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## **The Effect of The Effectiveness of Internal Controls, Accounting Rules Compliance, Appropriate Compensation, Management Morality, and Organizational Ethical Culture toward Accounting Fraud Trends in Jayapura District Government**

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### **ABSTRAK**

Penelitian ini bertujuan untuk mengetahui pengaruh keefektifan pengendalian intern, ketaatan aturan akuntansi, kesesuaian kompensasi, moralitas manajemen, dan budaya etis organisasi terhadap kecenderungan kecurangan akuntansi. Penelitian dilakukan di Pemerintah Kabupaten Jayapura. Pengambilan sampel pada penelitian ini menggunakan metode purposive sampling. Data diperoleh dari hasil kuesioner yang diberikan secara langsung kepada responden. Metode analisis informasi dalam penelitian ini menggunakan regresi linier berganda. Hasil penelitian menunjukkan bahwa keefektifan pengendalian intern, moralitas manajemen dan budaya etis organisasi berpengaruh negatif terhadap kecenderungan kecurangan akuntansi. ketaatan aturan akuntansi dan kesesuaian kompensasi tidak berpengaruh terhadap kecenderungan kecurangan akuntansi.

**Kata Kunci:** *Kecenderungan Kecurangan Akuntansi, Pengendalian Intern, Ketaatan Aturan Akuntansi, Kesesuaian Kompensasi, Moralitas Manajemen, Budaya Etis Organisasi.*

### **ABSTRACT**

*This study aims to determine the effect of the effectiveness of internal control, compliance with accounting rules, suitability of compensation, management morality, and organizational ethical culture on the tendency of accounting fraud. The research was conducted at the Jayapura Regency Government. Sampling in this study using purposive sampling method. Data obtained from the results of questionnaires given directly to respondents. The information analysis method in this study uses multiple linear regression. The results showed that the effectiveness of internal control, management morality and organizational ethical culture had a negative effect on the tendency of accounting fraud. compliance with accounting rules and suitability of compensation has no effect on the tendency of accounting fraud.*

**Keywords:** *Effectiveness of Internal Control, Compliance with Accounting Rules, Compensation Appropriateness, Management Morale, Organizational Ethical Culture, Trends in Accounting Fraud.*

## INTRODUCTION

Fraud is a type of not true statement carried out to benefit oneself / a group while it harms others. More recently, there have been signs that the Special Papuan Self-Government Fund (OTSUS) has been misappropriated by \$1.8 trillion. The problem of budget violations based on the results of the BPK examination, namely in the procurement of human resources, electricity and diesel facilities, there is waste caused by ineffective use of the budget in the form of mark-ups, and there is also budget wastage payment. The construction of the hydropower plant is worth around 9.67 billion rupiah. Transparency and accountability in the management of the Papua Special Regional Government Fund are still not ideal. This fact proves that not all Papuans feel and can see the implementation of the Special Self-Government Fund. The report on the use of the Private Special Fund is still incomplete and not timely, and even the actual output is not included in the report. The absorption of the budget has nothing to do with the distribution of the Special Self-Help Fund. <http://www.merdeka.com.2021>.

Government fraud is not limited to corruption but must be understood as the behaviour of public officials, including politicians and the national civil affairs department, as well as other parties involved in such behaviour, unfairly and illegally abusing public trust—authorization to beneficiaries. According to Mudhofir & Setiawan (2020), fraud is a deliberate mistake. In the scope of accounting, the concept of fraud is a deviation from the accounting procedures that the entity should apply.

Based on the description above, combined with the phenomena that occur, the researcher wants to explore what factors will affect the tendency of the Jayapura Regency Government to account for fraud. Therefore, the topic of this research is the effect of the effectiveness of internal control, accounting rules compliance, suitability of compensation, management ethics and organizational ethical culture on trends in accounting fraud in the Jayapura Regency Government.

Based on the description of the background above, the formulation of the research problem is whether <sup>2</sup> the effectiveness of internal control, compliance with accounting

standards, remuneration conformity, management ethics, and organizational ethical culture affect the tendency of accounting fraud.

## LITERATURE REVIEW

### Trends in Accounting Fraud

Accounting fraud tends to try every way to get profit by dishonest ways, <sup>6</sup> such as covering up the truth, fraud, manipulation, and cunning, which can be in the form of fraudulent financial statements, <sup>16</sup> corruption, and misappropriation of assets (Halim, 2015). Signs of trends in accounting fraud can be seen in the form of policies and deliberate actions to commit fraud or manipulation to harm the interests of other parties. When committing fraud, everyone has various motives.

Fraud can be interpreted as an untrue statement in the financial sector whose purpose is to seize the assets or rights of other parties (Riyadi, 2021). Accounting fraud is linked to corruption. Unusual behaviour includes manipulating records, omitting <sup>12</sup> documents, and mark-ups that are harmful to the country's finances or economy. The tendency of accounting fraud can be said as a tendency to corruption of definitions and terminology due to several elements involving misleading facts, violation of rules or abuse of trust, and omission of critical facts (Adelin & Fauzihardani, 2013).

### Effectiveness of Internal Control

Internal control is a process designed by managers, leaders and other organizations to adequately monitor the following categories of objectives: compliance with applicable rules regarding operational efficiency, effectiveness, reporting reliability, restrictions, and attributes of controls for unauthorized acquisition, use, or disposal (Haerunisa et al., 2021). The effectiveness of internal control, which is defined as the process influenced by the board of directors, entities, management and other personnel, aims to provide reasonable assurance about achieving category objectives, such as operational effectiveness and efficiency, reliability of financial statements, and compliance with applicable laws and regulations (Putri & Harani, 2021).

The effectiveness of internal control is the process of providing reasonable assurance on the reliability of financial statements, legal compliance and operational efficiency (Yulia et al., 2021). In every organization, management uses principles or guidelines to define and carry out various activities within the company, one of which is digital control (Haerunisa et al., 2021)—representing all activities that must be carried out in the organization, including the processes carried out by the committee aimed at providing sufficient guarantees for the realization of effective and efficient operating controls, reliability of financial reports, and compliance with applicable laws (Riyadi, 2021).

### **Accounting Rules Compliance**

<sup>8</sup>  
Compliance with accounting rules is the obligation of an organization to comply with all accounting regulations or rules in conducting financial management and financial reporting in order to create transparency and accountability in financial management, and the resulting financial reports are effective, reliable, and accurate information (Putri & Haryani, 2021). Compliance with accounting rules is responsible for establishing transparency and accountability in financial management, producing efficient, reliable and accurate financial reports, and complying with all accounting rules and regulations when processing financial and financial reports.

Compliance with accounting rules is the law or level of compliance, but the law is an assumption or procedure that must be entered or followed (Haerunisa et al.,2021). In every organization, management uses principles or guidelines to define and carry out various activities within the company, one of which is digital control. Accounting standards are determined according to the way financial statements are prepared. IAI (Indonesian Institute of Accountants) has established financial standards and reporting standards.

### **Compensation Suitability**

Remuneration is the total remuneration received by employees in the organization in the form of money or other forms, such as salaries, wages, bonuses, awards, etc. (Putri and Harani, 2021). Compensation is financial and non-financial remuneration provided by the

organization to employees within a certain period (Riyadi, 2021). Salary is often referred to as an award given to employees in return for their contribution to the organization.

Salary suitability is the suitability and satisfaction of employees/workers with services obtained by employees from the company in the form of money or goods. Furthermore, compensation application is expected to prevent and minimize fraud in the organization (Riyadi, 2021). If employees are not satisfied with the compensation they receive, it will impact the organization. This means that if the dissatisfaction is not appropriately resolved, each team member has expressed his desire to receive appropriate compensation. Decent remuneration is a series of things related to all aspects of life, such as work performance, complaints, accidents in the performance of tasks, the desire to change jobs, and others.

### **Management Morale**

Morality is behaviour, attitude or human behaviour that is closely related to other people in everyday life. In general, morality is the basis for evaluating every action taken by humans. Morality is related to personal interests, but morality is an objective and rational thought and an essential universal law (Kusumastuti and Meiranto, 2012).

Management morality is an attitude or action taken by management to make decisions and present financial reports following applicable accounting standards (Yulia et al., 2021). Management leads to the applicable rules so that management morality will be easily formed in complying <sup>5</sup> with accounting rules and can reduce the tendency of accounting fraud by management. This shows that high management morality will prioritize the company's interests over personal interests so that management will avoid accounting fraud (Rahayu et al., 2020).

### **Ethical Organizational Culture**

Culture can grow because it is developed by individuals who work in the organization and is considered a value that must be maintained; as long as it is in the organizational environment, it can be used as a guide for each member and can be considered as a distinguishing characteristic of the organization from other people (Sari, 2018). <sup>9</sup> Organizational ethical culture is a system of values, norms, and beliefs held by every member

of the organization, then influences the work and behaviour of organizational members to create excellent and ethical behaviour and avoid behaviour that can harm the organization (Juliana, 2015). Values, norms, and beliefs held by each member of the organization will affect how members work and behave to create excellent and ethical behaviour and avoid behaviour that can harm the organization (Sari, 2018).

Organizational ethical culture is a shared cognition held by members of the organization so that cognition becomes a system and meaning that is shared among organizational members (Yulia et al., 2021). Organizational culture forms a way of sharing basic assumptions. The team learns these assumptions when solving problems of external adaptation and internal integration. These assumptions have worked well and are considered adequate and are then taught as an appropriate way for new members to form perceptions, thoughts, and feelings regarding the problem (Sari, 2018).

### Model

The empirical model that describes the independent variables or the relationship between independent variables is the effect of internal control effectiveness (X1), accounting rules compliance (X2), compensation appropriateness (X3), management ethics (X4), organizational ethics culture (X5), accounting fraud trends (Y). It is shown in the figure (1).

### Research Hypothesis

H<sub>1</sub>: Effectiveness of internal control affects the tendency of accounting fraud.

H<sub>2</sub>: Accounting rules compliance affects the trend of accounting fraud.

H<sub>3</sub>: Compensation suitability affects accounting fraud trends.

H<sub>4</sub>: Management morality affects the tendency of accounting fraud.

H<sub>5</sub>: Organizational ethical culture has an effect on the tendency of accounting fraud.

H<sub>6</sub>: Effectiveness of internal control, compliance with accounting rules, compensation appropriateness, management morale, and organizational ethical culture affect the tendency of accounting fraud.

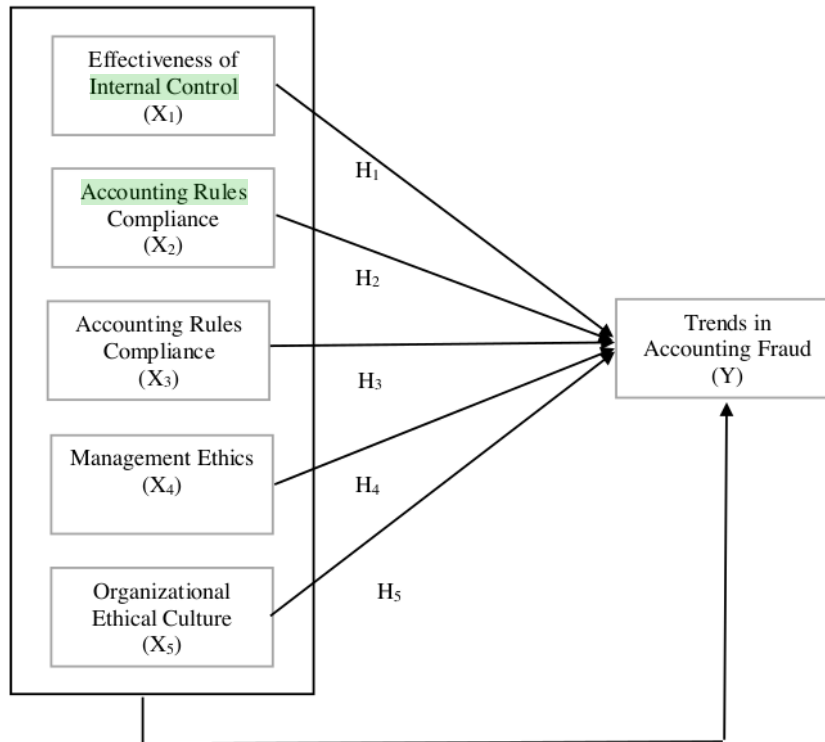


Figure 1. Empirical Model

## RESEARCH METHOD

<sup>17</sup> This type of research is explanatory research. The design in this study is included in quantitative research. Then the population is the entire collection of elements related to the content that researchers expect when reaching some conclusions (Noch & <sup>4</sup>Husen, 2015). The population in this study were 34 regional apparatus organizations in the Jayapura Regency Government.

According to Sugiyono (2017), the sample is part of the population that is the source of research data and part of the number of characteristics possessed by the population. The sample selection in this study was conducted using non-probability sampling and purpose sampling techniques.

The criteria to be determined are (1) Civil servant (ASN) at least one year working in the Jayapura Regency Government. (2) ASN serves as staff in the finance department and is



responsible for the financial management of regional apparatus organizations of the Jayapura Regency Government. (3) ASN serves as the head of the regional apparatus organization. Based on this technique, a sample of 68 respondents was obtained who are employees of OPD agencies in the Jayapura City government.

<sup>15</sup> The data used in this study is primary data. Primary data was collected using a Likert scale questionnaire with field research methods and data collection techniques. Then the statistical analysis used in this study was based on statistical techniques of t-test, F statistical test and multiple linear regression analysis of the coefficient of determination, with the help of SPSS software. Statistical analysis, research instrument testing, classical hypothesis testing and hypothesis testing.

## RESEARCH RESULTS AND DISCUSSION

### Results of Validity Test

<sup>17</sup> The results of the validity test of the table 1 show that the value of r calculated by all research tools is between 0.558 and 0.937 > 0.2423. This figure shows that the value of r arithmetic > r table and the probability is 0.000 < 0.05. So the instrument data in this study is considered valid.

Table 1. Validity Test Results

<sup>2</sup> Variable	Item	Pearson Correlation	Sig (2-Tailed) <sup>3</sup>	Note
Effectiveness of Internal Control (X1)	PI <sub>1</sub>	0,921	0,000	Valid
	PI <sub>2</sub>	0,931	0,000	Valid
	PI <sub>3</sub>	0,937	0,000	Valid
	PI <sub>4</sub>	0,935	0,000	Valid
	PI <sub>5</sub>	0,937	0,000	Valid
Compliance with Accounting Rules (X2)	KT <sub>1</sub>	0,800	0,000	Valid
	KT <sub>2</sub>	0,858	0,000	Valid
	KT <sub>3</sub>	0,778	0,000	Valid
	KT <sub>4</sub>	0,751	0,000	Valid
	KT <sub>5</sub>	0,802	0,000	Valid
	KT <sub>6</sub>	0,850	0,000	Valid
	KT <sub>7</sub>	0,784	0,000	Valid
Compensation Suitability (X3)	KS <sub>1</sub>	0,857	0,000	Valid
	KS <sub>2</sub>	0,835	0,000	Valid
	KS <sub>3</sub>	0,813	0,000	Valid
	KS <sub>4</sub>	0,830	0,000	Valid
	KS <sub>5</sub>	0,808	0,000	Valid

Variable	Item	Pearson Correlation	Sig (2-Tailed)	Note
Management Morale (X4)	KS <sub>6</sub>	0,558	0,000	Valid
	MM <sub>1</sub>	0,749	0,000	Valid
	MM <sub>2</sub>	0,815	0,000	Valid
	MM <sub>3</sub>	0,756	0,000	Valid
	MM <sub>4</sub>	0,889	0,000	Valid
Organizational Ethical Culture (X5)	MM <sub>5</sub>	0,811	0,000	Valid
	BE <sub>1</sub>	0,736	0,000	Valid
	BE <sub>2</sub>	0,791	0,000	Valid
	BE <sub>3</sub>	0,779	0,000	Valid
	BE <sub>4</sub>	0,749	0,000	Valid
	BE <sub>5</sub>	0,707	0,000	Valid
	KA <sub>1</sub>	0,914	0,000	Valid
	KA <sub>2</sub>	0,916	0,000	Valid
	KA <sub>3</sub>	0,777	0,000	Valid
	KA <sub>4</sub>	0,908	0,000	Valid
KA <sub>5</sub>	0,915	0,000	Valid	

Source : Processed Data (2021)

### Reliability Test

<sup>15</sup> Table 2. Reliability Test Results

Variable	Cronbach's Alpha Based on Standardized Items	Note
<sup>2</sup> Effectiveness of Internal Control	0,962	Reliable
Compliance with Accounting Rules	0,911	Reliable
Compensation Suitability	0,874	Reliable
Management Morale	0,864	Reliable
Organizational Ethical Culture	0,810	Reliable
Trends in Accounting Fraud	0,932	Reliable

Source: Processed Data (2021)

The test results above show that the coefficient of Cronbach's Alpha of all variables based on standardized items is  $> 0.70$ , and it can be concluded that the variable data studied are reliable.

### Normality test

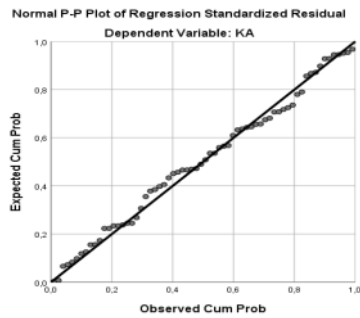


Figure 2. Normality Test Results

The standard probability graph shows that the data points are distributed around the diagonal, and the distribution follows the diagonal direction so that the data distribution can be normally distributed. 13

Table 3. Kolmogorov-Smirnov Test Results

<i>One-Sample Kolmogorov-Smirnov Test</i>	
<i>Unstandardized Residual</i>	
<i>Asymp. Sig. (2-tailed)</i>	0,200

*Source: Processed Data (2021)*

Based on the One-Sample Kolmogorov-Smirnov Test table above, it can be said that the data in this study meet the assumption of normality which the Asymp value can represent signal (2-tailed)  $0.200 > 0.05$ .

### Heteroscedasticity Test

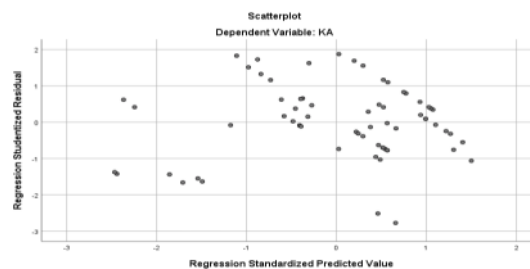


Figure 3. Heteroscedasticity Test Results

As can be seen from the figure above, the points are randomly distributed and distributed above and below the number 0 on the Y-axis. It shows that the model in this study does not experience heteroscedasticity, so the model meets the rules.

### <sup>17</sup> Multicollinearity Test

Table 5. Multicollinearity Test Results

<sup>2</sup> Variable	Tolerance	VIF
Effectiveness of Internal Control	0,897	1,115
Compliance with Accounting Rules	0,852	1,173
Compensation Suitability	0,973	1,027
Management Morale	0,895	1,118
Organizational Ethical Culture	0,902	1,109

Source: Processed Data (2021)

<sup>13</sup> The data in the table above shows that the VIF value is less than ten, and the Tolerance value is more significant than 0.1, indicating that there is no multicollinearity between the independent variables in this study.

### Multiple linear regression

Table 6. Multiple Linear Regression Analysis

Variable	Coefficient	t Count	Sig.	Note
Constant	39,210			
Internal control	- 0,350	- 5,330	0,000	Effect
Compliance with Accounting Rules	- 0,024	- 0,237	0,814	No effect
Compensation Suitability	- 0,097	- 1,453	0,152	No Effect
Management Morale	- 0,824	- 7,334	0,000	Effect
Organizational Ethical Culture	- 0,386	- 3,916	0,000	Effect
R Square	0,694			
Adjusted R Square	0,668			
T table	1,67065			
F count	27,168			
F table	2,37			

Source : Processed Data (2021)

- a. The constant value of 39.210 indicates that if the independent variable, namely the effectiveness of internal control, compliance with accounting rules, compensation suitability, management ethics and ethics and organizational culture, is zero, the value of the tendency to fraud is a constant value of 39.210, whether the constant value is a fixed value.

- b. The regression coefficient for the effectiveness of internal control is -0.350, which indicates that for each unit of increasing the effectiveness of internal control, assuming other variables are 0.350, the coefficient value of the effectiveness of internal control will remain constant.
- c. Accounting rule compliance regression coefficient -0.024 indicates that for each additional accounting rule compliance unit, the trend of accounting fraud will decrease by 0.024. The accounting rule compliance coefficient value is assumed to be constant (other conditions remain unchanged).
- d. Salary consistency regression coefficient -0.097 means that for each additional unit of salary consistency, assuming other variables are fixed values, the salary consistency coefficient value of 0.097 will cause a decrease in the trend of accounting fraud (other conditions remain unchanged).
- e. Management ethics regression coefficient -0.824 indicates that for each additional management ethics unit, assuming other variables have fixed values, the management ethics coefficient value will cause a decrease in the trend of accounting fraud by 0.824 (other conditions remain unchanged).
- f. Organizational Ethical Culture Regression Coefficient -0.386 means that for each additional unit of organizational ethical culture, assuming other variables have a fixed value, the organizational ethical culture coefficient value of 0.386 will cause a decrease in the trend of accounting fraud (other conditions remain unchanged).

4  
Hypothesis test

Table 7. Hypothesis test

No	Statement	Value	Status
1	Internal control system against accounting fraud tendencies	4 <sub>ount</sub> = 5,330 sig t = 0,000 t <sub>able</sub> = 1,67065	Hypothesis accepted
2	Compliance with accounting rules against trends in accounting fraud	4 <sub>ount</sub> = 0,0237 sig t = 0,814 t <sub>able</sub> = 1,67065	Hypothesis rejected
3	Compensation suitability for accounting fraud tendencies	4 <sub>ount</sub> = 1,453 sig t = 0,152 t <sub>able</sub> = 1,67065	Hypothesis rejected
4	Management morality towards accounting fraud tendencies	4 <sub>ount</sub> = 7,334 sig t = 0,000 t <sub>able</sub> = 1,67065	Hypothesis accepted
5	Organizational ethical culture against accounting fraud trends	4 <sub>ount</sub> = 3,916 Sig t = 0,000 t <sub>able</sub> = 1,67065	Hypothesis accepted
6	Effect of internal control system effectiveness, compliance with accounting rules, compensation appropriateness, management morality and organizational ethical cultivation on the trend of accounting fraud	4 <sub>ount</sub> = 27,168 Sig t = 0,000 t <sub>able</sub> = 1,67065	Hypothesis accepted

### Hypothesis 1

The t value of the Internal Control Effectiveness variable is  $5.330 > 1.67065$  (t count > t table), and the direction is unfavourable. It means the hypothesis is accepted, and the significance value is  $0.000 < 0.05$ . This means that the first hypothesis that the effectiveness of internal control affects the trend of accounting fraud in the Jayapura Regency government can be accepted.

### Hypothesis 2

The t-count value of the variable that complies with accounting rules is  $0.237 < 1.67065$  (t count < t table), and the direction is unfavourable. It means the hypothesis is rejected, and the significance value is  $0.814 > 0.05$ . This means that it rejects the second hypothesis that compliance with accounting rules will affect the tendency of Jayapura Regency Government accounting fraud.

### Hypothesis 3

Suppose the t value of the Compensation Conformity variable is  $1.453 < 1.67065$  (t count < t table) and the direction is negative, the hypothesis is rejected, and the significance value is  $0.152 > 0.05$ . This means that the third hypothesis shows that the suitability of compensation affects the tendency of accounting fraud in the Jayapura Regency.

### Hypothesis 4

<sup>7</sup>  
The t-value of the management ethics variable is  $7.334 > 1.67065$  (t count > t table), if the direction is negative, accept the hypothesis and the significance value is  $0.000 < 0.05$ . The fourth hypothesis shows that management ethics affect the trend of accounting fraud in the Jayapura Regency Government.

### Hypothesis 5

<sup>7</sup>  
The t-count value of the Organizational Ethics Culture variable is  $3.916 > 1.67065$  (t count > t table), and the direction is negative, the hypothesis is accepted, and the significance value is  $0.000 < 0.05$ . This means that the fifth hypothesis shows that organizational ethical culture affects the tendency of accounting fraud in the Jayapura Regency Government.

### Hypothesis 6

<sup>7</sup>  
The F test shows whether all the independent variables included in the model have a combined effect on the dependent variable. The test standard for the 5% significance level is if F count > F table, then the valid hypothesis is the validity of internal control, compliance with accounting standards, compensation suitability, management ethics, and Jayapura Regency government. When  $N1=5$  and  $N2=60$ , the table's F value is 2.37. Based on the multiple linear regression analysis table, the calculated F value is  $27.168 > 2.37$  (F arithmetic > F table), and the significance value is  $0.000 < 0.05$ . The sixth hypothesis is that the effectiveness of internal control, compliance with accounting standards,

compensation suitability, management ethics and organizational ethical culture also affect the tendency to accept accounting fraud.

## Discussion

### <sup>6</sup> The Effect of Effectiveness of Internal Control on the Trend of Accounting Fraud

<sup>11</sup>  
Based on the results of several tests, it can be seen that the t value of the effectiveness of internal control is  $5.330 > 1.67065$  ( $t_{\text{count}} > t_{\text{table}}$ ), the direction is negative, and the significance value is  $0.000 < 0.05$ . Based on this analysis, the first hypothesis is accepted. <sup>18</sup>  
<sup>5</sup>  
The results of this study indicate that the effectiveness of internal control has a significant adverse effect on the tendency of accounting fraud in the Jayapura Regency government. <sup>6</sup>  
If the effectiveness of internal control increases, the trend of accounting fraud in the Jayapura Regency government will decrease by 0.350.

The Jayapura Regency Government's internal control has been running effectively. The existence of effective internal control can reduce accounting fraud that is detrimental to the organization. Substantial control can reduce the tendency of accounting fraud. If the internal control is weak, then the tendency of accounting fraud will be even greater. The internal control of the Jayapura Regency Government makes it easy to control and supervise financial activities or other activities related to fraud, thereby minimizing the occurrence of fraud by specific individuals because they feel they are being monitored. The results of this study are related to Yulia et al. (2021), Putri and Harani (2021), Mudhofir and Setiawan (2020). They found that the effectiveness of internal control has a negative impact on the tendency of accounting fraud.

### The Effect of Compliance with Accounting Rules toward the Trend of Accounting Fraud

Based on the results of several tests, it can be seen that the t value for compliance with accounting standards is  $0.237 < 1.67065$  ( $t_{\text{count}} < t_{\text{table}}$ ), the direction is negative, and the significance value is  $0.814 > 0.05$ . Based on this analysis, the second hypothesis is rejected. This study indicates that compliance with accounting rules does not affect the trend of accounting fraud in the Jayapura Regency government.



Failure to prepare financial statements due to non-compliance can be found through a clear statement of standards. The existence of accounting rules avoids deviant behaviour that can harm the organization. If the organization or agency complies with applicable accounting standards, there will be no tendency for accounting fraud to occur. Jayapura Regency employees, especially those who work in the accounting field, comply with applicable accounting rules. In order to avoid fraud due to dissatisfaction, because employees obey the rules. The results of this study are related to Simbolon and Hendri (2020), which show that compliance with accounting rules does not affect trends in accounting fraud.

### **The Effect of Compensation Suitability toward Accounting Fraud Trends**

<sup>11</sup> Based on the results of several tests, it can be seen that the t value of Compensation Conformity is  $1.453 < 1.67065$  (t count < t table) has a negative direction, with a <sup>18</sup> significance value of  $0.152 > 0.05$ . Based on this analysis, the third hypothesis is rejected. The results of this study indicate that the suitability of compensation does not affect the tendency of accounting fraud in the Jayapura Regency government.

Compensating employees can help organizations achieve their goals and acquire, retain, and retain employees. On the other hand, if there is not enough (appropriate) compensation, existing employees are more likely to leave the organization. In the Jayapura Regency Government, there are no problems in providing compensation, which makes employees unintentionally commit fraud because there are no problems with applying for compensation. The results of this study are related to Khamimah et al. (2021). It shows that salary suitability does not affect the trend of accounting fraud.

### **The Influence of Management Morality on the Trend of Accounting Fraud**

<sup>11</sup> Based on the results of several tests, it can be seen that the t value of Management <sup>18</sup> Morality is  $7.334 > 1.67065$  (t arithmetic > t table), the direction is negative, and the significance value is  $0.000 < 0.05$ . Based on this analysis, the fourth hypothesis is accepted. This study indicates that management ethics has a significant negative effect on

accounting fraud in the Jayapura Regency government. If management ethics increases, the trend of accounting fraud in the Jayapura Regency will decrease by 0.824.

The development of ethical knowledge shows that ethics and decision making are positively related to socially responsible behaviour. Outside of social responsibility, there is no deviant and fraudulent behaviour in the performance of highly ethical managers. High moral management will reduce the intention of accounting fraud. The existence of good morals can reduce the tendency of accounting fraud to occur. The results of this study are related to Yulia et al. (2021). The results of the study that management ethics have a negative effect on the tendency of accounting fraud.

### **The Influence of Organizational Ethical Culture on Accounting Fraud Trends**

Berdasarkan hasil beberapa pengujian dapat diketahui bahwa nilai t-hitung budaya moral organisasi adalah  $3,916 > 1,67065$  (t-hitung > t tabel), yang bernilai negatif, dan nilai signifikansi  $0,000 < 0,05$ . Berdasarkan analisis ini, hipotesis kelima diterima. Hasil penelitian ini menunjukkan bahwa budaya etika organisasi berpengaruh negatif signifikan terhadap kecenderungan kecurangan akuntansi pemerintah Kabupaten Jayapura. Jika budaya etika organisasi meningkat, maka tren kecurangan akuntansi pemerintah Kabupaten Jayapura akan menurun sebesar 0,386.

Budaya adalah nilai yang diyakini oleh suatu kelompok organisasi. Suasana yang baik akan menciptakan perilaku yang baik bagi setiap orang di lingkungan organisasi. Jika sebuah organisasi diajari bahwa penipuan adalah perilaku buruk dan melukai nilai-nilai banyak pihak, karyawan seringkali tidak melakukan penipuan. Hal ini juga berlaku bagi Pemerintah Kabupaten Jayapura yang menanamkan dalam lingkungan kerjanya bahwa penipuan itu merugikan dan salah. Hasil penelitian ini terkait dengan Yulia et al. (2021) Hasil penelitian bahwa budaya etika organisasi berpengaruh negatif terhadap kecenderungan kecurangan akuntansi.

### **Effectiveness of Internal Control, Accounting Rules Compliance, Compensation Appropriateness, Management Morale, and Organizational Ethical Culture toward Accounting Fraud Tendencies**

From the results of the simultaneous examination, it can be seen that the F value for calculating the effectiveness of internal control, accounting standard compliance, salary suitability, management ethics and organizational ethical culture is  $27.168 > 2.37$  ( $F_{count} > \text{Table } F$ ), the significance value is  $0.000 < 0.05$ . Based on this analysis, the sixth hypothesis shows that the <sup>2</sup> effectiveness of internal control, compliance with accounting rules, appropriate remuneration, management ethics, and organizational culture simultaneously affect the trend of accounting fraud in the Jayapura Regency Government.

The results of this study indicate that the effectiveness of internal control, compliance with accounting rules, adequacy of remuneration, management ethics, and ethics and organizational culture have a significant effect on the tendency of accounting fraud in the Jayapura Regency government with a contribution level of 66.8. % The remaining 43.2% is caused by factors other than this study.

### **CONCLUSION**

Based on the results of research on internal control, compliance with accounting rules, compensation suitability, management morality and organizational ethical culture towards accounting fraud tendencies, the following conclusions are stated. The effectiveness of internal control, management ethics and organizational ethical culture have negative effect on the tendency of accounting fraud. Compliance with accounting rules and <sup>12</sup> suitability of compensation have not affect the trend of accounting fraud. At the same time, <sup>2</sup> the effectiveness of internal control, compliance with accounting rules, appropriateness of remuneration, management ethics, and organizational ethical culture have significantly impacted the tendency of accounting fraud.

Next, some suggestions that can be put forward in this research. Recommendations to the academic community When contributing to the scientific development of the public sector, it is necessary to understand the deviant behaviour that specific individuals may carry out in the organization. Suggestions for further research

When studying the same topic, pay attention to the variables used and make sure the indicators used can explain these variables. It is also necessary to add research variables such as information asymmetry because information known to subordinates is sometimes not reported to superiors, giving rise to opportunities for fraud to occur. It is recommended that the Jayapura Regency Government pay more attention to financial supervision to control financial and budgetary activities better. In addition, employers need to understand the working conditions on-site so that employees do not take advantage of this situation for personal gain.

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