

Determination of the Occurrence of Accounting Fraud Tendency in Islamic Savings-Loans and Financing Cooperatives in the City of Semarang

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ABSTRACT

The purpose of this research was to analyze the influence of the suitability of compensation, conflict of interest, the effectiveness of internal control, information asymmetry, Islamic business ethics, and religiosity against the tendency of accounting fraud. The population of this research is Islamic Savings-Loans and Financing Cooperatives (KSPPS) in Semarang city amounted to 44 KSPPS with employees as the source data. The sampling method uses purposive sampling method with a total of 65 respondents. Data collection used the questionnaire method. The analysis technique uses Structural Equation Model – Partial Least Square (SEM-PLS) with SmartPLS analysis tool 3.0. The results of this research are the suitability of the compensation, the effectiveness of internal controls has no negative effect against the tendency of accounting fraud. Conflict of interest and information asymmetry has a positive effect against the tendency of accounting fraud. Islamic business ethics and religiosity are influential negatively to the tendency of accounting fraud. A summary of this research is the suitability of compensation and internal control systems are less able to effectively reduce the tendency of accounting fraud. While the Islamic business ethics and religiosity can reduce the tendency of employees doing the accounting fraud.

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INTRODUCTION

Accounting report is a form of accountability or responsibility from the management that has been given a mandate to the parties concerned. Interested parties will make good decisions based on the reliability, transparency and integrity of the financial reporting process (Zainudin & Hashim, 2016). However, nowadays corporate management makes every effort to describe the condition of the company as well as possible, where this can lead to financial report manipulation called fraud. Rezaee (2004) stated that the act of falsifying financial statements has an impact on the financial performance and results of the company. According to Riahi-Belkaoui & Picur (2000) fraud in an accounting environment that increases in addition to causing large losses, will also create moral problems in the workplace.

Fraud is a tendency of human intelligence to commit criminal acts or against the law using deception to maximize interests in order to achieve certain benefits with deviant representations. Fraud is believed to be the

company's most serious problem in the current business environment. (Smith, et al.2005); (Kusumantoro, et al.2016). As has been widely reported, fraud cases have even become a new problem in financial institutions such as cooperatives, both sharia and conventional. Cooperative reform is one of the community solutions to save and obtain capital for businesses in cooperatives. One of the financial institutions that has a great opportunity to contribute in realizing the inclusiveness of national finance is the sharia cooperative. However, there are still cases of accounting fraud in the scope of Islamic cooperatives in the field. As said by Umar (2017) that now those which are challenged to give their role are the Islamic finance industry. But until now, the financial institutions of sharia cooperatives have not escaped the disease of fraud committed by internal cooperatives. Until now there are still Islamic Savings-Loans and Financing Cooperatives (KSPPS) which violate sharia principles and others cooperatives fraud are dominated by cases of embezzlement of funds by owners or managers of cooperatives.

Ema Rachmawati, Head of the Central Java Small and Medium Enterprises Cooperative Office, said at the Regional Coordination Meeting, that healthy co-

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operatives are only 18.82% of the 21,455 cooperatives, the rest are quite healthy and not healthy. In addition, Ema Rachmawati also stated that the Savings and Loan Cooperatives have the most frequent case (Gutomo, 2018). The Financial Transaction Reports and Analysis Centre (PPATK) stated that savings and loan cooperatives are still very low in terms of awareness of reporting financial transactions (Deny, 2018). Even though by making financial reporting which is good, the financial condition of savings and loan cooperatives can be reviewed to avoid fraud.

The development of cooperatives in the city of Semarang continues to increase. Until 2017, the number of registered and active cooperatives in Semarang City reached 997 cooperatives both sharia and non-sharia. But in addition to the development of cooperative capacity that has increased, there are still many cases of cooperative fraud in the city of Semarang. At least 5% of the number of cooperatives have large-scale accounting fraud cases. Not only large-scale fraud cases occurring, but many cases of small and medium-scale fraud are found where the cases are only resolved in a family manner (Ayuningtias, 2017).

Engineered financial reporting will definitely be difficult to detect. Carpenter & Reimers (2005) said that unethical financial reporting is not easily detected because unethical financial reporting decisions are incorporated into financial statements. This will result in unethical actions of a manager or employee who should have the responsibility to act professionally in accordance with the principles of his work. To prevent various forms of irregularities, cooperatives are expected to have policies regarding guidelines in behaving with the morality of the noble (noble character). No matter how good the system is in the company, it will not mean when ethics are not implemented. This is a big challenge for companies with sharia concepts (Nawatmi, 2010).

The variables of this study are taken from the results of previous studies that were inconsistent. Research by Wilopo (2006) which explains compensation suitability does not have a negative effect and the effectiveness of internal controls as well as information asymmetry have a positive effect direction on the tendency of fraud. But in research of Kusumastuti & Meiranto (2012) the three variables that have been tested Wilopo (2006) does not affect the tendency of fraud. Research of Oktaviani, et al. (2017) results that conflict of interest has a positive effect on the tendency of fraud. Najahningrum (2013) stated that compensation suitability has a negative effect on the tendency of fraud. Nurlaeliyah & Anisykurlillah (2017) stated that information asymmetry has a positive influence on the tendency of fraud.

While the selection of Islamic business ethics variables is due to this variable is rarely studied in the topic of research on fraud tendency. Variability of religiosity towards the tendency of fraud by previous research also gives inconsistent results. Pamungkas (2014) resulted that religiosity negatively affects on the tendency of employees to commit fraud, but Ika and Dita (2017) produced that religiosity does not affect on the tendency of fraud.

The purpose of this study is to analyze the influence of compensation suitability, conflict of interest, effectiveness of internal control, information asymmetry, Islamic business ethics, and religiosity towards the tendency of accounting fraud. Originality in this study is on the differences in the object of research, namely Islamic Cooperatives. Besides adding variables that are rarely examined in the topic of fraud, namely conflict of interest, Islamic business ethics and Religiosity and studying Al-Wala's theory 'with the topic of research on accounting fraud tendencies.

Research on accounting fraud tendency is supported by the Fraud Triangle theory. Perpetrators of fraud have a variety of motivations which are explained in three conditions in the Triangle Fraud Theory. These three conditions are called fraud triangles (fraud triangle) developed by (Cressey, 1973). This condition consists of three components namely pressure, opportunity and rationalization. This pressure will cause a person to commit fraud. Meaningful opportunity as a gap for someone to commit fraud freely (Montgomery, et al., 2002). Rationalisation is the justification attitude of someone committing fraud. Pressure is proxied by the variable of compensation suitability and conflict of interest. Opportunity is proxied by the effectiveness of internal controls and information asymmetry. Meanwhile, rationalization is proxied by Islamic business ethics and religiosity variables.

This research also tries to examine Al-Wala's theory. According to (Jayanto, 2016) someone who applies the principle of Al-Wala' will love what is loved by Allah who will then hate what Allah hates, and tends to do it with commitment. Someone with Islamic business ethics and high religiosity will avoid things that are hated by Allah, one of which is fraud and dishonesty. Besides that, it will also make the employee have a commitment to work according to the Shari which will then give meaningful contributions to the entity and stakeholders without breaking the rules and honesty of their work towards Allah SWT.

Employees' behaviour can be influenced by compensation suitability, usually in order to maximize his/her own utility, a person will behave unethically due to dissatisfaction with compensation received. Financial pressure due to inappropriate compensation is the cause of someone committing fraud. This is in agreement with the fraud triangle theory, which is pressure which causes someone to commit fraud.

When cooperatives provide appropriate compensation, administrators will feel welfared by cooperatives and make administrators give the best performance to achieve cooperative goals. Another case if the cooperative does not pay attention to the welfare of the employees by providing compensation that is not appropriate, they will tend to take unethical actions to maximize their goals. Research conducted by Nurlaeliyah & Anisykurlillah (2017) indicates compensation suitability has a negative effect direction on the tendency of fraud. Research by Burns & Kedia (2006) and Goldman & Slezak (2006) said that compensation incentives can create the possibility of financial fraud. The more suitable employ-

ee compensation can reduce the tendency of accounting fraud, so the first hypothesis proposed is:

H₁: Compensation suitability has a negative effect on accounting fraud tendency

Conflict of interest believed to be one of the causes of unethical actions such as fraud. Oktaviani et al. (2017) stated that conflict of interest is one of the causes of corruption. According to research by Oktaviani et al. (2017) states that a conflict of interest has a positive influence on the potency for fraud. This is in accordance with the theory of fraud triangle because when there is a conflict of interest in an organization, it will cause pressure because of personal interests in each of the managers which then lead to inconsistencies in goals between individuals in the organization which will then cause hatred and end on fraud. Burnaby, et al. (2011) proved that conflicts of interest give a high risk of fraud. If conflicts of interest are high, the tendency for accounting fraud is increase. Based on the analysis above, the following hypothesis can be derived:

H₂: Conflict of interest has a positive effect on accounting fraud tendency

Control system can be an opportunity or gap that causes someone to commit an act of fraud or not. In accordance with the theory of fraud triangle which states that fraudsters have a variety of motivations described in three conditions, one of which is the opportunity. If the internal control of a company or agency has been carried out effectively, it will have an impact on the behaviour of the people in it who run internal controls. Opportunities for fraud can be minimized by effective internal control. Research by Siregar & Tenoyo (2015); Gupta & Gupta (2015); and Zakaria, et al. (2016) reveal that internal control and bad ethics are the determinants of fraud, so the hypothesis formulated is:

H₃: The effectiveness of internal control has a negative effect on the tendency of accounting fraud

According to Fraud Triangle, opportunity is one of the factors for committing fraud or not. Anshar (2012) said that companies often commit financial reporting fraud in conditions of financial crisis and are driven by misguided opportunities. Factors that influence opportunities within the organization include due to the existence of information asymmetry in the organization. This is related to triangle fraud theory where when the situation of the internal party knows more important information in a company, it makes the internal party's loophole to commit fraudulent tendencies, because there are misguided opportunities that are not used as it should be.

The results of research conducted by Wilopo (2006); and Nurlaeliyah & Anisykurlillah (2017) shows that information asymmetry has a positive effect direction toward fraud, meaning that when the information asymmetry that occurs is high, the tendency of employees to commit fraud also increases. Based on this, the fourth hypothesis is as follows:

H₄: Information asymmetry has a positive effect on accounting fraud tendency

Al-Wala's theory reveals someone who is in an Islamic business ethics environment will be more concerned with shared interests and have responsibility to Allah SWT, entities and stakeholders. In accordance with research conducted by Rae & Subramaniam (2008), proves that employees will tend to obey the rules if they are in more ethical environmental conditions and this will be acceptable moral behaviour. In research of Maharani (2013) reveals that there is a negative influence between Islamic business ethics on the tendency of fraud, so it is formulated that high Islamic business ethics would reduce the tendency of employees to commit fraud, then the proposed hypothesis is:

H₅: Islamic business ethics have a negative effect on the tendency of accounting fraud

Religiosity is a rationalization factor when linked to fraud triangle theory. Religiosity in a person can control a person's behaviour not to commit fraud. McCleary & Barro (2006) also said that religion serves to encourage certain behaviours. In producing reliable financial reports to support the continuance of cooperatives must be supported by moral levels and employee ethics. The level of religiosity can reflect the morals and ethics of employees.

The effect direction of religiosity on the tendency of accounting fraud is negative, this is evidenced by Pamungkas (2014) and Dyreng, et al.(2012). Someone with high religiosity has a low chance of fraud because they tend to pay attention to the public interest. Grammick et al. (1991) states that a strong belief in religion can minimize tax fraud behaviour, the hypothesis that can be formulated is:

H₆: Religiosity has a negative effect on accounting fraud tendencies

Based on the description of the theoretical framework and the development of the hypothesis above, this study uses a model of the theoretical framework described in Figure 1 as follows:

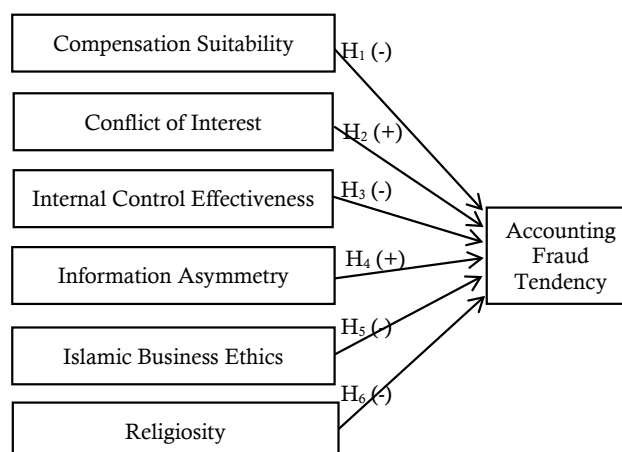


Figure 1. Theoretical Framework

RESEARCH METHOD

This type of research was quantitative research. Primary data was used in this study through a questionnaire. Based on the official website page of the Ministry of Cooperatives (<http://nik.depkop.go.id>) found as many as 44 Islamic Savings-Loan and Financing Cooperatives in Semarang City as the study population. The research sample was Islamic Savings-Loan and Financing Cooperatives registered at the PBMTI in Se-

marang City. The sample technique used in the study was purposive sampling and produced 65 respondents. The sample criteria used in this study were KSPPS employees who were registered in the PBMTI (Indonesian BMT Association) of Semarang City with positions as chairman, secretary, treasurer and operational section. The definitions and indicators of measurement for each variable in this study are explained in Table 1.

Methods of data collection used the questionnai-

Table 1. Operational Definition of Research Variables

No	Operational Definition	Indicators
1	Tendency of Accounting Fraud Tendency to behave against the law by using deception and various other lies as well as with deviant representation for the sake of certain interests.	<ol style="list-style-type: none"> 1. The tendency to manipulate, or change other supporting documents. 2. The tendency to misrepresent, omit events, transactions, or information from financial statements. 3. The tendency to intentionally apply wrong accounting principles 4. The tendency to make financial statements wrong due to theft of assets which makes the entity to pay for goods / services that are not received. 5. The tendency to make financial statements wrong due to improper treatment of assets and accompanied by false records and concerning one or more individuals or third parties. (Wilopo, 2006)
2	Compensation Suitability: The whole reply for services provided by the organization for the execution of work by individuals in the form of money or other things paid by the company.	<ol style="list-style-type: none"> 1. Financial compensation 2. Company recognition for success in carrying out finances 3. Promotion 4. Task resolution (Gibson, et al. 1997)
3	Conflict of Interest : A situation where someone who has power and authority is thought to be more concerned with his personal interests so that it can influence the quality of performance that should and will lead to fraud	<ol style="list-style-type: none"> 1. Multiple positions 2. Power and authority 3. Gratification 4. Weaknesses of the organizational system 5. Personal interests (Vested interest) (Septiningrum, 2016)
4	Effectiveness of Internal Control: The success of the process carried out by all personnel in the entities to provide adequate assurance about 3 objectives: reliability in financial statements, effectiveness and efficiency of operations carried out and compliance with applicable laws and regulations.	<ol style="list-style-type: none"> 1. Control environment 2. Determination of risk 3. Information and communication 4. Control activities 5. Monitoring (Coso, 2013)
5	Information Asymmetry: There is a misalignment of information between parties who have information / agents and parties who need information / principal.	<ol style="list-style-type: none"> 1. The situation where management has more information about all activities above its responsibilities than outside parties. 2. The situation when management is more aware of input-output relationships for activities that become its responsibility than outside parties. 3. The situation when management is more familiar with the potential for performance that becomes its responsibility than outside parties. 4. The situation when management knows the technical work that becomes its responsibility compared to outside parties. 5. The situation when management is better able to assess the influence of potential external factors on activities that become its responsibility than outside parties.

Continuation of Table 1. Operational Definition of Research Variables		
No	Operational Definition	Indicators
		6. The situation when management better understands what can be achieved in the field that becomes its responsibility compared to outside parties. (Wilopo, 2006)
6	Islamic Business Ethics: Process to achieve business objectives that are safe with principles and norms, where business people carry out each transaction and related process followed by commitments in accordance with Islamic law.	1. Justice (“adl) 2. Free will 3. Responsibility 4. Truth (Beekun, 2004)
7	Religiosity: A system of one’s beliefs that is implemented in everyday life and in all aspects of life and gives meaning to human life regarding the highest values.	1. Religious Practice 2. Religious Belief 3. Religious Knowledge 4. Religious Feeling 5. Religious Effect (Glock & Stark, 1965)

re method. The answers were measured by a four-point Likert scale, 1 (strongly disagree) to 4 (strongly agree). The data analysis techniques in this study were descriptive and inferential statistics with significance (α) 5%. Data analysis used Structural Equation Model – Partial Least Square (SEM-PLS) with SmartPLS 3.0 analysis tool.

RESULTS AND DISCUSSIONS

This study used samples of Islamic Savings-Losans and Financing Cooperatives registered at PBMTI in the city of Semarang. From the sample, it is obtained 65 employees used as the source of this research data with 60 samples that could be processed. SEM-PLS analysis carried out two tests, namely the test of the outer model or measurement model and test the inner model or structural model. First, outer model test with convergent and reliability validity. Based on the results of the research output, the value of outer loadings as the value of convergence validity results in a loading factor value above 0.7 in all constructs so that it meets the validity requirements. Then based on the results of the research output, the AVE value was more than 0.5 which means it meets the validity standard.

Reliability test is measured by cronbach’s alpha and composite reliability. Based on the output results in Table 2, the cronbach’s alpha and composite reliability values are above 0.7 for all variables, so it meets for re-

liability. This result proves the consistency and stability of the instrument is very high, and the questions asked are reliable.

Inner model test used to examine the effect of latent variables. The inner model test is seen from the value of R². Based on the results of the research output, the independent variable on the dependent variable of accounting fraud tendency shows R² value of 0.740, which means that the dependent variable of fraud tendency is explained by the independent variable of 74%, while the remaining 26% is explained by other factors or conditions not explained in the model.

Table 2. Composite Reliability and Cronbach’s Alpha

Variables	Cronbach’s Alpha	Composite Reliability
Tendency of Accounting Fraud	0,907	0,923
Compensation Suitability	0,860	0,894
Conflict of Interest	0,852	0,890
Effectiveness of Internal Control	0,925	0,937
Information Asymmetry	0,854	0,891
Islamic Business Ethics	0,938	0,949
Religiosity	0,910	0,832

Source: SmartPLS Data Processing Results, 2018

Table 3. Recapitulation Results of Hypothesis Testing

Hypo thesis	Statements	Original Sample	P-value	Results
H ₁	Compensation suitability has a negative effect on accounting fraud tendency	0.225	0.012	Rejected
H ₂	Conflict of interest has a positive effect on accounting fraud tendency	0.259	0.001	Accepted
H ₃	The effectiveness of internal control has a negative effect on the tendency of accounting fraud	0.328	0.003	Rejected
H ₄	Information Asymmetry has a positive effect on accounting fraud tendency	0.234	0.006	Accepted
H ₅	Islamic business ethics has a negative effect on the tendency of accounting fraud	-0.191	0.007	Accepted
H ₆	Religiosity has a negative effect on accounting fraud tendency	-0.192	0.024	Accepted

Source: Data processed, 2018

The Effect of Compensation Suitability on Accounting Fraud Tendency

The result of the study shows that compensation suitability has a positive effect on the tendency of fraud. This result is not in line with the fraud triangle theory which explains that compensation suitability is a pressure for someone to commit fraud. Because even though compensation is given in the appropriate category, the tendency for accounting fraud to occur is still seen from its positive influence. Hasil penelitian ini sepaham dengan The desire of employees to get more bonuses and get higher positions conditions and leads employees to dare to commit accounting fraud tendencies. This is done because employees tend to be more concerned with valuation and their social life with a qualified salary or position. The results of this study in line with Wilopo (2006) that the suitability of compensation does not have a negative influence on the tendency of accounting fraud.

The Effect of Conflict of Interest on Accounting Fraud Tendency

The next results show that conflict of interest has a positive effect on the tendency of accounting fraud, in accordance with the theory of fraud triangle which explains if there is pressure arising from conflict of interest in which individuals try to maximize their own utility and have different interest, then there will be actions outside the agreement or purpose of the entity. Conflict of interest becomes one of the pressures of someone to commit fraudulent tendencies to maximize his own utility. This result agrees with the research by Oktaviani, et al.(2017) and Burnaby, et al.(2011) indicates that the conflict of interest gives a positive effect on the tendency of accounting fraud.

The Effect of Effectiveness of Internal Control on Accounting Fraud Tendency

This study shows that the effectiveness of internal control has a positive effect on accounting fraud tendencies. This result is not in accordance with the fraud triangle theory which explains that fraudulent actions are influenced by opportunities. This includes the tendency of accounting fraud to occur where the effectiveness of internal control is one of the loopholes to be the cause. Ineffective internal control will create a gap for the people in it to commit fraud. In addition, obstacles may be encountered in the implementation of effective internal controls.

This result is different from Zakaria, et al (2016) which stated that weak internal control is the strongest contribution of a person committing fraud, and not in line with Gupta & Gupta (2015) and Siregar & Tenoyo (2015), but in line with research of Wilopo (2006) that there is no negative influence between the effectiveness of internal controls on the tendency of employees to commit fraud, which indicates that although effectiveness affects on the level of accounting fraud tendency, it is not effective in reducing one's tendency not to commit

accounting fraud tendencies.

In Internal Control Integrated Framework 2013 by (Coso, 2013) which explains that internal control can only provide adequate and not absolute provisions. That is why internal control is less effective in minimizing fraud. It is said in Khodijah (2018) that even though internal control is designed and operated properly, it turns out to be ineffective in achieving the objectives of internal control because the success of this internal control depends on the constraints at the time of implementation which cannot be separated from various limitations. So as to achieve success, a concept or other factor is needed to create the effectiveness of the internal control system that supports the achievement of goals.

In this case, the structure of corporate governance can be a solution for more effective internal control. A good corporate governance structure greatly influences the quality and effectiveness of internal controls (Leng & Ding, 2011). Through the implementation of good corporate governance (GCG), the company is expected to be able to strengthen good corporate management and be followed by high accountability and transparency so that it can avoid fraud.

The Effect of Information Asymmetry on Accounting Fraud Tendency

From the recapitulation of the results of the study, it is concluded that information asymmetry has a positive effect on the tendency of employees to commit fraud. Information symmetry can increase the tendency of employees to commit accounting fraud. This is due to the existence of a gap in the cooperative's internal financial knowledge so that the management has a greater gap to engineer an interest in its own interests such as obtaining compensation or a higher position.

In accordance with the fraud triangle theory, information asymmetry can be a management gap for taking actions outside the agreement because management tends to have more comprehensive information. This result is in line with Nurlaeliyah & Anisykurlillah (2017) that information asymmetry has a positive effect on fraud, and is strengthened by research by Ndofor, et al. (2015) said that fraud on financial statements is a moral hazard problem due to information asymmetry.

The Effect of Islamic Business Ethics on the Tendency of Accounting Fraud

The result shows that there is a negative influence on Islamic business ethics on accounting fraud tendency. In line with the theory of fraud triangle where positive attitudes and objective norms on Islamic business ethics are behaviour that is commonly carried out and can be accepted among the society, and the greater the perceived control over the consequences of high Islamic business ethics, the stronger one's intention to avoid accounting fraud tendencies.

Someone who has low morality despite being in an Islamic business ethics environment, tends to reduce or avoid the tendency to commit accounting fraud. Rae & Subramaniam (2008) proved that employees will tend

to obey the rules if they are in more ethical environmental conditions and this will be acceptable moral behavior. This is due to in the rationalization component of the triangle fraud theory, Islamic business ethics is a justification factor for someone to commit fraudulent tendencies or not. For those with low Islamic business ethics, it will certainly rationalize fraudulent tendencies as a reasonable act. This is consistent with research by Bass, et al.(1999) that if someone judges a behavior is ethical behaviour, it is more potential for him to behave like that too.

In addition, this research is also supported by Al-Wala's theory that someone with high business ethics because they attach importance to the interests of others, stakeholders and their responsibility to Allah SWT will tend to avoid accounting fraud. This result is consistent with the research of Maharani (2013) and strengthened by research of Uddin & Gillett (2002) that if an individual with a high level of ethics will consider the impact of his behaviour, thus the tendency to intentionally mislead financial statements will decrease.

The Effect of Religiosity on the Tendency of Accounting Fraud

The result of the study gives evidence of religiosity having a negative effect on the tendency of employees to commit fraud. This is in accordance with the theory of fraud triangle where religiosity is a rationalization factor of someone in committing an act of fraud. The role of religion is said to be able to influence individual attitudes, including attitudes in financial reporting. Dyreng, et al. (2012) provided evidence that the role of compliance with religion and social norms which is high shows a smaller deviation in the company's financial reporting. Barnett, et al. (1996) shows that religiosity influences one's moral standards. If someone's religiosity is low, then he will rationalize the fraudulent actions taken as reasonable, but if someone with high religiosity will tend to avoid fraud because it is not natural to do.

This is in line with Pamungkas (2014) and strengthened by research of Grasmick, et al. (1991) that strong religious beliefs can reduce the attitude to commit fraud. This research is also in line with Al-Wala's theory, which according to Jayanto (2016) employee religiosity will make the employee have a commitment to work according to the Sharia which will then give meaningful contributions to the entity and stakeholders and give their work without violating the rules of honesty of their work towards stakeholders and Allah SWT.

CONCLUSIONS

The conclusions that can be formulated are the suitability of compensation and the effectiveness of internal control does not have a negative effect on accounting fraud tendency. There is a positive influence of conflict of interest and asymmetry information on accounting fraud tendency, and Islamic business ethics and religiosity negatively affect on the tendency of employees to do fraud. High suitability of compensation and the effectiveness of internal controls are not effective in reducing the tendency of accounting fraud,

whereas conflict of interest and information asymmetry can increase the tendency of accounting fraud, and Islamic business ethics and religiosity can reduce the tendency of employees to commit fraud. Future research is expected to test other variables such as GCG (Good Corporate Governance), conduct research in large-scale cooperatives or expand research samples to test the consistency of this study.

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