



Factors Influencing Accounting Fraud in Village Fund Management in South Kalimantan

Wanda Safitri¹ and Novita Wening Tyas Respati²✉

^{1,2}Department of Accounting, Faculty of Economics and Business, Universitas Lambung Mangkurat, Indonesia

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ABSTRACT

Purpose : This study investigated the factors contributing to accounting fraud when handling village funds. The purpose of this study was to investigate and analyze how factors such as internal control systems, compliance with accounting regulations, personal morality, and information asymmetry in managing village funds are considered to influence accounting fraud.

Method : Village officials and the Village Consultative Body at Tapin Selatan District, Kalimantan Selatan, were made up to be the study's population. Purposive sampling was used in the sample selection process. One hundred twenty-six respondents served as the sample used in the analysis. The hypothesis was tested with multiple linear regression.

Findings : Empirical evidence showed that accounting fraud was not affected by internal control systems. Another finding showed that compliance with accounting regulations and individual morality detrimentally impacted accounting fraud. On the contrary, accounting fraud is positively affected by asymmetric information.

Novelty : The difference between this research and previous studies is related to the object studied, indicators on individual morality variables, and the addition of information asymmetry variables.

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INTRODUCTION

Cases of fraud are currently rampant within the government. Auditing Standard 240 states that fraud is an intentional act by one or more individuals within management, responsible parties for governance, employees, or third parties involving deceptive actions to obtain some advantage unfairly or violate the law (IAPI, 2021). Fraud is not only limited to provincial governments but also occurs within village governments. The village governance has the highest number of fraud cases handled by law enforcement agencies in 2021 (VOI, 2022). According to data from the Indonesian Corruption Eradication Commission (KPK RI), from 2012 to 2021, there were 601 cases of village fund fraud in Indonesia, which implicated 686 village heads (Fernandez, 2022).

Cases of village fund fraud are predominantly associated with accounting fraud or financial reporting fraud. Accounting fraud refers to a misrepresentation that arises from fraudulent financial reporting. Acts of accounting fraud include manipulation, misrepresentation, and intentional misappropriation by an individual or a group of individuals in presenting financial statements (Hafizah & Respati, 2016).

Accounting fraud distorts the information presented in financial statements, failing to reflect the actual condition. Accounting fraud can be fictitious capital expenditure procurement, construction material prices markup, village infrastructure procurement markup, fictitious financial statements creation, and village fund budget misappropriation. Such fraud significantly impacts the national economy and causes financial losses.

Cases of accounting fraud occurred in Kuripan Selatan village, Muara Enim Regency, where the village head, village treasurer, village secretary, and finance officer manipulated financial reports for the trash counter equipment, noodle grinder equipment, stationery supplies, and construction materials for ditch construction from 2016 to 2020, with a total amount of Rp557 million (Fadli, 2022). Cases of financial statement fraud also occurred in Horale Village, West Seram Utara Subdistrict, Maluku Regency, from 2017-2019. The manipulation of the village's financial reports involved the accounts of fiberglass body materials, plant seed materials, and bridge construction

* E-mail: nwrespati@ulm.ac.id

Address: Pangeran, Kec. Banjarmasin Utara, Kota Banjarmasin, Kalimantan Selatan 70123, Indonesia

materials, totaling approximately Rp1 billion (Pattiasina, 2022). In addition, the village chief and village treasurer of Gampong Teureubeh, Jantho Subdistrict, Aceh Besa Regency, also engaged in manipulation, specifically in the accountability report of the clean water channel construction project during the fiscal years 2019-2021, where all the accounts in the report were fictitious, and the project was not implemented. The village chief and village treasurer manipulated the accountability report with a total amount of Rp212,357,930.00 (Wijaya, 2022).

Cases of financial misreporting in village funds also occurred in Tandui Village, South Tapin District, Tapin Regency. The former village chief of Tandui committed fraud in the construction of the Village Sports Facility Building (GOR), which did not comply with the standard operating procedures (SOP) (Edo, 2022). The fraud case was recently uncovered in late 2019 and processed until 2022. The fraud was related to the construction materials account in the financial report. The construction materials account in the 2019 financial report of Tandui Village was marked up, with the recorded amount of construction materials being more than Rp174 million higher than the actual purchase price of the construction materials (Hidayat, 2022).

The number of accounting fraud cases in managing village funds is quite alarming. Therefore, accounting fraud needs to be minimized by identifying the causes or factors that can suppress the occurrence of fraud.

Attribution theory is a theory that explains how an individual's behavior is determined by internal factors and external factors that influence individual behavior (Heider, 1982). This concept describes how someone explains the causes of others or their behavior, which can be attributed to internal factors, such as character, personality, attitudes, and others, or external aspects, such as situational pressure or specific circumstances that influence individual behavior. It is consistent with the attribution theory that assesses the causes of someone's behavior; fraudulent behavior in accounting occurs due to internal and external factors.

According to the Republic of Indonesia Government Regulation Number 60 of 2008, internal control in government is a crucial procedure including ongoing actions and activities that provide adequate trust regarding the accomplishment of the objectives of an institution through successful and efficient operations, trustworthy financial reporting, protection of state resources, and adherence to rules and laws. Research conducted by Chandra & Ikhsan (2015) and Komala et al. (2019) indicated that internal control systems negatively impact accounting fraud. Therefore, the more effective the internal control system, the less fraud in accounting is likely to occur. Studies by Chandra & Ikhsan (2015), Muna & Harris (2018), Komala et al. (2019), Chandrayatna & Ratna Sari (2019), and Riana et al. (2021) have provided evidence that the internal control system factor hurts accounting fraud. Moreover, previous research by Sulaiman & Zulkarnaini (2016), Rizky & Fitri (2017), Gustina (2018), and Pebriyani et al. (2022) indicated that internal control systems could affect accounting fraud, while research conducted by Santini & Wati (2021) suggested that internal control systems do not influence fraud in accounting. Additionally, a study by Khair (2019) indicated that internal control systems significantly negatively impact accounting fraud. In contrast, research by Laoli (2022) provides empirical evidence that accounting fraud has a significant positive impact on internal control systems.

Based on several research findings, compliance with accounting regulations influences accounting fraud. According to Thoyibatun (2012), compliance with accounting regulations is a management obligation (agent) related to its responsibility to execute financial reporting and management preparation that has been delegated by shareholders (principal). Research conducted by Indriastuti et al. (2016), Dasuki & Yudawati (2022), Santini & Wati (2021), and Nazarah & Saleh (2021) showed that adherence to accounting standards has a detrimental impact on accounting fraud, while the study by Yani et al. (2016), Rizky & Fitri (2017), Gustina (2018), and Pebriyani et al. (2022) yielded empirical evidence that adherence to accounting standards does not influence accounting fraud. Research done by Laoli (2022) indicated that compliance with accounting standards has a significant positive influence on accounting fraud.

Individual morality, as an internal factor, is also believed to influence accounting fraud. Morality is a principle followed by individuals or groups relating to ethical standards of what is proper and improper (Putri et al., 2019). Research by Indriastuti et al. (2016), Dewi & Rani (2017), Komala et al. (2019), Chandrayatna & Ratna Sari (2019), Widjajanti & Wahyuni (2019), Maulina et al. (2019), Arifin (2020), and Riana et al. (2021) showed that accounting fraud is adversely affected by personal morality. However, the study by Alyandy & Sari (2021) indicated that individual morality positively influences accounting fraud. Findings' research by Pebriyani et al. (2022) figured out that individual morality does not affect accounting fraud.

Furthermore, information asymmetry is believed to be a factor that influences accounting fraud. Asymmetric information refers to a condition that indicates an imbalanced information relationship between two parties (internal and external parties) (Muna & Harris, 2018). Research findings conducted by Indriastuti et al. (2016), Putri & Irwandi (2017), Dewi & Rani (2017), Muna & Harris (2018), Komala et al. (2019), Widjajanti & Wahyuni (2019), Amelia & Rahmawati (2021), Nazarah & Saleh (2021), and Laoli (2022) stated that asymmetric information has a positive influence on accounting fraud. However, the study conducted by Arifin (2020) showed that asymmetric information does not significantly impact accounting fraud.

Based on the previous research findings, this study will further develop the research done by Pebriyani et al. (2022), which examined the influence of variables such as SPI, individual morality, and compliance with accounting standards on accounting fraud. The difference from the previous studies lies in the object under study, the indicators of personal morality, and the addition of an independent variable, namely information asymmetry. Furt-

hermore, this study will test and analyze the determinants of internal control systems, compliance with accounting regulation, individual morality, and information asymmetry toward accounting fraud.

Internal control systems are believed to influence accounting fraud. Effective internal control may avoid village financial management's fraud (Atmadja & Saputra, 2017). Weak internal control systems provide opportunities for individuals to engage in fraudulent activities. Research done by Adelin (2009), Komala et al. (2019), Nazarah & Saleh (2021), Chandra et al. (2015), Riana et al. (2021), Indriastuti et al., (2016), Muna & Harris (2018), Kurniawan & Azmi (2019), and Arifin (2020) showed that internal control system negatively affects accounting fraud. Most research outcomes prove that the more effective the internal control system is, the less accounting fraud occurs. The hypothesis in this study is stated as follows.

H₁: Internal Control System has a negative effect on Accounting Fraud

Compliance with accounting regulations is suspected to be one factor influencing accounting fraud. An institution can be said to be compliant with accounting regulations if financial reports are prepared and presented in accordance with SAP and applicable regulations in its region. Compliance with accounting regulations is mandatory for institutions because if financial statements are prepared not in sync with established accounting rules, the financial reports may be suspected of being manipulated or indicate accounting fraud (Shintadevi, 2015). Accounting rules are needed to maintain information reliability and prevent actions that can harm the institution. If financial reports do not comply with accounting regulations, the financial statements become inaccurate and may indicate fraudulent or manipulated financial reports. Related to the fraud triangle, the pressure on employees to comply with accounting rules is one of the conditions causing accounting fraud. This pressure obligates village officials to comply with accounting regulations. This is aimed at creating transparency and accountability in village fund management. If village officials comply with accounting regulations, then accounting fraud will decrease.

Conversely, accounting fraud will increase if village officials do not comply with accounting regulations. This is supported by research findings from Indriastuti et al. (2016), Dasuki & Yudawati (2022), Santini & Wati (2021), and Nazarah & Saleh (2021) showed that compliance with accounting regulation has a negative impact on accounting fraud. Therefore, the hypothesis is stated as follows:

H₂: Compliance with Accounting Regulations Influences Accounting Fraud negatively

Individual morality is indicated to influence accounting fraud. Someone with high moral reasoning tends to do the right thing (Rest, 2000). The higher the moral stage of an individual, the more frequently the person will do the right thing and avoid fraudulent actions that harm many people. This means that the higher an individual's morality, the more they consider broader interests than their own, so accounting fraud decreases. This statement complies with the outcome of Radhiah (2016)'s research. On the other hand, there could potentially be accounting fraud if the moral reasoning level of village officials is low. This indicates a negative relationship between individual morality and accounting fraud, so the higher the individual's morality, the less accounting fraud will happen.

This study hypothesizes that the higher individual morality, the less the occurrence of accounting fraud. Therefore, the hypothesis stated in this research is as follows:

H₃: Individual Morality has a negative effect on Accounting Fraud

Furthermore, information asymmetry is believed to be a contributing factor to the occurrence of accounting fraud. Asymmetric information is a condition where internal parties (agents) know more information than external parties (principals) in an institution. An institution is said to be experiencing asymmetric information when only internal parties understand the process of financial report preparation and only internal parties know the actual content and figures of the financial reports that have been prepared (Najahningrum, 2013). This is due to a lack of transparency or openness between financial managers (internal parties) and the public (principals) to obtain this information. Thus, the information on financial reports should be presented in accordance with the information obtained by the institution. If there is an information gap between the agent (village officials) and principal (villagers), it provides an opportunity for the agent/organization with more information to manipulate financial reports by presenting information that does not reflect the actual situation; this is known as financial statement manipulation.

Table 1. Research's Population

No.	Population	Total
1	Village Head	10
3	Village Secretary	10
4	Head of Affairs (Kaur)	30
5	Head of Section (Kasi)	29
6	Hamlet Head	22
7	Village Consultative Board (BPD)	58
Total Population		159

Source: The Processed Data (2023)

Table 2. Sample Selection Process

Explanation	Total
Population	159
Having served less than 1 year	-3
Total sample	156

Source: The Processed Data (2023)

However, if the information known by the internal party (agent) is fully disclosed to the external party (principal), information asymmetry would not occur, and the agent would refrain from engaging in accounting fraud. Therefore, it can be concluded that the higher the information asymmetry, the higher the likelihood of accounting fraud. Thus, the hypothesis stated in this research is as follows:

H₄: Asymmetric Information Positively Impacts Accounting Fraud

RESEARCH METHODS

The research type is associative, and the data used is primary. The study was conducted in villages in South Tapin Regency, which consisted of 10 villages included in the developed villages category. The reason for choosing a village in South Tapin Regency as the research location was because there were cases of fraudulent financial reporting, which were very large in nominal terms and very detrimental to the village community.

Furthermore, this research subject is village officials. The village officials referred to in this study are the village officials listed in Tapin District Regional Regulation Number 11 of 2017, Article 2, which consists of the Village Head, Village Secretary, Financial Affairs, Administration Affairs, Planning Affairs, Welfare Section, Service Section, Government Section, and Hamlet Head. Considering the critical role of the Village Consultative Board (BPD) in village fund management, the BPD is also included as part of the research population. The total number of Village Apparatus and BPD members in the villages of South Tapin District, which constitute the research population, is 159 individuals (Table 1).

Purposive sampling was the method of sampling employed in this research. The sampling criteria include village officials and the Village Consultative Board (BPD) who have served for at least one year, assuming they have had sufficient time and experience to adapt and assess their work environment. Table 2 shows the sample selection process in this study.

Accounting fraud is the research's dependent variable. Accounting fraud is the deliberate and improper manipulation of financial statements, which is done to create an illusion about a company's wealth (Tutino & Merlo, 2019). The measurement of the accounting fraud variable in this study is adopted from Sadewo & Setyorini (2018)'s study, which consists of 16 statements with measurement indicators sourced from the Statement of Financial Accounting Principles (SPAP) (2011) section 316, which has been updated in the Auditing Standard 240, including: 1) Manipulation, falsifying or changing accounting records or any supporting documents that are used as the basis for financial reporting; 2) Intentional misrepresentation or omission from financial statements and financial transactions, intentionally applying incorrect accounting principles; 3) intentional misuse of accounting rules in relation to numbers, presentations, classifications, or disclosure; 4) Due to fraud (misuse or misappropriation of assets), financial statements are presented incorrectly, causing the entity to pay for items or services that weren't provided.; and 5) Incorrect presentation of financial statements due to wrongful handling of funds accompanied by fabricated documents or records, involving one or more members of management, staff/employees, or third/other parties (IAPI, 2021).

Table 3. Kolmogorov-Smirnov Test Results

One-Sample Kolmogorov-Smirnov Test		Unstandardized Residual
N		116
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	377.884.166
	Absolute	.062
Most Extreme Differences	Positive	.062
	Negative	-.044
Test Statistic		.062
Asymp. Sig. (2-tailed)		.200 ^{c,d}

Source: The Processed Data (2023)

Table 4. Respondent Characteristics

No.	Characteristics	Quantity	Percentage
1	Positions		
	· Village Head	9	7,76%
	· Village Secretary	9	7,76%
	· Head of Finance Affairs	9	7,76%
	· Head of General & Administration Affairs	10	8,62%
	· Head of Planning Affairs	9	7,76%
	· Head of Government Section	9	7,76%
	· Head of Service Section	9	7,76%
	· Head of Social Welfare Section	10	8,62%
	· Head of Hamlet	15	12,93%
	· Village Consultative Body	27	23,28%
	Total	116	100%
2	Gender		
	· Male	69	59,48%
	· Female	47	40,52%
	Total	116	100%
3	Age		
	· 11-20	1	0,86%
	· 21-30	50	43,10%
	· 31-40	35	30,17%
	· 41-50	25	21,55%
	· 51-60	5	4%
	Total	116	100%
4	Last level of education		
	· Senior High School	95	81,90%
	· Associate's Degree III	1	0,86%
	· Bachelor	18	15,52%
	· Associate's Degree IV	1	0,86%
	· Magister	1	0,86%
	Total	116	100%

Source: The Processed Primary Data (2023)

The study's independent variables are the internal control system, compliance with accounting regulations, individual morality, and information asymmetry. According to Republic of Indonesia Government Regulation Number 60 of 2008, a government's internal control system is a set of continued actions and activities that ensures the organization's goals will be met through efficient and effective operation, accurate financial reporting, the safety of state assets, and adherence to legal and regulatory requirements. These variables employ measurements and indicators adopted from Sadewo & Setyorini (2018), consisting of 13 statements with measurement indicators, such as 1) Control environment, 2) Risk assessment, 3) Control activity; 4) Information and communication; and 5) Monitoring and periodic evaluation.

Compliance with accounting regulations is a management obligation (agent) related to their responsibility in financial management and preparation of financial statements delegated by shareholders (principal) Thoyibatun

Table 5. Descriptive Statistic Test

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Internal Control System (X_1)	116	36	54	44.11	3.451
Compliance with Accounting Regulation (X_2)	116	53	73	62.46	4.594
Individual Morality (X_3)	116	9	27	19.09	3.423
Information Asymmetry (X_4)	116	18	28	22.20	2.285
Accounting Fraud (Y)	116	23	45	33.55	4.739

Source: The Processed Data (2023)

(2012). The measurements and indicators of the compliance with accounting regulations variable in this study are adopted from the research by Thoyibatun (2012) consisting of 16 statements with measurement indicators, including 1) Responsibilities of disclosure; 2) Providing information that will be found helpful by the public interest; 3) Objectivity; 4) Meeting the prudence requirement; and 5) Meeting the consistency concept of presentation.

Individual morality is a principle followed by individuals or groups regarding what is right and wrong based on moral standards (Putri et al., 2019). The measurement and indicators of individual morality in this study were adopted from Chandrayatna & Sari (2019), comprising 6 statements with measurement indicators including stages/phases of moral development, namely 1) Pre-conventional, 2) Conventional, and 3) Pasca-conventional.

Asymmetric information is a condition that indicates an imbalanced information relationship between two parties (internal and external parties) (Muna & Harris, 2018). The measurements and indicators of information asymmetry in this study were adopted from Kusmawati (2022), consisting of 6 statements with measurement indicators including 1) Information possessed by management (agent) compared to external parties (principal), 2) Input-output linkages inside the internal workflow, 3) Possibilities for performance, 4) Technical expertise, 5) Capability to judge possible effects, and 6) Success in particular fields of endeavor.

The variables were measured using a Likert Scale. The Likert Scale has five score points where 5 = Strongly Agree, 4 = Agree, 3 = Neutral, 2 = Disagree, and 1 = Strongly Disagree. The data was obtained through a survey method by distributing questionnaires directly to the respondents. The statistical testing stages include descriptive statistics, validity and reliability testing, classical assumption testing, and hypothesis testing using multiple linear regression.

RESULTS AND DISCUSSIONS

A validity test was conducted by using Pearson Correlation, which indicated that all statements/research instruments were deemed valid as the significance level was less than 0. The calculated r-value for all instruments was larger than the tabled r-value. Cronbach's Alpha test indicated that the variables were reliable, with Cronbach's Alpha value exceeding 0.60.

The questionnaire was distributed to 156 respondents, and 126 responses were collected. This data was used for analysis in the classical assumption testing. The results of the classical assumption testing indicated that the data were normally distributed, free from multicollinearity and heteroscedasticity. The normality testing was conducted in two stages using the Kolmogorov-Smirnov test. In the first stage, the data was not normally distributed. In the second stage, 10 outlier data points were removed from the sample, resulting in a total of 116 data points for analysis. The results of the second-stage normality test showed that the Asymp. Sig. (2-Tailed) value was 0.200, greater than 0.05, indicating that the data followed a normal distribution. Table 3 shows the results of the Kolmogorov-Smirnov test in the second stage.

Table 6. t-Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Explanation
	B	Std. Error	Beta			
Constant)	60,208	5,803		10,376	0	
Internal Control System	-.217	.164	-.158	-1.320	.190	Hypothesis is rejected
Compliance with Accounting Regulations	-.485	.100	-.471	-4.831	.000	Hypothesis Accepted
Individual Morality	-.358	.117	-.259	-3.055	.003	Hypothesis Accepted
Information Asymmetry	.903	.230	.436	3.923	.000	Hypothesis Accepted

Source: The Processed Data (2023)

The results of the multicollinearity test indicated no multicollinearity, as the tolerance values were ≥ 0.10 and the VIF values were ≤ 10 . The Heteroscedasticity test showed no heteroscedasticity in the regression model of the study, as the significance level of all independent variables was greater than 0.05.

Based on the classical assumption testing results, a total of 116 data points were analyzed. The characteristics of the respondents are presented in Table 4.

A descriptive statistical analysis of the variables, namely internal control system, compliance with accounting rules, individual morality, information asymmetry, and accounting fraud, can be described in Table 5.

The next step is hypothesis testing. R^2 /coefficient of determination was 0.364, proving that 36.4% of the variation in accounting fraud (the dependent variable) was influenced by the independent variables, namely internal control system, compliance to accounting standards, individual morality, and asymmetric information. The remaining 63.6% was explained by other elements or variables not considered in this investigation.

The F-test (model fit test) obtained a calculated F-value of 15.894, which was greater than the tabled F-value of 2.45. The F-test's outcomes indicated that the study's regression model was suitable for hypothesis testing. The following table displays the t-test findings (Table 6).

The hypothesis declares that internal control systems have a negative impact on accounting fraud. It means the stronger the internal control system, the lower the occurrence of accounting fraud in village fund management. However, the test results indicate that the internal control system does not affect accounting fraud. Empirical evidence shows a significance level of $0.190 > 0.05$. This implies that the internal control system does not effectively minimize village fund management accounting fraud. The pressure to comply with accounting guidelines has a more significant impact on reducing fraud's level in financial management. The lack of effects of the internal control system in this study is likely due to the absence of an established internal control system in handling village funds in that particular village, as the village officials may still not fully understand the concept of internal control. Additionally, looking at the human resources aspect, 81.90% of village officials only have a high school education, indicating the need for socialization or technical guidance to improve their understanding of the internal control system.

The test results show that compliance with accounting rules impacts accounting fraud negatively, as seen by the significance score of $0.00 < 0.05$. This finding proves that adherence to accounting rules minimizes accounting fraud in village fund management. The Government Accounting Standards (SAP) outlines a government's accounting rules. Officials are responsible for preparing village financial reports that must adhere to the SAP and relevant regulations in their area to improve the quality of financial reporting. This ensures that financial statements are accurate, appropriate, reliable, comparable, and verifiable. If village officials prepare financial reports that do not comply with the standards and regulations in their village, the financial statements are suspected of indicating accounting fraud. Failure to comply with accounting rules can mean manipulative practices in financial reporting. Empirical evidence suggests that to prevent accounting fraud in managing the village funds, financial reports must be disclosed and presented thoroughly and objectively, satisfy the cautionary norms, and by the concept of consistency in presentation. This condition was agreed upon by 95% of the respondents.

The empirical evidence shows that individual morality negatively impacts fraud in accounting. The test results indicate a significance score of $0.03 < 0.05$. The research proves that higher levels of personal moral values among employees reduce the likelihood of accounting fraud within the organization. Village officials with pre-conventional moral values are more likely to engage in accounting fraud because they rationalize such behavior as acceptable and expected. As the moral development of village officials progresses to post-conventional stages, they prioritize the interests of the public over personal or institutional interests. Village officials prioritizing the community's interests tend to avoid behaviors that harm the public, including accounting fraud.

Furthermore, this study demonstrates that asymmetric information positively affects accounting fraud. This is supported by empirical evidence with a significance value of $0.00 < 0.05$. The higher the information asymmetry level within an organization, the higher the occurrence of accounting fraud. The principal-agent relationship can lead to high information asymmetry as village officials (agents) possess more information about the organization's operations than the public (principal). Information asymmetry indicates a significant imbalance in information acquisition between the organization/financial report preparers and external users of financial statements, providing an opportunity for financial report preparers to provide accurate information. This can result in accounting fraud. Therefore, as asymmetric information increases, the likelihood of accounting fraud increases.

CONCLUSIONS

The test results prove that the internal control system does not affect accounting fraud in managing village funds. Compliance with accounting rules and individual morality has a negative effect on accounting fraud. Also, accounting fraud is positively impacted by information asymmetry.

Some limitations of this study include response bias, where respondents' answers may not reflect their actual views or experiences. This is due to the measurement of independent and dependent variables relying on perceptions. Additionally, no preliminary (pilot) test was conducted to assess whether respondents understood the questionnaire, particularly regarding their comprehension of the internal control system. The coefficient of determination

(R²) results indicate that the variables of the internal control system, compliance with accounting rules, individual morality, and information asymmetry can only explain 36.4% of the variance in accounting fraud. In comparison, the remaining 63.6% is explained by other factors or variables not examined in this study. Another limitation is that the findings of this research cannot be generalized or used to conclude the influence of the examined factors on accounting fraud in villages in other districts, as the study was conducted only in the villages of Tapin Selatan District, Tapin Regency.

The research results show that villages are advised to execute internal control systems and risk management socialization as well as socialized accounting standards, which are used as guidelines in managing village funds and preparing reports on the realization of the use of funds, which can be carried out by cooperating with universities. Socializing the entire disclosure of financial information for village officials and socialization regarding understanding financial information in financial reports is also very necessary. Publication of financial statements to the public in printed form (banners) and social media (official village website) is highly recommended to reduce information asymmetry.

Future researchers are encouraged to conduct a pilot test to gain initial understanding from respondents. Data collection methods could include direct interviews and additional variables, such as unethical behavior and compensation adequacy, which are assumed to influence accounting fraud. Furthermore, it is also expected to expand the scope of respondents, such as conducting studies throughout Indonesia.

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