



THE INFLUENCE OF INTERNAL CONTROL, ORGANIZATIONAL CULTURE AND FINANCIAL PRESSURE ON FRAUD WITH ETHIC EGOISM AS A MODERATION

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ABSTRACT

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This study aims to examine internal control, organizational culture and financial pressure on fraud with ethical egoism as a moderator. This research was conducted at the Office of the Agriculture Office of North Luwu Regency with a research time ranging from two months, starting from October 2022 to November 2022. This research uses quantitative research methods. This study uses primary data collected by conducting direct research in the field, by giving questionnaires/statement sheets to 72 respondents. The statistical method used to test the hypothesis is multiple linear regression. The results showed that internal control and organizational culture had a negative effect on fraud, different things were produced by financial pressure which had a positive effect on fraud. Whereas in the moderation effect in this study, ethical egoism weakens the effect of internal control and organizational culture on fraud and strengthens the effect of financial pressure on fraud.

Keywords: Internal control, organizational culture, financial pressure, ethical egoism and fraud

Introduction

PRELIMINARY

Background of the problem

The world is worried about the high death rate at the end of 2019 caused by the corona virus outbreak. Wuhan, China is the first region or country suspected of spreading the virus on a large scale. It is suspected that the corona virus has become an epidemic due to direct contact between humans and animals where in Wuhan, a market famous for selling animal consumption is very extreme. With the designation of the pandemic caused by the Covid-19 virus as a national disaster, the government has made efforts to prepare areas on alert for Covid-19 to educate or provide guidance to the public about what Covid-19 is, how it spreads, and what can happen if it is infected. by the Covid-19 virus itself. One of the various government efforts to help the community during the Covid-19 pandemic is the provision of social assistance which is expected to run effectively(Wajdi et al., 2020). The purpose of providing social assistance is to reduce social risks arising from certain conditions. In other words, social assistance is a way of channeling government-owned funds to the community under certain conditions(Natasya and Hardiningsih, 2021).

One of the areas affected by the spread of Covid-19 is North Luwu Regency, a district in South Sulawesi Province which has an area of 7,502.58 square kilometers and a population of 321,979 people. Of course, in this case, the community certainly wants help from the government so they can move and survive in the pandemic era. However, government assistance to people affected by Covid-19 continues to be misused by irresponsible parties. For example the case in the context of recovering state finances from the impact of Covid-19 in the 2020 FY, the provision of productive work-intensive assistance funds for infrastructure development, agricultural production road facilities and infrastructure. Three people have been named as suspects in the case of alleged corruption in aid funds from the Directorate General of Infrastructure and Facilities. At the farm, the suspects had the initials YFA, BS and HS. The three suspects were detained along with evidence in cash worth 300 million rupiah. The head of the North Luwu District Attorney stated that the suspects cut government assistance funds by 35 percent from each farmer group in Mappideceng District. The results of the corruption were deposited with the facilitator and unscrupulous employees at the North Luwu District Agriculture Office. A number of farmer groups in Mappideceng District, to be precise in Sumber Wangi and Sumber Harum Villages, have admitted giving 35 percent of the money to the Farmer Group facilitators on orders and instructions from elements at the Agriculture Service Office of North Luwu Regency and Gapoktan facilitators..

Based on the above phenomena, there are several reasons for fraudulent acts of Covid-19 aid funds, including weak internal controls, bad organizational culture and financial pressure during a

pandemic. Weak internal controls allow errors and fraud to occur (Putri, 2014). The effectiveness of internal supervision has a tremendous influence on efforts to combat extortion, with internal control, the result will be checking of one's work by others (Zainal, 2013). Internal control is very important in an organization to limit the occurrence of fraud. Internal controls put in place will actually cover up the possibility of people's tendencies to act fraudulently (Adelin and Fauzihardani, 2013).

Organizational culture is indicated to be one of the driving factors for fraud. In preventing fraud to improve government performance, protect the interests of the state and increase compliance with laws and regulations as well as ethical values (code of conduct) that apply in general to civil servants (PNS) in Indonesia, it is mandatory to carry out improvements in organizational culture. According to Zelmianti and Anita (2015), a culture of honesty and high-value ethics can prevent fraud in an organization. While the last factor that can cause individuals to commit fraud is pressure. Pressure is an impetus that causes someone to commit fraud. This pressure can arise from various things including pressure on lifestyle needs that are not met from the compensation that has been obtained. Pressure comes from the office environment, such as superiors and subordinates to commit fraud in order to advance careers, want to retain positions and so on. The last pressure is pressure from outside the organization that can influence employees to act fraudulently (Irphani, 2017).

Ethical egoism in this study acts as a moderating variable. The ethics of egoism originates from the theory developed by Rachels (2004) which divides the 2 nature of egoism, namely psychological egoism and ethical egoism. Ethical egoism is an action based on self-interest. Acts of self-defense are characterized by the characteristic of ignoring or harming the interests of others, while selfish actions do not always harm the interests of others Rachels, (2004). The addition of ethics in this research is intended because in everyday life, humans will not be separated from ethics, both when they are active and when they are not active, one of the ethics that greatly influences human nature and behavior is the ethics of egoism..

This study takes reference from research conducted by Eka Putra and Latrini (2018) who researched "The Influence of Internal Control, Organizational Culture, and Morality on the Tendency of Fraud in LPDs throughout Gianyar Regency". The difference between this study and research conducted by Eka Putra and Latrini (2018) is the difference in the study location. Besides that, individual morality variables are replaced with financial pressure variables and in this study there is an additional moderating variable, namely ethical egoism. The addition of ethical egoism as a moderating variable in this study is intended because ethical egoism can affect the actions or performance of employees. Based on this background, the researcher is interested in taking the

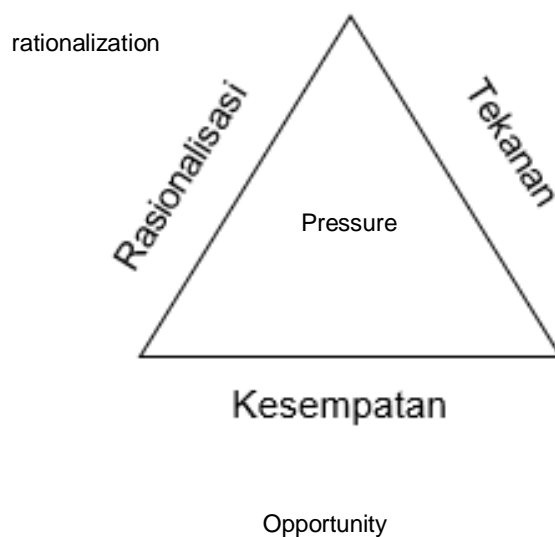
thesis entitled "The Influence of Internal Control, Organizational Culture and Financial Pressure on Covid-19 Fund Fraud with Ethical Egoism as Moderation."

LITERATURE REVIEW

Theoretical basis

This study uses two kinds of theory as the theoretical basis for this study, namely the attribution theory and the triangle fraud theory. Kelley and Michela (1980) defines attribution theory as a theory about how one finds out a cause. Attribution theory is a theory that explains a person's behavior (Malle, 2011). Attribution theory explains how a person's processes determine the causes and motivations for their actions. This theory refers to how a person interprets the reasons for the actions of others or himself, which will depend on internal, such as character traits, attitudes, etc., or externally, such as pressure from certain situations or circumstances that will affect behavior. (Luthans et al., 2006).

Fraud triangle theory is an idea that examines the causes of fraud. This idea was first coined by Cressey (1953) which is called the fraud triangle or the fraud triangle. The fraud triangle explains three factors that are present in every fraud situation, namely pressure, opportunity and rationalization.



Picture 1 fraud triangle

According to Vona (2012) the fraud triangle theory is a theory that must be included in the fraud plan. This theory states that fraud occurs because of three elements such as pressure, opportunity, and justification. The three elements of fraud coexist at different levels within the organization and affect each individual differently.

Fraud

Fraud or commonly referred to as fraud, in general, this term is used to identify individuals or groups who are proven to have committed fraudulent or unlawful acts for personal gain, or that certain groups can harm a party if fraud occurs in the future (Nauval, 2015). Fraud is an act carried out intentionally by internal or external parties that aims to gain personal or group benefits and can directly or indirectly harm other people (Yulitasari et al., 2022).

Cheating is a hidden crime, which harms many parties. According to Zulkarnain (2013) there are several indicators measuring fraud tendencies including: 1). Tendency to manipulate, falsify or alter accounting records or supporting documents. 2). Tendency to misrepresent or omit significant events, transactions or information from the financial statements. 3). Tendency to intentionally misapply accounting principles. 4). the tendency to misrepresent financial statements due to theft (misuse/embezzlement) of assets that make entities pay for goods/services that do not receive inappropriate treatment occurs. And 5). Tendency to misstate financial statements due to mishandling of assets accompanied by false records or documents, and may involve one or more individuals among management, employees or third parties.

The Association of Certified Fraud Examiners (ACFE), an association in the United States that carries out efforts to prevent and eradicate accounting fraud, categorizes fraud into three groups as follows: 1). Financial statement fraud, can be defined as a fraudulent act committed by management in the form of material misstatement of financial statements that is detrimental to investors and creditors. These scams can be financial or non-financial in nature. 2). Misappropriation of assets, can be divided into cash fraud, inventory and other asset fraud, and fraudulent expenses and

3). Corruption.

This type of fraud usually goes undetected because the parties working together have an interest (mutualism symbiosis). Various forms of corruption include: abuse of authority/conflict of interest, bribery, illegal gratuities and economic extortion.

Internal control

Internal control activities as policies and procedures that help ensure that administrative orders are enforced (Simangunsong, 2014). Internal control is a series of processes carried out to protect company assets from misuse, ensure that the information presented is accurate and ensure that laws and regulations have been implemented in compliance. Control activities help ensure that the necessary actions are taken against risks to achieve organizational goals. According to Peterson and Gibson (2003) poor internal control procedures are seen as a possible cause of fraud. That is,

when internal controls are ineffective, fraud can easily occur, which can have a negative impact on a company or organization

The control concept recommended by COSO (2013) is the concept of internal control as an integrated framework. COSO (2013) introduced that there are five components of policies and procedures that need to be designed and implemented to provide assurance that control objectives will be achieved, namely: 1). Control environment (control environment) that creates an atmosphere of control in an organization and awareness of organizational personnel about control. 2). Management risk assessment, namely identification and analysis of risk management related to the preparation of financial reports, in accordance with generally accepted accounting principles. 3). Accounting information and communication system (communication system and accounting information) is an accounting framework created to identify, collect, classify, examine, record, and report transactions of an entity, and is responsible for the sources of wealth and liabilities of the entity. 4). Control activities (control activities) are policies and strategies carried out to provide confirmation that the guidelines made by management have been implemented and 5). Monitoring, namely the process of assessing the quality of the performance of the internal control system over time. According to Loebecke (1996) there are elements of internal control that must be owned by an organization. The five include: control environment, risk determination by management.

Organizational culture

The theoretical basis for hypothesizing the impact of organizational culture has to do with the fact that when people come to work, they bring with them a set of social habits and norms that require a certain level of adjustment to organizational habits and norms. Therefore, organizational culture provides general guidelines and trends towards work efforts that can affect organizational results. Cultural values influence managers and other members of the organization who, consciously or unconsciously, have chosen to accept them (Triguero-Sánchez et al., 2022).

According to Sutrisno and Purnomosidhi (2013) organizational culture can be defined as a system of values, beliefs, assumptions, or norms that have long been in force, agreed upon and followed by members. an organization as a guideline of behavior and solving organizational problems. Organizational culture is also called corporate culture, which is a set of values or norms that have been in force for a relatively long time, shared by members of the organization (employees) as norms of behavior in solving organizational (company) problems.

Every organization is responsible for trying to develop an organizational behavior that reflects honesty and ethics that is communicated in writing and can be used as a guide by all employees. Organizational culture is the soul of the organization and the soul of the members of the organization Kilmann (1988) which was rewritten by Sutrisno and Purnomosidhi (2013) where

culture has roots and has noble values which are the basis for the ethics of managing an organization or a company. According to (Wibowo and Phil, 2016) organizational culture is the basic philosophy of the organization which includes shared beliefs, norms, and values which are the core characteristics of how to do things in the organization.

Financial Pressure

Pressure is the motivation that comes from people to commit acts of fraud caused by financial pressure or non-financial pressure, besides that it can also be caused by pressure personally or from organizations and companies (Pristiyanti, 2012). Pressure is divided into two, namely financial and non-financial pressure, financially influenced by lifestyle to make it look luxurious, while non-financial, namely the desire that arises from someone to hide bad performance. The financial pressure experienced by an individual can be resolved by stealing cash or resources (Sukirman and Sari, 2013). This research focuses more on financial pressure.

Financial factor pressure comes from greed, being abandoned by someone significant in his life or someone who is the backbone of the family, having debts or bills that are not small in number, experiencing financial losses. In fact, financial fraud and academic fraud have the same motive, which is to get something dishonestly. The object of fraud in finance is in the form of material (money) while the object of fraud in the academic field is in the form of high academic scores. So that it becomes a factor for someone who has pressure to get value to have to commit fraud. The following are the factors of financial pressure (Albrecht et al., 2012):

- 1). Greed. A person's greed for wealth can trigger that person to act fraudulently due to the fact that they are unhappy with what they have.
- 2). Luxurious lifestyle. The desire to live in luxury and this lifestyle is not in accordance with the income earned.
- 3). High personal debts. Piled up obligations can make individuals desperate. The pressure will be higher when the obligation cannot be replaced, so that all means can be legitimized to pay it off.
- 4). High medical bills. When potential perpetrators of fraud experience health problems and require high medical expenses, while potential perpetrators need more funds, then at that time, these costs will trigger fraudulent activities as a way to meet these costs and
- 5). Unforeseen financial loss.

Tuanakotta (2010) explained the pressure component as a perceived non-shareable financial need, which was divided into six groups, namely:

- 1). Violation of ascribed obligation, is a position or positions with financial responsibility, conveying specific related results and wishes to superiors.
- 2). Problems resulting from personal failure, an individual failure is what is a situation that is perceived by a person who has a position in the financial sector, as a wrong step in using his mind and thus becomes his personal responsibility.
- 3). Business reversals, are business failures caused by high expansion, or money-related emergencies, or high interest rates.
- 4). Physical isolation, is a

situation that can be translated as a downturn in solitude. 5). Gaining status, is a bad habit of not having the desire to lose to "neighbors" or perpetrators who are trying to maintain their status and 6). Employer-employee relations, is an individual's annoyance or hatred in his work.

The Ethical Climate of Egoism

Ethics or morality is the human need to choose everything that has an impact on their own lives and that of others (Haryono Jusup, 2012). Ethics are values originating from society to regulate spiritual ways of human behavior and unethical behavior as oral guidelines (tradition) and written (code of ethics)(Agoes and Ardana, 2011). Rachels, (2004)introduces two concepts related to egoism, namely: ethical egoism and psychological egoism. These two concepts look similar because both use the term egoism, but both have different meanings. Ethical egoism is an action based on self-interest, such as "If I work harder to earn more", "If I complete the task in accordance with the allotted time". Ethical egoism believes that the only duty is to defend one's self-interest to work. Meanwhile, psychological egoism is a theory that explains that all human actions are motivated by self-interest. According to this theory, people may believe that some of their actions are noble and self-sacrificing, but these actions are only illusions

The ethical-egoism climate refers to behavior related to individual interests (Ahmad, 2011). Companies or organizations that precipitate egoism ethics will generally focus on personal interests compared to common interests within the organization in making decisions. In a climate of ethical egoism there are several things, including the organization expects workers to make productive decisions for the company regardless of the results, representative implementation can be considered successful assuming it helps the organization. Apart from helping the organization in making choices, workers are also concerned about individual gains and the right choice is an individual worker's decision(Floyd, 2010).

Based on the description above, the conceptual framework in this study is:

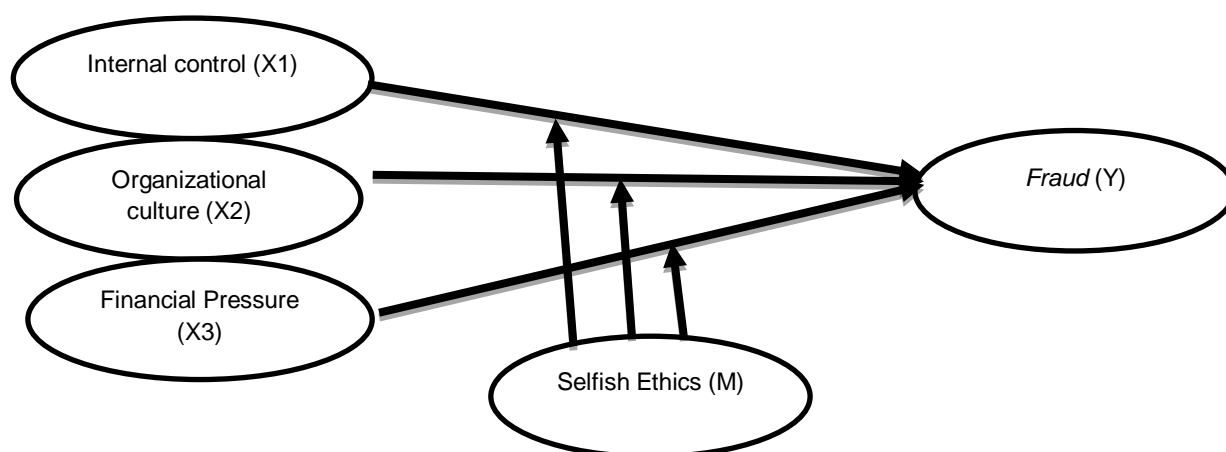


Figure 2 Conceptual Framework

Based on the description and conceptual framework in Figure 2, the hypothesis in this study is:

1. Effect of internal control on fraud

Muhammad and Ibrahim (2017) said that fraud can be influenced by weak internal controls within the organization, individual factors (internal) and organizational factors (external). Internal control is a series of processes carried out to protect company assets from misuse, ensure that the information presented is accurate and ensure that laws and regulations have been implemented in compliance. Internal control is responsible for helping management prevent fraud by testing and evaluating the reliability and effectiveness of controls along with the potential risk of fraud in various segments. In addition, management implements corporate governance and control procedures to minimize the risk of fraud which can be reduced through a combination of preventive, deterrent and detection actions. Management can prevent fraud by narrowing opportunities, by communicating fraud detection and providing punishment for fraud perpetrators (Marsini et al., 2020). Therefore, the control function in the organization is predicted to minimize fraud tendencies.

In research conducted by Wilopo (2006) shows that effective internal control can have a significant and negative effect on fraud. The same thing was also expressed by Permatasari (2017) which states that a strong internal control system can assist public authorities by protecting assets, ensuring the accessibility of good financial and managerial disclosures, developing further consistency with appropriate regulations and guidelines, and reducing the risk of losses, deviations and violations of the precautionary perspective. be careful. On the other hand, the lower the effectiveness of internal control, the greater the opportunity for workers to commit fraud. Based on this description, the hypothesis can be formulated as follows:

2. The influence of organizational culture on fraud

According to Tuanakotta (2010) organizational culture is a value that is shared by members of the organization which is manifested in the form of behavioral attitudes or commitment to the organization or company. Preventive measures can be implemented through a well-developed work culture that will produce good organizational fundamental values such as upholding the norms that apply in the organization, complying with applicable rules and creating a good and comfortable organizational climate for employees Permatasari, (2017). One of the goals of financial organizations is to increase public trust in the institution, so that the anticipation of fraud will increase public trust in an organization. Organizational culture implementation in an organization to prevent fraud is very necessary. New employees in the company have not been able to carry out all

the regulations that are applied by the company directly, but a strong organizational culture will direct these employees to carry out existing regulations. This will also happen to old employees, when these regulations have become entrenched in a company, if there is a violation of existing regulations, the employee will receive strict sanctions, so that this can minimize the occurrence of fraud (Zelmiyanti and Anita, 2015).

Research conducted by Putra and Latrini (2018) concluded that organizational culture has a negative effect on fraud tendencies in LPD-Se, Gianyar Regency. Likewise with research conducted by Permatasari (2017) which states organizational culture has a negative and significant influence on accounting fraud tendencies. Based on this description, the hypothesis can be formulated as follows:

3. Effect of financial pressure on fraud

Pressure is a condition in which a person is forced to commit fraud, based on the existing phenomenon that the pressure experienced by workers can be shown as economic pressure where to overcome the problem, the perpetrator is forced to commit fraud even though the fact must be detrimental to one party to make ends meet (Machado and Gartner, 2017). According to Sukirman and Sari (2013) tekanan dibagi menjadi dua yaitu secara finansial atau non finansial, secara finansial pressure is divided into two, namely financially or non-financially, financially it is influenced by lifestyle so that it looks adequate while non-financially, namely the desire that arises from oneself to cover up poor performance. Based on research that was conducted by Angelina and Helmayunita (2017) explains that pressure caused by financial factors can influence a person to have a tendency to commit accounting fraud. The financial pressure experienced by a person will greatly influence that person to commit fraud, they will try to meet their needs, this will also be greatly influenced by the level of the individual's level of moral reasoning. In the current situation in the Covid-19 era, of course, employees will experience various pressures, for example, financial pressure to meet the needs of daily life. As a consequence of this situation, employees will be stimulated to commit fraudulent acts to meet their needs.

The need for finances that will be seen more than other individuals cannot be resolved together so that individuals will be forced to solve it in an improper way which ends in fraud (Nauval, 2015). Angelina and Helmayunita (2017) explains that the pressure caused by financial pressure can influence a person to commit fraud. Based on this description, the hypothesis can be formulated as follows:

4. The ethics of egotism moderates the effect of internal control on fraud

Fraud can be caused by ineffective internal controls. An ineffective internal control system can accelerate fraud. Internal control itself is a process that is designed in the company and needs to be carried out by every individual in the company to achieve company goals (Marsini et al., 2020). Elements of the internal control system include human resources and information technology systems that are useful for helping companies achieve their goals (Prasetyo, 2015).

The ethical-egoism climate refers to behavior related to individual interests (Ahmad, 2011). Internal control is designed so that each employee behaves as expected so that he will behave in accordance with organizational goals (Risanty, 2017). With the existence of ethical egoism within the individual, internal control will not have a significant influence on fraud prevention if there is no good intention from the individual to behave ethically (Agusyani et al., 2016). Based on research conducted by Tuti and Mulyani (2021) states that ethical egoism as a moderating variable is able to weaken the effect of the effectiveness of internal control on fraud disclosure. Based on this description, the hypothesis can be formulated as follows:

5. Ethical egoism moderates the influence of organizational culture on fraud

According to Sutrisno and Purnomosidhi (2013) organizational culture is the soul of the organization and the soul of the members of the organization where culture has roots and has noble values which are the basis for the ethical management of an organization or a company. In a climate of ethical-egoism there are several things, including companies requiring employees to make decisions that are beneficial to the company regardless of the consequences, employee performance can be said to be successful if it benefits the company. Wijayanti and Hanafi (2018) in their research explains that the tendency to fraud is influenced by two factors, namely internal factors that come from within the individual such as experience motivation, individual morality and ethics. If internal factors within the individual are stronger than the influence of external factors, then even a good ethical organizational culture will not be able to prevent individuals from committing fraud. Therefore the ethical culture of the organization must be driven by high ethical behavior so that it can prevent it from happening (Puspitadewi, 2012).

that the organizational conditions of the ethical climate can influence fraud intentions in the Malaysian environment. Based on the explanation above, the hypothesis is formulated as follows:

6. Ethical egoism moderates the effect of financial pressure on fraud

Pressure is a condition in which a person is forced to commit acts of fraud, based on the phenomenon that there is pressure experienced by employees, it can be indicated that they are

experiencing financial pressure where in order to meet material needs, the perpetrator is forced to commit fraud even though it has to harm one of the parties in order to fulfill that need.

Employees with high egoism will have a negative impact on performance in a company. This trait tends to be related to the nature of individuals who are concerned with personal interests. This trait will have a negative impact on the performance of an organization because this trait will create a sense of indifference to fellow employees within the scope of the organization. The justification that can explain that there is interaction or moderation between financial pressure and ethical egoism towards fraud is because in carrying out their duties, employees are often faced with various kinds of pressure both from the work environment and pressure outside the work environment, such as economic pressure, which in this situation Employees tend to forget ethical behavior or in other ways will be selfish. Employees who are under pressure like this tend to take practical steps by committing fraud to meet their personal needs(Ariani et al., 2014).

The pressure felt by an employee in an institution will certainly increase their willingness to commit fraud, with the presence of egoism in an individual it will increase an individual's intention to commit fraud. Based on the explanation above, the hypothesis is formulated as follows:

RESEARCH METHODS

Our research uses a quantitative approach, which is a method used to examine certain populations or samples, data collection uses research instruments, data analysis is statistical in nature, with the aim of testing the hypotheses that have been set. Our research was conducted at the Luwu Utara District Agriculture Service office and the Luwu Utara District Prosecutor's Office with a research period of two months starting from October 2022 to November 2022. The type of data in this research is quantitative data, namely data in the form of numbers or data. implied qualitative. Sources of data in this study are also divided into two types, namely primary data, primary data is data obtained directly from the field either through surveys or questionnaires.

The population in this study were all employees of the North Luwu Regency Agriculture Service and the North Luwu District Attorney's Office. While in determining the sample, the number of samples in accordance with the characteristics of the determination of the respondents totaled 81 employees. In collecting data, we used questionnaire techniques, observation and interviews. In processing the questionnaire results, we used the Smart PIs program to process the data. The testing stages in our research are: descriptive statistical test, outer model test and inner model test.

RESEARCH RESULTS AND DISCUSSION

Description of Research Object

1. By Gender

Table 1. Respondents by gender

No.	Gender	Number of people	Percentage
1	Man	49	60,49%
2	Woman	32	39,51%
Total		81	100%

Source: primary data processed in 2022

Based on table 1, it can be seen that of the 81 employees who work in the North Luwu District Agriculture Office and the North Luwu District Attorney's Office, there are 49 male employees or around 60.49% of the total respondents while female employees are 32 people or about 39.51% of the total respondents.

2. Based on Education Level

Table 2. Respondents by education level

No.	Level of education	Number of people	Percentage
1	Masters	35	43,21%
2	Magister	41	50,62%
3	Doctor	5	6,17%
Total		81	100%

Source: primary data processed in 2022

Based on table 2, it can be seen that of the 81 employees who work in the North Luwu District Agriculture Office and the North Luwu District Attorney, 35 employees have an undergraduate degree or around 43.21% of the total respondents. There are 41 employees with a master's degree education level or around 50.62% of the total respondents, while there are 5 employees with a doctoral degree or around 6.17% of the respondents.

3. By Age

Table 3. Respondents by age/age

No.	Age	Number of people	Percentage
1	20 – 30 years	17	20,99%
2	31 – 40 years	21	25,93%
3	40 – 50 years	33	40,74%

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4	> 50 years	10	12,35%
Total		81	100%

Source: primary data processed in 2022

Based on table 3 above, it can be seen that there are 81 employees who work at the North Luwu District Agriculture Service office and the North Luwu District Attorney, employees who have a vulnerable age of 20-30 years totaling 17 people or around 20.99% of the number of respondents. Employees who are aged 31-40 years are 21 people or around 25.93% of the number of respondents. Employees who are aged 40-50 years are 33 people or around 40.74% of the number of respondents. Meanwhile, there are 10 employees who are over 50 years of age or around 12.35% of the number of respondents.

4. Based on working period

Table 4. Respondents based on years of service

No.	Years of service	Number of people	Percentage
1	1 - 3 Tahun	24	29,63%
2	3 – 5 Tahun	27	33,33%
3	> 5 Tahun	30	37,04%
Total		81	100%

Source: primary data processed in 2022

Based on table 4 above, it can be seen that of the 81 employees who work at the North Luwu District Agriculture Office and the North Luwu District Attorney, 24 employees have a working period of 1 to 3 years or around 29.63% of the total respondents. employees who have worked for 3 to 5 years totaled 27 people or around 33.33% of the number of respondents. While employees who have worked for more than 5 years totaled 30 people or around 37.04% of the number of respondents.

Instrument Test Results

1. Descriptive Statistical Test Results

Table 5. Descriptive statistical analysis

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Internal control	81	3,17	5,00	4,2078	,50794
Organizational culture	81	2,83	5,00	4,1975	,57682

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Financial Pressure	81	1,20	3,40	2,2444	,47329
Selfish Ethics	81	1,25	3,00	2,2685	,44331
Fraud	81	1,00	3,40	2,3309	,46921
Valid N (listwise)	81				

Source: primary data processed in 2022

Based on table 5, it can be explained as follows: 1). The Internal Control Variable (X1) has a minimum value of 3.17, a maximum value of 5.00 and a mean of 4.2078, so it is on a value scale that indicates the answer choices agree. The standard deviation value indicates a deviation of 0.50794 from the average value of the respondents' answers. 2). The Organizational Culture variable (X2) has a minimum value of 2.83, a maximum value of 5.00 and a mean of 4.1975, so it is on a value scale that indicates the answer choices agree. The standard deviation value indicates a deviation of 0.57682 from the average value of the respondents' answers. 3). The Financial Pressure variable (X3) has a minimum value of 1.20, a maximum value of 3.40 and a mean of 2.2444 so that it is on a value scale indicating a choice of answers that do not agree. The standard deviation value indicates a deviation of 0.47329 from the average value of the respondents' answers. 4). The variable Ethical Egoism (M) has a minimum value of 1.25, a maximum value of 3.00 and a mean of 2.2685 so that it is on a value scale indicating a choice of disagreeing answers. The standard deviation value indicates a deviation of 0.44331 from the average value of the respondent's answers and 5). The Fraud variable (Y) has a minimum value of 1.00, a maximum value of 3.40 and a mean of 2.3309 so that it is on a value scale indicating a choice of disagreeing answers. The standard deviation value indicates a deviation of 0.46921 from the average value of the respondents' answers.

2. Assessment Based on Respondents' Responses

a. Assessment of Internal Control variable responses (X1)

Table 6. Respondents' responses regarding internal control variables (X1)

Items		Score Frequency and Percentage					N	Total Score	Mean
		1	2	3	4	5			
1	F	0	0	12	43	26	81	338	4,17
	Percent	0	0	14,8	53,1	32,1			
2	F	0	0	12	40	29	81	341	4,21
	Percent	0	0	14,8	49,4	35,8			
3	F	0	0	16	42	23	81	331	4,09

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	Percent	0	0	19,8	51,9	28,4			
4	F	0	0	11	43	27	81	340	4,20
	Percent	0	0	13,6	53,1	33,3			
5	F	0	0	10	41	30	81	344	4,25
	Percent	0	0	12,3	50,6	37			
6	F	0	0	4	46	31	81	351	4,33
	Percent	0	0	4,9	56,8	38,3			
Internal control variable mean									4,2078

Source: primary data processed in 2022

Table 6 shows that according to the statement items used, most respondents gave an assessment of agreeing and the least of respondents gave an assessment of disagreeing. The total average value of the 6 statements is 4.2078 which is on the value scale which indicates the answer choices agree.

b. Penilaian tanggapan variabel budaya organisasi (x2)

Tabel 7. Tanggapan responden mengenai variabel budaya organisasi (X2)

Items		Score Frequency and Percentage					Total Score	Mean	
		1	2	3	4	5			N
1	F	0	1	18	33	29	81	333	4,11
	Percent	0	1,2	22,2	40,7	35,8			
2	F	0	0	18	37	26	81	332	4,10
	Percent	0	0	22,2	45,7	32,1			
3	F	0	0	13	38	30	81	241	4,21
	Percent	0	0	16	46,9	37			
4	F	0	0	5	48	28	81	347	4,28
	Percent	0	0	6,2	59,3	34,6			
5	F	0	0	6	42	33	81	351	4,33
	Percent	0	0	7,4	51,9	40,7			
6	F	0	0	15	39	27	81	336	4,15
	Percent	0	0	18,5	48,1	33,3			
Mean organizational culture variable									4,1975

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Source: primary data processed in 2022

Table 7 shows that according to the statement items used, most respondents gave an agreement rating and the least respondents gave a disagree assessment. The total average value of the 6 statements is 4.1975 which is on the value scale which indicates that the answer choices agree.

c. Penilaian tanggapan variabel tekanan finansial(X3)

Tabel 8. Tanggapan responden mengenai variabel tekanan finansial (X3)

Items		Score Frequency and Percentage					N	Total Score	Mean
		1	2	3	4	5			
1	F	10	48	23	0	0	81	175	2,16
	Percent	12,3	59,3	28,4	0	0			
2	F	13	52	15	1	0	81	166	2,05
	Percent	16	64,2	18,5	1,2	0			
3	F	3	46	31	1	0	81	192	2,37
	Percent	3,7	56,8	38,5	1,2	0			
4	F	2	48	30	1	0	81	192	2,37
	Percent	2,5	59,3	37	1,2	0			
5	F	4	51	26	0	0	81	184	2,27
	Percent	4,9	63	32,1	0	0			

Items		Score Frequency and Percentage					N	Total Score	Mean
		1	2	3	4	5			
1	F	4	60	17	0	0	81	175	2,16
	Percent	4,9	74,1	21	0	0			
2	F	4	60	17	0	0	81	175	2,16
	Percent	4,9	74,1	21	0	0			
3	F	6	41	33	1	0	81	191	2,36
	Percent	7,4	50,6	40,7	1,2	0			
4	F	6	38	36	1	0	81	194	2,40
	Percent	7,4	46,9	44,4	1,2	0			
Ethical egoism variable mean								2,2685	
Mean variable financial pressure									

Source: primary data processed in 2022

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Table 8 shows that according to the statement items used, most respondents gave an assessment that they disagreed and at least the respondents gave an assessment that they agreed. The total average value of the 5 statements is 2.2444 which is on the value scale which indicates the answer choices do not agree.

d. Penilaian tanggapan variabel Etika Egoisme (M)

Tabel 9. Tanggapan responden mengenai variableetika egoisme (M)

Tabel 9. Tanggapan responden mengenai variableetika egoisme (M)

Items		Score Frequency and Percentage					N	Total Score	Mean
		1	2	3	4	5			
1	F	4	60	17	0	0	81	175	2,16
	Percent	4,9	74,1	21	0	0			
2	F	4	60	17	0	0	81	175	2,16
	Percent	4,9	74,1	21	0	0			
3	F	6	41	33	1	0	81	191	2,36
	Percent	7,4	50,6	40,7	1,2	0			
4	F	6	38	36	1	0	81	194	2,40
	Percent	7,4	46,9	44,4	1,2	0			
Ethical egoism variable mean									2,2685

Source: primary data processed in 2022

Table 9 shows that according to the statement items used, most respondents gave an assessment that they disagreed and at least respondents gave an assessment that they agreed. The total average value of the 4 statements is 2.2685 which is on the value scale which indicates the answer choices do not agree.

e. Penilaian tanggapan variabel Fraud (Y)

Tabel 10. Tanggapan responden mengenai variablefraud (Y)

Items		Score Frequency and Percentage					N	Total Score	Mean
		1	2	3	4	5			
1	F	3	57	21	0	0	81	180	2,22
	Percent	3,7	70,4	25,9	0	0			
2	F	4	61	16	0	0	81	174	2,15
	Percent	4,9	75,3	19,8	0	0			

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3	F	3	51	27	0	0	81	186	2,30
	Percent	3,7	63	33,3	0	0			
4	F	3	46	26	6	0	81	197	2,43
	Percent	3,7	56,8	32,1	7,4	0			
5	F	3	41	27	9	1	81	207	2,56
	Percent	3,7	50,6	33,3	11,1	1,2			
Mean variable fraud									2,3309

Source: primary data processed in 2022

Table 10 shows that according to the statement items used, most respondents gave an opinion that they disagreed and the least respondents gave an opinion that they agreed. The total average value of the 5 statements is 2.3309 which is on the value scale which indicates the answer choices do not agree.

3. Pengujian Struktural Equation Model (SEM)

The main analytical method in this study was carried out with the Structural Equation Model (SEM). Testing was carried out with the help of the Smart PLS 4.0 program. Figure 3 below presents the results of testing the full SEM model using Smart PLS as follows:

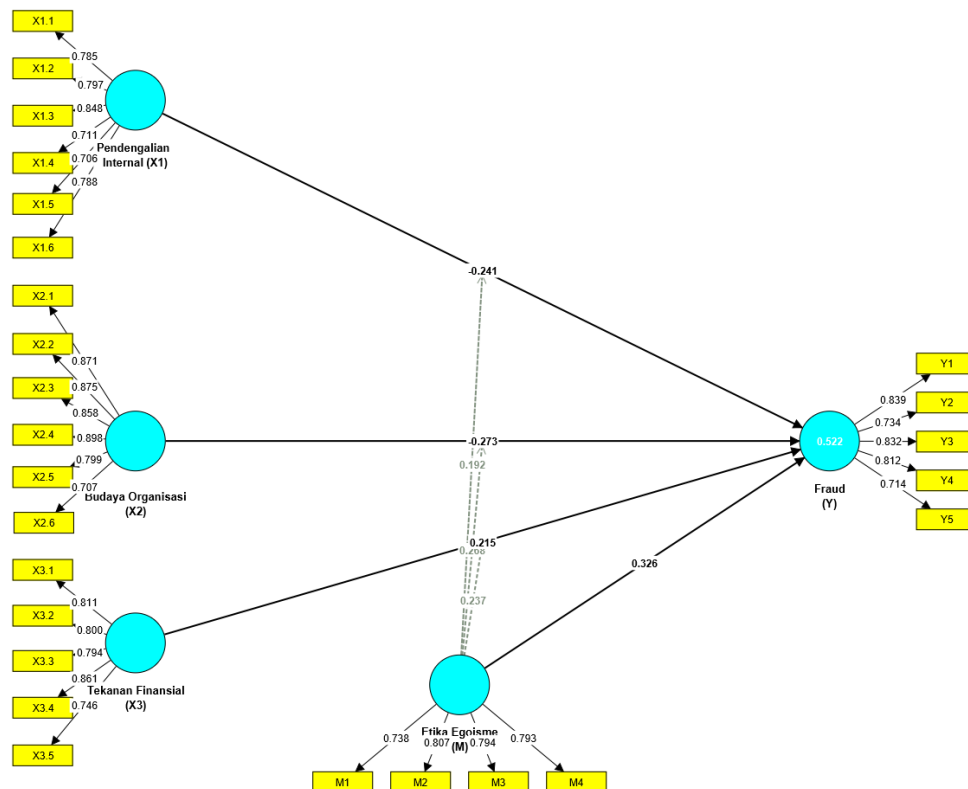


Figure 3.

SEM Full Model Test Using Smart PLS

Based on the test results using smart PLS as shown in Figure 3, it can be seen that there is no loading factor value below 0.50, so data drop is not required to remove indicators with a loading value below 0.50 in order to obtain a good model.

4. Uji Outer Model

The outer model test aims to specify the influence between latent variables and their indicators. This outer model test uses the help of the PLS Algorithm procedure. Three measurement criteria are used in the data analysis technique using Smart PLS to assess the model. The three measurements are convergent validity, composite reliability and discriminant validity.

a. Convergent Validity

Convergent validity is used to measure the validity of each construct indicator in research. Convergent validity testing can be seen through the loading factor values for each construct indicator. The rule of thumb for the loading factor which is commonly used to measure convergent validity is > 0.5 but it is even better if the loading factor is > 0.7 (Jogiyanto and Abdillah, 2014)

Table 11. Test the validity of the outer model variables.

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Indicator	Outer Loading	Information
X1.1	0,785	Valid
X1.2	0,797	Valid
X1.3	0,848	Valid
X1.4	0,711	Valid
X1.5	0,706	Valid
X1.6	0,788	Valid
X2.1	0,871	Valid
X2.2	0,875	Valid
X2.3	0,858	Valid
X2.4	0,898	Valid
X2.5	0,799	Valid
X2.6	0,707	Valid
X3.1	0,811	Valid
X3.2	0,800	Valid
X3.3	0,794	Valid
X3.4	0,861	Valid
X3.5	0,746	Valid
M1	0,738	Valid
M2	0,807	Valid
M3	0,794	Valid
M4	0,793	Valid
Y1	0,839	Valid
Y2	0,734	Valid
Y3	0,832	Valid
Y4	0,812	Valid
Y5	0,714	Valid

Source: primary data processed in 2022

Based on Table 11, it shows the estimation results of the calculation of the outer loading test using PLS for the indicators of the variables used in this study. The table above shows that all the variables used in this study are reflective indicators, because they have a loading factor > 0.70 which means that all construct indicators are valid. It was concluded that all indicators are valid for measuring construct variables in this study.

b. Uji Composite Reliability atau uji realibilitas

Composite reliability is used to measure the real value of the reliability of a construct. Composite reliability is considered better in estimating the internal consistency of a construct. The rule of thumb for composite reliability is > 0.6 (Jogiyanto and Abdillah, 2014). Meanwhile, Cronbach's alpha is used to measure the lower limit of the reliability value of a construct and ensure the value of composite reliability. The rule of thumb for Cronbach's alpha is > 0.7 (Jogiyanto and Abdillah, 2014).

Tabel 12. Hasil pengujian composite realibility

Variabel	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)	keterangan
Pengendalian Internal	0.866	0.881	0.599	Reliabil
Budaya Organisasi	0.915	0.950	0.701	Reliabil
Tekanan Finansial	0.864	0.903	0.645	Reliabil
Etika Egoisme	0.791	0.798	0.614	Reliabil
Fraud	0.846	0,848	0.621	Reliabil

Source: primary data processed in 2022

The test results based on Table 12 show that the results of composite reliability and Cronbach alpha show satisfactory values, namely the value of each variable above the minimum value of 0.70. The AVE value produced by all the constructs above is > 0.50 . This shows the consistency and stability of the instruments used are high. Therefore, all the variables in this study, namely the variables of internal control, organizational culture, financial pressure, ethical egoism and fraud have become fit measuring tools, and all questions used to measure each construct have good reliability.

c. Uji Discriminant Validity

Discriminate validity relates to the principle that different construct variables should not be correlated with height. The way to test the discriminate validity with the reflection indicator is by comparing each AVE square root to the correlation value between constructs. If the AVE square root value is higher than the correlation value between the constructs, then it is declared to meet the discriminate validity criteria (Ghozali, 2014).

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Tabel 13 Discriminant validity

Kriteria Fornell-Larcker					
	Organizational Culture(X2)	Ethics of Egoism(M)	Fraud_(Y)	Internal Control (X1)	Financial Pressure(X3)
Organizational Culture(X2)	0,837				
Ethics of Egoism(M)	-0,173	0,783			
Fraud_(Y)	-0,331	0,473	0,788		
Internal Control (X1)	-0,095	-0,207	-0,283	0,774	
Financial Pressure(X3)	-0,277	0,309	0,488	-0,165	0,803

Source: primary data processed in 2022

Based on Table 13 above, it shows that the diagonal is the square root value of AVE and the value below is the correlation between constructs. So it can be seen that the AVE square root value is higher than the correlation value, so it can be concluded that the model is valid because it meets discriminant validity.

5. Model Struktural (Inner Model)

The inner model (inner relation, structural model and substantive theory) describes the relationship between latent variables based on substantive theory. The structural model was evaluated using R-square for the dependent latent variable. In assessing the model with PLS begins by looking at the R-square for each dependent latent variable. The interpretation is the same as the interpretation in regression. Changes in the R-square value can be used to assess the effect of certain independent latent variables on the dependent latent variable whether it has a substantive effect(Ghozali, 2014).

a. Uji Koefisien Determinasi (R-Square)

Tabel 14 R-Square Konstruk Variabel

Variable	R-Square	R Square Adjusted
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Fraud	0.522	0.476
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Source: primary data processed in 2022

From table 14 above it can be seen that the R-Square value for the Fraud variable is 0.480 which means that it is included in the fairly high category. Fraud's R-square value of 0.522 or 52.2% indicates that the fraud variable can be explained by the variables of internal control, organizational culture and financial pressure with ethical egoism as the moderator variable which is 52.2% while the remaining 47.8% can be explained by other variables not present in this study.

b. Uji Hipotesis

Hypothesis testing on PLS is used to measure the probability of a data using the path coefficients menu. The rule of thumb for supporting a research hypothesis is: if the coefficient or direction of the effect of the variable (indicated by the value of the original sample) is in line with that hypothesized, and if the t-statistic value is > 1.64 (two tailed) or > 1.96 (one tailed) can be said to be significant and the probability value (p-value) < 0.01 ; < 0.05 ; < 0.10 can be said to be significant. In the p-value, if the value is > 0.10 , it can be said that it is not significant (Jogiyanto and Abdillah, 2014).

Table 15 Hypothesis Test based on path coefficient

Variable	Original sample (O)	Sample average (M)	Standar deviasi (STDEV)	T statistik ((O/STDEV))	P values
Selfish Ethics ->Fraud	0,326	0,308	0,105	3,109	0,002
Internal control ->Fraud	-0,241	-0,244	0,087	2,780	0,005
Organizational culture ->Fraud	-0,273	-0,262	0,084	3,246	0,001
Financial Pressure ->Fraud	0,215	0,233	0,099	2,165	0,030

Source: primary data processed in 2022

Based on the inner weight value which consists of the implementation of ethical egoism (M), internal control (X1), organizational culture (X2) and financial pressure (X3) it can be seen partially that its effect on fraud (Y). Based on table 16 above, it can be explained that: 1). The first hypothesis states that there is a negative and significant effect of internal control on fraud. Table 15 shows that the internal control variable has a significant level of 0.005, which is less than 0.05. The

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parameter coefficient value is -0.241 and is negative. The coefficient with a negative sign indicates that there is a non-unidirectional influence between the internal control variable (X1) and the fraud variable (Y). The higher the value of the internal control variable, the value of the fraud variable will decrease. This means that H1 is accepted so that it can be said that internal control has a negative and significant effect on fraud. 2). The second hypothesis states that there is a negative and significant influence between organizational culture on fraud. Table 15 shows that the organizational culture variable has a significant level of 0.001, which is less than 0.05. The parameter coefficient value is -0.273 and is negative. The coefficient with a negative sign indicates that there is a non-unidirectional influence between the organizational culture variable (X2) and the fraud variable (Y). The higher the value of the organizational culture variable, the value of the fraud variable will decrease. This means that H2 is accepted so that it can be said that organizational culture has a negative and significant effect on fraud. and 3). The third hypothesis states that there is a positive and significant influence between financial pressure and fraud. Table 15 shows that the financial pressure variable has a significant level of 0.030, which is less than 0.05. The parameter coefficient value is +0.215 and is positive. The coefficient with a positive sign indicates that there is a direct effect between the financial pressure variable (X3) and the fraud variable (Y). The higher the value of the financial pressure variable, the higher the value of the fraud variable. This means that H3 is accepted so that it can be said that financial pressure has a positive and significant effect on fraud.

c. Pengujian effect moderasi

Tabel 16 Uji hipotesis berdasarkan effect moderasi

Variable	Original sample (O)	Sample average (M)	Standar deviasi (STDEV)	T statistik (O/STDEV)	P values
Internal Control > Ethics of Selfishness >Fraud	0,191	0,167	0,077	2,485	0,013
Organizational Culture > Ethics of Egoism >Fraud	0,268	0,254	0,077	3,468	0,001
Financial Pressure > Ethics of Selfishness >Fraud	0,237	0,235	0,087	2,713	0,007

Source: primary data processed in 2022

Based on the inner weight value which consists of the implementation of internal control (X1), organizational culture (X2) and financial pressure (X3) it can be partially known that the effect on

fraud (Y) is moderated by ethical egoism (M). The following is an explanation of table 16 above: 1). The fourth hypothesis states that there is a positive and significant sign between the effect of internal control on fraud by moderating ethical egoism. Table 16 shows that the internal control variable has a significant level of 0.013, which is less than 0.05. The parameter coefficient value is +0.191 and is positive. The coefficient is positive indicating that the influence is not in the same direction between the internal control variable (X1) and the fraud variable (Y) moderated by the ethical egoism variable (M), so that it will weaken the influence between internal control on fraud. The better the internal control moderated by ethical egoism, the more fraud will increase. This means that H4 is accepted so that it can be said that ethical egoism weakens the influence of internal control on fraud. 2). The fifth hypothesis states that there is a positive and significant sign between the influence of organizational culture on fraud by moderating ethical egoism. Table 16 shows that the organizational culture variable has a significant level of 0.001, which is less than 0.05. The parameter coefficient value is +0.268 and is positive. The coefficient is positive indicating that the influence is not in the same direction between the organizational culture variable (X2) and the fraud variable (Y) moderated by the ethical egoism variable (M), so that it will weaken the influence of organizational culture on fraud. The better the organizational culture with moderated egoism ethics, the more fraud will increase. This means that H5 is accepted so that it can be said that ethical egoism weakens the influence of organizational culture on fraud. and 3). The sixth hypothesis states that there is a positive and significant sign between the effect of financial pressure on fraud by moderating ethical egoism. Table 16 shows that the financial pressure variable has a significant level of 0.007, which is less than 0.05. The parameter coefficient value is +0.237 and is positive. The coefficient with a positive sign indicates that there is a direct influence between the financial pressure variable (X1) and the fraud variable (Y) moderated by the ethical egoism variable (M). The higher a person's financial pressure and moderated by ethical egoism, fraud will increase. This means that H6 is accepted so that it can be said that financial pressure has a positive and significant effect on fraud moderated by ethical egoism.

Discussion

1. Effect of Internal Control on Fraud

Based on testing the first hypothesis (H1), it was found that internal control has a significant negative effect on fraud, meaning that the better the internal control in an organization, the lower the opportunity for fraud to occur, and vice versa, the worse the internal control in an organization, the higher the opportunity for fraud to occur. . Internal control is responsible for helping management prevent fraud by testing and evaluating the reliability and effectiveness of controls

along with the potential risk of fraud in various segments. In addition, management implements corporate governance and control procedures to minimize the risk of fraud which can be reduced through a combination of preventive, deterrent and detection actions. Management can prevent fraud by narrowing opportunities, by communicating fraud detection and providing punishment for fraud perpetrators (Marsini et al., 2020). Therefore, the control function in the organization is predicted to minimize fraud tendencies.

These results are in line with the theory of the fraud triangle which explains that individuals tend to commit acts of fraud because there are elements of opportunity or open opportunities within the company's system that allow fraud to be committed, while elements of pressure arise due to certain conditions within the company, lifestyle, financial demands, and others. The results of this study are in line with research conducted by Wahyuni (2016) who conducted research on the effect of internal control on fraud.

2. The Influence of Organizational Culture on Fraud

Based on testing the second hypothesis (H2), it was found that organizational culture had a significant negative effect on fraud, meaning that the better the implementation of organizational culture in an organization, the lower the opportunity to commit fraud, and vice versa, the worse the implementation of organizational culture in an organization, the higher the opportunity to commit fraud. the occurrence of fraud. Organizational culture in an organization is believed to be the basis for increasing competitiveness in the face of a business environment that will always change. A good organizational culture will form good attitudes and behavior for its members and can also form a good work culture so that employees have honesty and good quality work. The tendency to engage in fraudulent activities occurs when the organizational culture in an organization is bad (Zelmiyanti and Anita, 2015).

This is in accordance with attribution theory which states that a person interprets reasons for the actions of others or himself, which will depend on internal, such as character, character, attitude, etc., or external, such as pressure from the situation or environmental conditions in which they work. influence their behavior (Luthans et al., 2006). The results of this study are in line with research conducted by Riri Zelmiyanti and Anita (2015) and research conducted by Fitri (2018) which shows that by implementing an organizational culture within a company, opportunities for fraud can be minimized.

3. Effect of Financial Pressure on Fraud

Based on testing the third hypothesis (H3), it was found that financial pressure had a significant positive effect on fraud, meaning that the higher a person's financial pressure, the higher

their likelihood of committing fraud, and vice versa, the lower a person's financial pressure, the lower their desire to commit fraud. . Financial pressure is considered to be the most frequently experienced by every individual. This pressure can be caused by various kinds, including the need for a life that looks luxurious, one way to fulfill it is to practice a luxurious lifestyle, economic demands that look kissable or even look more than other people. The financial need that will be seen more than other individuals cannot be resolved together so that individuals will be forced to solve it in an improper way which ends in fraud(Nauval, 2015).

This result is in line with the theory of the fraud triangle which explains that individuals tend to commit acts of fraud because there is an element of pressure within a person. This can occur when a person feels depressed when facing severe difficulties, it can also be caused by failure to meet required expectations, bad personal habits, business failures or other things. This research is in line with research conducted byMarliani and Christiawan (2016)which explains that pressure has a positive effect on fraud.

4. The Effect of Internal Control on Fraud if moderated by the Ethics of Egoism

Based on testing the fourth hypothesis (H4), it was found that internal control has a significant positive effect on fraud if it is moderated by ethical egoism, meaning that the moderating variable in this study, namely ethical egoism, weakens the negative effect of internal control on fraud. This proves that even with good internal control in an organization but there is still a selfish nature possessed by employees, the possibility of fraud is still very large. Therefore it is very important to minimize the selfish nature of an employee.

Ethical egoism has a negative effect on fraud prevention even though the agency already has good internal controls. Internal control is designed so that each employee behaves as expected so that he will behave in accordance with organizational goals(Risanty, 2017). With the existence of ethical egoism within the individual, internal control will not have a significant influence on fraud prevention if there is no good intention from the individual to behave ethically(Agusyani et al., 2016).The results of this study are in line with research conducted byTuti and Mulyani (2021)which states that ethical egoism as a moderating variable is able to weaken the effect of the effectiveness of internal controls on fraud disclosure.

5. The influence of Organizational Culture on Fraud if moderated by the Ethics of Egoism

Based on testing the fifth hypothesis (H5), it was found that organizational culture has a significant positive effect on fraud if it is moderated by ethical egoism, meaning that the moderating variable in this study, namely ethical egoism, weakens the negative influence between

organizational culture on fraud. This proves that even with a good organizational culture in an organization but there is still a high selfish nature of an employee, it will increase the possibility of fraud. This is important to reduce the nature of egoism that exists within an individual.

A low ethical-egoism climate in a company results in each individual not only thinking about their own interests and not making decisions for individual benefit. If internal factors within the individual are stronger than the influence of external factors, then even a good ethical organizational culture will not be able to prevent individuals from committing fraud. Therefore, the ethical culture of the organization must be driven by high ethical behavior so that fraud can be prevented (Puspitadewi, 2012). This research is in line with research conducted by Wilopo (2006) which also states that a bad work climate tends to lead to fraud.

6. Effect of Financial Pressure on Fraud if moderated by the Ethics of Egoism

Based on testing the sixth hypothesis (H6), it was found that financial pressure has a significant positive effect on fraud if it is moderated by ethical egoism, meaning that the moderating variable in this study, namely ethical egoism, strengthens the positive influence between financial pressure on fraud. Someone with high egoism will have a bad impact on the work environment because this trait tends to be selfish. The financial pressure that is felt will encourage someone to commit acts of fraud, with the selfish nature contained in a person it will increase one's intention to commit acts of fraud.

This is in accordance with the triangle theory which explains that the pressure factor will have a major influence on a person's actions in committing fraud. An example that can explain that there is interaction or moderation between financial pressure and ethical egoism towards fraud is because in carrying out their duties, employees are often faced with various kinds of pressure both from the work environment and pressure outside the work environment, such as economic pressure, which in this situation employees tend to forget ethical behavior or in other ways will be selfish. Employees who are under pressure like this tend to take practical steps by committing fraud to meet their personal needs (Ariani et al., 2014).

CLOSING

Conclusion

Based on the data that has been collected and hypothesis testing with multiple linear regression analysis has been carried out, the conclusions of this study are:

1). Internal control has a negative effect on fraud. The better the internal control in an organization, the less likely fraud will occur.

- 2). Organizational culture has a negative effect on fraud. The better the implementation of organizational culture in an organization, the less likely fraud will occur.
- 3). Financial pressure has a positive effect on fraud. The higher the financial pressure of an individual, the greater the possibility of committing fraud.
- 4). Ethical egoism weakens the effect of internal control on fraud.
- 5). Ethical egoism weakens the influence of organizational culture on fraud. and
- 6). Ethical egoism strengthens the influence of financial pressure on fraud.

This research can provide input to entity management to pay attention to the effectiveness of internal control and organizational culture, because it can minimize the possibility of fraud in an organization and ethical egoism and the level of pressure from employees must be reduced so as not to weaken the effective role of internal control and organizational culture in reducing the possibility of fraud. Further research is suggested to increase the number of respondents, add to the questionnaire statement items so that they become more detailed in obtaining respondents' perceptions, and add variables that can influence fraud disclosure, such as independence and skepticism.

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