financial management, it is hoped that the economic and social objectives of the village government can be achieved, the second factor is the morality of the apparatus with high individual morality, an employee tends to carry out the regulations. -regulations and

avoiding fraudulent acts for their personal interests, the third factor is the integrity of the apparatus where Integrity is a firm personal commitment to ethical ideological principles and becomes part of the self-concept that is displayed through behavior, the fourth factor is internal control. In addition to the five factors above, the whistleblowing system also has an influence on fraud prevention where whistleblowing is the disclosure by employees of information that is believed to contain violations of laws, regulations, practical guidelines or professional statements, or related to procedural errors, corruption, abuse of authority or endangering the public interest. Based on the background of the problem, the writer is interested conducted a study entitled "The Influence of Competence, Morality, Apparatus Integrity, Internal Control and Organizational Culture on Fraud Prevention (Fraud) in the Management of Village Fund Allotments with the Whistleblowing System as a Moderating Variable"

The purpose of this study was to determine the effect of apparatus competence, apparatus morality, apparatus integrity, internal control and organizational culture in the villages of Baturiti District with the whistleblowing system as a moderating variable.

2. RESEARCH METHOD

This research was conducted in the village of Baturiti sub-district. The object of this research is the village apparatus in Baturiti District. The method of determining the sample in this study was carried out using a saturated sample where all village apparatus in the Baturiti sub-district amounted to 84 village officials were used in this study. The data analysis technique used in this study is a moderation regression analysis technique or Moderated Regression Analysis (MRA)

3. RESULTS AND DISCUSSION

3.1 Descriptive Statistics Results

Apparatus Competence has the lowest score of respondents' answer scores for the Apparatus Competence variable of 28 and the highest value of 44. The average value of the number of respondents' answers for the Apparatus Competence variable is 36.50, this means that if the total answer score is greater than 36.50, then it includes respondents who have high competence, whereas if the total score of answers is less than 36.50 then it includes respondents who have low competence. The standard deviation of 3,410 means that there is a difference in the competency value of the apparatus studied against the average value of 3,410.

Apparatus Morality has the lowest score for the respondent's answer score for the Apparatus Morality variable of 4 and the highest value of 8. The average value of the number of respondents' answers for the Apparatus Competence variable is 6.56, this means that if the total answer score is greater than 6.56, then it is included in the respondents who have high morality, whereas if the total answer score is less than 6.56 then it includes respondents who have low morality. The standard deviation of 0.855 means that there is a difference in the morality value of the apparatus studied against the average value of 0.855.

Apparatus Integrity has the lowest score of respondents' answer scores for the Apparatus Integrity variable of 29 and the highest value of 44. The average value of the number of respondents' answers for the Apparatus Integrity variable is 36.29, this means that if the total score of answers is greater than 36.29, then it includes respondents who have high integrity, whereas if the total score of answers is less than 36.29 then it includes respondents who have low integrity. The standard deviation of 3.435 means that there is a difference in the value of the integrity of the apparatus studied against the average value of 3.435.

Internal Control has the lowest total score of respondents' answers for the Internal Control variable of 34 and the highest value of 48. The average value of the number of respondents' answers for the Internal Control variable is 38.19, this means that if the total score of answers is greater than 38.19, then it is included in the respondents who have high internal control, whereas if the total answer score is less than 38.19, it includes respondents who have low internal control. The standard deviation of 3.071 means that there is a difference in the value of the internal control studied against the average value of 3.071.

Organizational Culture has the lowest score of respondents' answer scores for organizational culture variable of 53 and the highest value of 80. The average value of respondents' answers for organizational culture variable is 66.11, this means that if the total score of answers is greater than 66.11, then it is included in the respondents who have a high organizational culture, whereas if the total answer score is less than 66.11 then it includes respondents who have a low organizational culture. The standard deviation of 5.303 means that there is a difference in the organizational culture values studied against the average value of 5.303.

Fraud Prevention has the lowest total score of respondents' answers for the Fraud Prevention variable and the highest score is 68. The average value of the number of respondents' answers for the Fraud Prevention variable is 54.88, this means that if the total answer score is greater than 54.88, then it includes respondents who have high fraud prevention, whereas if the total answer score is less than 54.88, it includes respondents who have low fraud prevention. The standard deviation of 4.826 means that there is a difference in the value of Fraud Prevention studied against the average value of 4.826.

Whistleblowing system has the lowest total score of respondents' answers for the whistleblowing system variable of 19 and the highest value of 28. The average value of the number of respondents' answers for the whistleblowing system variable is 22.29, this means that if the total score of answers is greater than 22.29, then including respondents who have a high whistleblowing system, while if the total score of answers is less than 22.29, it includes respondents who have a low whistleblowing system. The standard deviation of 2.176 means that there is a difference in the value of the whistleblowing system studied against the average value of 2.176.

3.2 Research Instrument Test Results

The results of the validity test show that each question from each variable of apparatus competence (KA), Apparatus Morality (MA), Apparatus Integrity (IA), internal control (PI), organizational culture (BO), fraud prevention (PF) and Whistleblowing system (WS) has a correlation coefficient value above 0.3 so that the statement in the questionnaire is declared valid. In the reliability test, the value of Cronbach's Alpha in each variable is greater than 0.7 so that the statements in the questionnaire are declared reliable. Because the questionnaire has been declared valid and reliable, the questionnaire can be used as a measuring tool and further analysis.

Table 1. Results of Moderated Regression Analysis (MRA)

		Coefficientsa				
		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	135.177	53.017		2,550	.013
	KA	-3.778	1,609	-.2669	-2.348	.022
	MA	9.877	6.190	.1750	1,596	.115
	HE	-1,559	1.025	-.1110	-1.522	.132
	PI	3,422	1.153	.2178	2,968	.004
	BO	-1,520	.788	-.1670	-1,929	.058
	WS	-5.076	2.409	-.2289	-2.107	.039

KA_WS	.169	.074	4,605	2.288	.025
MA_WS	-.461	.285	-2,977	-1.615	.111
IA_WS	.077	.045	2.267	1,721	.090
PI_WS	-.140	.048	-4.223	-2,947	.004
BO_WS	.081	.033	3.983	2.422	.018

a. Dependent Variable: PF

Source: Appendix (Data processed, 2021)

Based on the results of the MRA analysis as presented in table 5.4, the following regression equation can be made:

$$PF = 135,177 - 3,778 KA + 9,877 MA - 1,559 IA + 3,422 PI - 1,520 BO - 5,076 WS + 0.169 KA_WS - 0.461 MA_WS + 0.077 IA_WS - 0.140 PI_WS + 0.081 BO_WS.$$

3.3 Model Feasibility Test Results

a. F Test

Table 2. Uji Model Fit

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1432.819	11	130.256	18.757	.000b
	Residual	499,991	72	6,944		
	Total	1932.810	83			

a. Dependent Variable: PF

b. Predictors: (Constant), BO_WS, MA, KA, IA, PI, BO, WS, IA_WS, PI_WS, MA_WS, KA_WS

Based on table 2, the results of the F test (F test) show that the calculated F value is 18.757 with a significance value of 0.000 which is smaller than = 0.05, so it can be said that the model used in this study is feasible to use.

b. Coefficient of Determination (R²)

Table 3. Determination Analysis Results

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.861a	.741	.702	2,635

a. Predictors: (Constant), BO_WS, MA, KA, IA, PI, BO, WS, IA_WS, PI_WS, MA_WS, KA_WS

The results of the analysis in Table 3 show that the Adjusted R Square value is 0.720 which means that 70.2% of the fraud prevention variables can be explained by the variables of apparatus competence, apparatus morality, apparatus integrity, internal control, organizational culture and whistleblowing system while 29.8% explained by other factors outside the model.

c. T test

Table 3. t test results

Coefficients ^a						
Model	Unstandardized Coefficients			Standardized Coefficients		Sig.
	B	Std. Error		Beta	t	
1 (Constant)	135.177	53.017			2,550	.013
KA	-3.778	1,609		-2,669	-2.348	.022
MA	9.877	6.190		1.750	1,596	.115
HE	-1,559	1.025		-1.110	-1.522	.132
PI	3,422	1.153		2.178	2,968	.004
BO	-1,520	.788		-1,670	-1,929	.058
WS	-5.076	2.409		-2,289	-2.107	.039
KA_WS	.169	.074		4,605	2,288	.025
MA_WS	-.461	.285		-2,977	-1.615	.111
IA_WS	.077	.045		2.267	1,721	.090

PI_WS	-140	.048	-4.223	-2,947	.004
BO_WS	.081	.033	3.983	2.422	.018

a. Dependent Variable: PF

Based on table 4 above shows the following results:

- a) The competence of the apparatus has a regression coefficient of -3.778 with a significance value of 0.013 which is smaller than 0.05. It can be concluded that the competence of the apparatus has a negative effect on fraud prevention in the management of village fund allocations, so H1 is rejected.
- b) The morality of the apparatus has a regression coefficient of 9.877 with a significance value of 0.115 which is smaller than 0.05. It can be concluded that the morality of the apparatus has no effect on preventing fraud in the management of village fund allocations, so H2 is rejected.
- c) The integrity of the apparatus has a regression coefficient of -1,559 with a significance value of 0.132 which is greater than 0.05. It can be concluded that the integrity of the apparatus has no effect on preventing fraud in the management of village fund allocations, so H3 is rejected,
- d) Internal control has a regression coefficient of 3.422 with a significance value of 0.004 smaller than 0.05, it can be concluded that internal control has a positive effect on fraud prevention in managing village fund allocations, so H4 is accepted.
- e) Organizational Culture has a regression coefficient of -1.520 with a significance value of 0.058 which is greater than 0.05, it can be concluded that Organizational Culture has no effect on fraud prevention in managing village fund allocations, so H5 is rejected.
- f) Whistleblowing system in moderating apparatus competency with fraud prevention has a regression value of 0.169, a t-value of 2.288 and a significance value of 0.025 which is smaller than 0.05 which means that the Whistleblowing system is able to moderate the apparatus competency with fraud prevention, this means that H6 is accepted.
- g) Whistleblowing systemIn moderating the morality of the apparatus with fraud prevention, it has a regression value of -0.461, the t value of -1.615 and a significance value of 0.111 which is greater than 0.05 which means that the Whistleblowing system is not able to moderate the morality of the apparatus with fraud prevention where the moderating effect is, this means H7 is rejected.
- h) Whistleblowing systemIn moderating the integrity of the apparatus with fraud prevention, it has a regression value of 0.077, a t value of 1.721 and a significance value of 0.090 which is greater than 0.05 which means that the Whistleblowing system is not able to moderate the integrity of the apparatus with fraud prevention, this means that H8 is rejected.
- i) Whistleblowing systemIn moderating internal control with fraud prevention, it has a regression value of -0.140, a t value of -2.947 and a significance value of 0.004 which is smaller than 0.05 which means that the Whistleblowing system is able to moderate internal control with fraud prevention where the moderating effect is negative or weakens. this means H9 is accepted.
- j) Whistleblowing systemIn moderating Organizational Culture with fraud prevention, it has a regression value of 0.081, a t-value of 2.422 and a significance value of 0.018 which is smaller than 0.05 which means that the Whistleblowing system is able to moderate the morality of the apparatus with fraud prevention, this means that H10 is accepted.

3.4 Discussion

- a. The Effect of Apparatus Competence on Fraud Prevention in Village Fund Allocation Management

The first hypothesis states that Apparatus Competence has a positive effect on fraud prevention in managing village fund allocations. The results of data analysis show that the competence of the apparatus has a negative effect on fraud prevention in the management of village fund allocations, so the first hypothesis (H1) rejected. With a high competence of the apparatus, the lower the fraud prevention carried out or vice versa. A person's competence can be seen from the level of creativity he has and the innovations created and his ability to solve a problem. Competence is generally defined as a form of skill, knowledge, ability and behavior of an employee or employee in carrying out tasks. Even though one's competence is high but one's morale is low, various frauds can be done because the intention to work from the start has been bad. The results of this study contradict the research conducted by Sari (2019), Laksmi (2019), Wonar, et al (2018).

b. Influence of Apparatus Morality Expected Fraud Prevention in Village Fund Allocation Management

The second hypothesis states that the morality of the apparatus has a positive effect on fraud prevention in the management of village fund allocations. The results of data analysis show that the morality of the apparatus does not affect the prevention of fraud in the management of village fund allocations. So the second hypothesis (H2) is rejected. High morality does not necessarily reduce the tendency of accounting fraud in the village government, there could be other factors that cause the tendency of accounting fraud to occur. The results of the study are in line with the results of research conducted by Afri Ade (2017) which states that morality has no significant effect on the prevention of accounting fraud and Fadhli (2014) which states that individual morality has no significant effect on the prevention of accounting fraud. The results of this study are contrary to the results of research conducted by Wardana et al., (2017) which states that partially the morality of the apparatus affects the prevention of fraud, research conducted by Ramihah et al., (2018) which states that morality affects the prevention of fraud. in the allocation of village funds. Kusuma (2017), the results of his research show that internal control, the whistleblowing system, and the morality of the apparatus have a significant effect on fraud prevention.

c. The Effect of Apparatus Integrity on Fraud Prevention In the Management of Village Fund Allocation

The third hypothesis states that the integrity of the apparatus has a positive effect on fraud prevention in the management of village fund allocations. The results of data analysis show that the integrity of the apparatus does not affect the prevention of fraud in the management of village fund allocations. So the third hypothesis (H3) is rejected. This means that although the higher the integrity of the village apparatus, it does not have a significant effect on preventing fraud in the management of village fund allocations. The integrity of the apparatus is a firm personal commitment to ethical ideological principles and becomes part of the self-concept that is displayed through behavior. But sometimes a person's integrity can be shaken due to several possibilities such as: the work environment. An inadequate work environment can affect the way employees work which can eventually take actions that can harm the company. The test results in this study agree with Huljanah's research (2019) which explains that the integrity of the apparatus does not have an impact on preventing fraud in rural financial management in the village government in Baki Subdistrict, which is caused by the large number of village officials with educational contexts that are not the same as the position held.

d. The Effect of Internal Control on Fraud Prevention in the Management of Village Fund Allocation

The fourth hypothesis states that internal control has a positive effect on fraud prevention in managing village fund allocations. The results of data analysis show that

internal control has a positive effect on fraud prevention in managing village fund allocations. So that the fourth hypothesis (H4) is accepted. The relationship between the internal control system and the prevention of fraud in the management of village funds is that the higher the internal control system, the higher the fraud prevention in the management of village funds in Baturiti District. One of the efforts that can prevent fraud is to implement an adequate internal control system. Internal control contained in an agency or organization does not only cover accounting and financial activities but includes all aspects of the organization's activities. Tuanakotta (2012:272) states that internal control is the first step in preventing fraud. Fraud prevention in general is an activity carried out in terms of establishing policies, systems and procedures that help ensure that the necessary actions have been taken by the board of commissioners, management and other personnel within the company/organization to be able to provide adequate confidence in achieving organizational goals, namely: operational effectiveness and efficiency. Laksmi (2019) The results of his research show that competence, human resources, morality and internal control systems have a positive effect on fraud prevention in Denpasar City. However, this study contrasts with the study by Usman.

e. The Influence of Organizational Culture on Fraud Prevention in Village Fund Allocation Management

The fifth hypothesis states that organizational culture has a positive effect on fraud prevention in managing village fund allocations. The results of data analysis show that organizational culture has no effect on fraud prevention in managing village fund allocations. So the fifth hypothesis (H5) is rejected. This means that even though the higher the organizational culture, it does not have a significant effect on fraud prevention in managing the allocation of village funds. Organizational culture is the norms, values, assumptions, beliefs, habits that are made in an organization and approved by all members of the organization as a guide or reference in the organization in carrying out its activities both for employees and for the benefit of others. with the results of research by Anita and Zelmiyanti (2015) showing that organizational culture has a significant positive effect on fraud prevention. Even though the organizational culture of a village is good, the morality of a village apparatus is lacking, it will not be able to prevent fraud. Where morality is the inner spirit or motivation in a person to do or not do something based on certain values that someone believes to be something good or bad, so that they can distinguish what is appropriate and what is inappropriate. The results of this study are contradictory. with the results of research by Anita and Zelmiyanti (2015) showing that organizational culture has a significant positive effect on fraud prevention. Even though the organizational culture of a village is good, the morality of a village apparatus is lacking, it will not be able to prevent fraud. Where morality is the inner spirit or motivation in a person to do or not do something based on certain values that someone believes to be something good or bad, so that they can distinguish what is appropriate and what is inappropriate. The results of this study are contradictory. with the results of research by Anita and Zelmiyanti (2015) showing that organizational culture has a significant positive effect on fraud prevention.

f. The Effect of the Whistleblowing System in Moderating the Effect of Apparatus Competence on Fraud Prevention in the Management of Village Fund Allocations

The sixth hypothesis states that the whistleblowing system is able to moderate the influence between apparatus competence and fraud prevention in managing village fund allocations in the Baturiti sub-district. The results of the study stated that the Whistleblowing System was able to moderate the relationship between the competence of the apparatus and the prevention of fraud in managing the allocation of village funds, so that the sixth hypothesis (H6) was accepted. It can be said that the whistleblowing system can strengthen the relationship between the competence of the apparatus and the prevention of fraud in managing the allocation of village funds. One of the efforts that can

prevent fraud is to make reports by members of the organization (active or non-active) regarding violations, illegal actions or immoral actions to parties inside and outside the organization or known as whistleblowing efforts.

Zimbelman (2006: 114), a good whistleblowing program can be a very effective tool in detecting and preventing fraud. Whistleblowing efforts are believed to be able to improve fraud prevention efforts, in this case the prevention of fraud in the management of village funds in Baturiti sub-district. This is because, if in the village government there are parties who act as whistleblowers and report if there are indications of actions that lead to corruption or other fraud, fraud can be prevented and investigated as quickly as possible. The results of this study are in line with research by Libramawan (2014) which shows that the implementation of the whistleblowing system has a significant effect on fraud prevention. Widiyarta (2017), the results of his research show that the competence of the apparatus, organizational culture.

g. The Effect of the Whistleblowing System in Moderating the Effect of Apparatus Morality on Fraud Prevention in the Management of Village Fund Allocations

The seventh hypothesis states that the whistleblowing system is able to moderate the influence between the morality of the apparatus and the prevention of fraud in managing the allocation of village funds in the Baturiti sub-district. The results of the study stated that Whistleblowing System no able to moderate the relationship between the competence of the apparatus and the prevention of fraud in managing the allocation of village funds, so the seventh hypothesis (H7) is rejected. Whistleblowing cannot strengthen the influence of morality on fraud prevention. This is due to the lack of protection for whistleblowers, the lack of policies related to the reporting system for alleged violations, making village officials reluctant to report fraud that occurred. This illustrates that village officials are more obedient and afraid of their leaders than the Law (UU) even though their leaders commit fraud. Afri Ade (2017) morality has no significant effect on the prevention of accounting fraud. This shows that the higher the morale that a person has, it does not necessarily reduce accounting fraud.

h. The Effect of the Whistleblowing System in Moderating the Effect of Apparatus Integrity on Fraud Prevention In the Management of Village Fund Allocation

The eighth hypothesis states that the whistleblowing system is able to moderate the influence between the integrity of the apparatus and the prevention of fraud in the management of village fund allocations in the Baturiti sub-district. The results of the study stated that Whistleblowing System no able to moderate the relationship between apparatus integrity and fraud prevention in managing village fund allocations, so the eighth hypothesis (H8) is rejected. The Whistleblowing System is not able to moderate the relationship between the integrity of the apparatus and the prevention of fraud in managing the allocation of village funds. This means that the whistleblowing system is not able to strengthen or weaken the relationship between the integrity of the apparatus and the prevention of fraud in the management of village fund allocations in the Baturiti village.

i. The Effect of the Whistleblowing System in Moderating the Effect of Internal Control on Fraud Prevention in the Management of Village Fund Allocations

The ninth hypothesis states that the whistleblowing system is able to moderate the influence between internal control and fraud prevention in managing the allocation of village funds in the Baturiti sub-district. The results of the study stated that the Whistleblowing System was able to moderate the relationship between internal control and fraud prevention in managing village fund allocations, where the effect was negative or weakened, so the ninth hypothesis (H9) was rejected. Whistleblowing system is part of the company's internal control that is used to reveal violations that occur in the company. Everyone who reports a violation is called a whistleblower. Whistleblower is an

employee or public who reports fraudulent practices that occur within the company or government, where the report can be expressed directly by internal parties or external parties who are aware of the occurrence of fraudulent practices. The disclosure is not always based on the good faith of the complainant, but the aim is to reveal the crime or fraud that he knows. Becoming a whistleblower is not an easy thing to do, before a whistleblower decides to disclose or report a fraudulent act he knows, he must first know the risks that will occur if he takes such action. Therefore, people who want to convey fraudulent acts are often afraid to convey them, for fear of being ostracized. The disclosure is not always based on the good faith of the complainant, but the aim is to reveal the crime or fraud that he knows.

j. The Effect of the Whistleblowing System in Moderating the Effect of Organizational Culture on Fraud Prevention in the Management of Village Fund Allocations

The tenth hypothesis states that the whistleblowing system is able to moderate the influence between organizational culture and fraud prevention in managing village fund allocations in the Baturiti sub-district. The results of the study stated that Whistleblowing Systemable to moderate the relationship between organizational culture and fraud prevention in managing the allocation of village funds, so that the tenth hypothesis (H10) is accepted. Whistleblowing is very necessary for fraud prevention. This system is able to uncover all fraud that occurs clandestinely in the organization. Whistleblowing system is an important tool to prevent and avoid inappropriate behavior in the organization. A good organizational culture as well as the implementation of a good whistleblowing system can increase the prevention of fraud that occurs in the management of village fund allocations in the Baturiti sub-district. As explained in the fraud triangle, the slightest opportunity can be used as a tool to commit fraud. This can reduce the opportunity for the apparatus to commit fraud

4. CONCLUSIONS

Based on the results of the tests and discussions conducted, conclusions can be drawn, namely: 1) apparatus competence has a negative effect on fraud prevention in managing village fund allocations in villages throughout Baturiti District. In this case, it means that the higher the competency level of the village apparatus, the lower the level of fraud prevention carried out by the village apparatus. 2) The morality of the apparatus does not affect the prevention of fraud in the management of village fund allocations. The high morality of the village apparatus has not been able to influence the prevention of fraud because of the weak level of obedience of the village apparatus to the rules in the agency, incompatibility of information within an agency, incompatibility of compensation with employee performance, and the weakness of the internal control system of an agency. 3) 4) Internal control has a positive effect on preventing fraud in managing village fund allocations. This means that the higher the internal control at the village office in the Baturiti district, the higher the level of fraud prevention in managing the allocation of village funds.

The results of this study prove that organizational culture is able to strengthen the influence of organizational culture on fraud prevention. So that the level of organizational culture in the village office as well as the existence of a whistleblowing system can improve the organizational culture of the village office for fraud prevention. 10) The Whistleblowing System is able to moderate the relationship between organizational culture and fraud prevention in managing village fund allocations. The results of this study prove that organizational culture is able to strengthen the influence of organizational culture on fraud prevention. The results of this study prove that organizational culture is able to strengthen the influence of organizational culture on fraud prevention. So that the level of organizational culture in the village office as well as

the existence of a whistleblowing system can improve the organizational culture of the village office for fraud prevention.

This research is inseparable from various limitations, based on these limitations it is hoped that it can be refined in further research. The limitations and suggestions for further research are, in this study adjusted R² of 0.702 which means that 70.2% of the fraud prevention variable can be explained by the variables of apparatus competence, apparatus morality, apparatus integrity, internal control, organizational culture and whistleblowing system while the remaining 29.8% is influenced by other variables. which are not included in this study. So for the next researcher, it is hoped that they can add other research variables that can affect fraud prevention, such as the financial statement presentation variable so that the research results are more accurate.

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