THE ROLE OF ETHICS AND RELIGION TO REDUCE THE CORRUPTION LEVEL IN INDONESIA, MODERATED BY THE GOVERNMENT INTERNAL CONTROL SYSTEM

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Abstract

The purpose of this study is to study the effect of ethics and religion on reducing corruption, moderated by the government's internal control system. This study used a quantitative method. The population is Indonesian society. The research sample is the academic community and auditors. The sample selection is made purposively. The data used are primary. Data collection was carried out using an online questionnaire. A total of 108 respondents filled out a survey created using Google forms. The results showed that ethics had no significant effect on reducing corruption, religion had no significant impact on reducing fraud, moderating government internal control systems on ethical influence on reducing fraud was not substantial, and moderating government internal control systems (SPIP) on the religious impact on reducing corruption was not significant. Subsequent researchers are advised to use cultural variables as one of the independent variables.

Keywords*: ethics, religion, government internal control system, corruption.*

A. INTRODUCTION

Corruption is not new in this country, the Unitary State of the Republic of Indonesia. Almost all levels of society, ranging from ordinary citizens, local officials, high officials know what corruption is. This is because "it could be" they were involved in corruption cases. Sadly, in this developing country corruption has become a very inherent part of the life of society, nation and state. Whether it's a case of fraud that occurs in the layers of government at the level of the

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village, sub-district to high state officials or various corporate agencies from the middle to upper classes. Corruption itself comes from the Latin language corruption and corrupts, which means damage or degradation. In Greek, corruption means actions that are not good, wrong, cheating, can be bribed, immoral, deviate from purity and violate religious norms. Therefore, crime is an act against the law to enrich oneself / another person (an individual or a corporation), which directly or indirectly harms the country's finances or economy, which in material terms is seen as an act contrary to the values community justice. According to the Corruption Eradication Commission (KPK), corruption can be understood after successfully understanding the meaning of theft and embezzlement. Theft is an act that is against the law, namely taking part or all of someone else's property to own or control it while stealing is theft of goods/rights that are entrusted or in the hands of the perpetrators.

Seeing how detrimental the impact of this corruption, the government set a law that is used as a reference as a form of reinforcement to prevent and stop corrupt acts in various layers of society. In the Law of the Republic of Indonesia Number 31 of 1999 concerning Eradication of Corruption Acts, it is then amended by Law Number 20 of 2001 Article 2 and 3. In-Law No. 20 of 2001 Article 2 states that every person who violates the law commits acts of enriching himself or someone else or a corporation that can harm state finances or the economy of the country convicted with a minimum imprisonment of 4 years and a maximum of 20 years and a fine of at least 200 million rupiahs and at most a lot of 1 billion rupiahs. Article 3 further states that anyone who aims to benefit himself or another person or a corporation abuses his authority, opportunity or means because of his position or position that can harm the country's finances and the country's economy is liable for life, or imprisonment the shortest one year and the most extended 20 years and or a fine of at least 50 million rupiahs and a maximum of 1 billion. Based on the two articles above, it can be seen that all acts of corruption can be subject to various sanctions depending on how heavy the losses suffered by the state. The article is only a small part of the law stipulated by the government; there are several more laws which are expected to be able to prevent and overcome the criminal act of corruption which until now is very difficult to avoid because of extraordinary nominal figures if someone does it. In Indonesia

itself, corruption is often the case with various types of situations and different groups involved in it, especially state officials who are called as people's representatives.

Some people say that people's representatives committed acts of corruption because they aimed to return the capital spent to occupy the seat of government that they succeeded in achieving. It is not a small amount of money to do business activities, distribute groceries or even cash, and add a variety of promises that will later have to be obeyed, however, it is not necessary for a figure holding a people's representative label even to harm the trust given by the people using public money as they pleased for personal use.

The violent criminal acts of corruption cases that occur in Indonesia, in addition to the lack of awareness of the figure of the stakeholders to run the people's trust fairly and honestly, is also caused by the weakness of law enforcement and the apparatus that should enforce the law itself. Indonesian law is often blunted upward and downward, meaning that someone who has enough money will be immune to the law if he commits a crime. In contrast, someone who does not have enough money will be quickly sentenced even though the sanctions obtained are not following the crimes committed. Of course, the perpetrators of corruption have pocketed a lot of money that he will use to keep his mouth shut for the crimes he committed to expediting the pillaging of public funds. No law will be snared because the enforcers have also been swayed by the money given by corruptors to him.

This is what needs to be highlighted by all levels of citizens, not the citizens or high-ranking state officials. Everyone has the right and must uphold justice and criminal acts of corruption to stop the state loss caused by the case. It is not only state officials who need to be equipped with the awareness of having to carry out honest obligations, the apparatus that upholds the law fairly, but also the people who have the most significant role. Society must be good at choosing representatives who are genuinely not oriented to the world, but also the afterlife. People's representatives who have a strong understanding of religion, indeed become hope as leaders who understand correctly always to be honest and fair. Besides, the public should not be easily tempted by the various promises made

by the candidates of representatives when the election day arrives, because not all hopes can be realized quickly, as easily as he said. Thus, corruption is a crime that is very detrimental to the country's finances and economy. Corruption is carried out only to enrich oneself or a corporation by theft or embezzlement. Indonesia has established laws as a legal basis for preventing and stopping criminal acts of corruption. Even there is an institution that handles this case explicitly, the Corruption Eradication Commission (KPK). However, actual corruption can be stopped if law enforcement officials and the community work together to create an Indonesia that is free of corruption.

The results of previous studies on the influence of religion on performance are also still inconsistent. Ali and Azmi (2016) concluded from the effects of his research that religious orientation has no impact on the return. Our results from GMM estimation reveal that the spiritual direction has no effect on the performance, and this result is robust to various proxies. Our results imply that a non-Muslim member of the board of directors can run the Islamic banking business as good as a Muslim board member. The results of previous studies regarding the effect of SPIP or internal control on government performance are still inconsistent. Utami (2016) concluded from her research that the Government Internal Control System, Employee Performance, Fitted Functional Control and Control has a significant influence on the Effectiveness of Financial Management. Tolley, Ridwan, and Kasim (2017) conducted a study to determine the effect of government internal control systems on the performance of government officials in Sigi Regency, Palu, Central Sulawesi, Indonesia. The results showed that the government's internal control system influenced the performance of government work units in Sigi Regency, Indonesia. But Yasmin (2018) concluded from his study that the implementation of SPIP in the sub-district is limited to SPIP internalization in all work processes in the organization, through five elements namely controlling the environment, risk assessment, control activities, information, and communication. Tolley, Ridwan, and Kasim (2017) conducted a study to determine the effect of government internal control systems on the performance of government officials in Sigi Regency, Palu, Central Sulawesi, Indonesia. The results showed that the government's internal control system influenced the performance of government work units in Sigi Regency, Indonesia

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B. LITERATURE REVIEW

Agency Theory

Agency theory regulates the relationship between organizational owners as principals and managers as agents. The owner wants the organization to run as he wants, for example, a certain level of growth, sales of an absolute value, and market share of a specific amount. Managers, as contracted agents want the highest compensation possible. Agency problems will arise if the manager does not act as desired by the owner as of the principal. The owner has capital but does not have expertise. The owner wants the money he has to give the highest possible yield. Managers do not have wealth, but managers have knowledge. Managers allow the highest compensation possible for management service provided to the company. The owner of the unitary state of the Republic of Indonesia is the people of Indonesia, represented by the People's Consultative Assembly (MPR), and the House of Representatives (DPR). The Manager or agents of unitary state of the Republic of Indonesia is the government of the Republic of Indonesia.

Corruption

In the consideration of law number 02 of 2001 concerning the eradication of criminal acts of corruption that corruption that has been widespread, has not only harmed state finances, but has also been a violation of the social and economic rights of the community at large, so that criminal acts of corruption needs to be classified as a crime whose eradication must be carried out in an extraordinary or systemic way. Sihombing (2018) said that corruption is a crime against humanity dit, destroys the country and infects every level of government. Country development is inhibited and poverty increases. Corruption is a crime against humanity dit destroys the country and infects every level of government. Country development is inhibited and poverty increases. Haryono Umar (2012) says that corruption damage the joints of people's live.

Ethics

Conceptually, ethics aims to distinguish between good and bad. Ethics contains several ethical dimensions such as obligations, principles of expediency, morals, and self-development. The dimensions of ethics are primarily obligation, virtue (moral), expediency, and self-development. Obligations arise from humans born on earth to contractual obligations arising from signed legal contracts. Morals are the main or noble values that humans have. With moral values humans can distinguish what is and is not allowed to be done by humans. Moral as the basis for ethical decision making is especially important for determining attitudes and decisions on ethical issues. Utilitarian ethics or benefits is one of the basic ethical decision making. On the basis of utilitarian ethical considerations, humans will only take action or take an attitude if the action or activity has benefits. Actions that have no value are unethical actions. Selfish ethics or self-development emphasizes the fulfillment of basic human needs such as food needs, education, housing, and sustainable capacity development. With adequate self development, humans can avoid corrupt behavior. People with adequate economic conditions, for example, will be easier to avoid corrupt actions than people with poor economic conditions. People who always follow continuous self-development through seminars, workshops, and other types of training will more easily avoid unethical actions than people who are less involved in sustainable self-development.

Religion

Religion teaches kindness to humanity. Religion provides guidelines about the obligations that must be carried out by humans and their prohibitions. The purpose of human life is found in the Word of God in Surah Al-Anbiya verse 107 as follows:

وَمَا أَرْسَلْنَاكَ إِلَّا رَحْمَةً لِلْعَالَمِينَ

The meaning: We have not sent you, but to be a mercy for all of nature [Al-Anbiyâ'/21:107].

So according to Surat Al-Anbiya the purpose of human life is to give grace to all nature. Humans must create added value for life in nature. All religions prohibit

corruption. There is even a religion that forbids corruption. Because of that, the religion that is adopted by everyone can inhibit corruption. The Word of God in the Qur'an about corruption, among others, says: "O you who believe, do not betray Allah and the Prophet (Muhammad) and (also) do not betray the mandates entrusted to you, while you know." (Q.S Al-Anfal Verse 27). So corruption is considered to betray the Creator.

Government Internal Control System (SPIP)

Historically, the control system in Indonesia began with the Presidential Instruction No. 15 of 1983 concerning Guidelines for Supervision Implementation, Presidential Instruction No. 1 of 1989 concerning Guidelines for the Implementation of Attached Supervision, and Minister of PAN Decree No. 30 of 1994 concerning guidelines for the Implementation of Attached Supervision which was updated with Minister of PAN Decree No. Kep / 46 / M.PAN / 2004. Furthermore, the government's internal control system is stipulated in government regulation number 60 of 2008. SPIP is a regulation on internal control in government of Indonesia. The purpose of SPIP is basically to improve government performance. According to chapter 1 article 1 point 1 of Government Regulation number 60 of 2008 the internal control system is an integral process of actions and activities carried out continuously by the leadership and all employees to provide adequate confidence in the achievement of organizational goals through effective and efficient activities, reliability of financial reporting, securing state assets, and compliance with laws and regulations.

More closely in Chapter I article 1 point 2 SPIP is an internal control system (SPI) that is implemented as a whole within the central government and regional governments. In article 55 paragraph (4) the Minister / Head of institution as the Budget User / Property User provides a statement that the management of the APBN has been carried out based on an adequate Internal Control System and financial accounting has been conducted in accordance with Government Accounting Standards (SAP). In Article 58 paragraphs (1) and (2) in the context of improving the performance, transparency and accountability of the management of state finances, the President as the Head of Government regulates and organizes the Internal Control System in the overall environment of the

government. The Government Internal Control System is established by Government Regulation. The contents of the government internal control system that encourage corruption reduction are as follows: integrity and ethics enforcement, commitment to competence, conducive leadership, appropriate organizational structure, delegation of authority and responsibility, sound policies regarding human resource development, effective role of APIP, and good working relations. Overall the contents of SPIP are the control environment, risk assessment, control activities, information and communication (Communication and Information).

The theory of SPIP stipulated by the Government of Indonesia originates from the theory of the Committee On Sponsoring Organization of the Treadway Commission. The process carried out by management and other personnel in the organization, which is designed to obtain adequate confidence that there will be improvements in achieving objectives namely effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable regulations. But SPIP also has limitations. The limitation of SPIP as a system is the lack of judgment, errors in translating orders, neglect of management, and collusion.

Hypothesis Development

Ethics have a positive effect on reducing corruption

Ethics regulates the good and bad measures of an act so that humans can analyze and distinguish what is good and what is bad. Ethics provides basic guidelines for ethical decision making, so it is clear the common thread which actions or attitudes are good and which actions or attitudes are bad. Various ethical dimensions provide a reference for making ethical decisions and actions. Thus ethics in organizations can reduce the scale of corruption. There have been previous studies on the effect of ethics on the performance of organizational entities, in particular the reduction in the level of corruption in Indonesia. Valentine and Godkin (2016) explored how ethics training and an ethics code work with perceived social responsibility to encourage positive feelings about. Valentine and Godkin (2016) creating an ethical environment and emphasising

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socially responsible business practices should encourage employees to respond more favourably to the workplace. According to Godkin's research the ethical environment and business practices that have social responsibilities encourage employees to respond to the work environment better. Mean pushing on organizational performance. Cremer and Dekerckhove (2017) discussed and reviewed the importance and relevance of adopting also a descriptive approach that is grounded in the behavioral sciences (referred to as behavioral business ethics). This approach has the advantages to promote our insights into how people can show both good and bad behavior and why this is the case. So, according to Dekerckhove there are certain reasons why people show good behavior and bad behavior.

Maxwell (2017) presented research findings indicating that education students are not leaving colleges and universities with a clear understanding of what is expected of them by society, their peers and the profession. The paper concluded with three suggestions about how to begin bringing ethics education for teachers more into line with teaching's aspiration to professional status. So, According The result of Maxwell's research needs to include ethics education materials for prospective teachers so that they know what is expected of them by the community and the teacher environment. Chan (2017) aimed to revitalize the discourse of design ethics. Firstly, defining 'design ethics' in relation to the distinction between 'ethics' and 'morality'. Secondly and through the perspective of ethics, drawing out new issues and questions by examining three commonly encountered categories in design, namely, 'technology', 'sustainability' and 'responsibility'. Finally the research was concluded by suggesting that it is important not to relinquish the formative potential of ethics for design despite its complexity, or its ostensible intractability. So Chan distinguishes between ethic and morals. Chokprajakchat and Sumretphol (2017) showed that the majority of the civil servants recognized the provisions of the Code. Another finding was that the knowledge of the Code was disseminated among the civil servants, staff, and employees; the civil servants were encouraged to comply with the Code, namely, cultivating ethics in new civil servants and providing opportunities for civil servants to participate in activities. So Chokprajakchat and Sumretphol show from the results of his research that the majority of government employees

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recognize the existence of a code of ethics and an understanding of the code od conduct is socialized among governments employees.

Ferrella et. al. (2018) reviewed customer-brand research related to business ethics and social responsibility and conducts a study to evaluate customer attitudes. Study findings from a panel of 351 respondents provide new insights related to a customer's expectations and perceptions of company CSR and business ethics behavior. We conclude that although CSR attitudes remain important, customers value business ethics as a critical behavior in their perceptions of brand attitudes. So, According to Ferella's research results, customers value business ethics as an important behavior to shape their perception of a brand. Durr et. al (2019) developed a research agenda on urban ethics to better understand the role of ethics in the conduct of everyday life in cities. The research conclusion described the research agenda that is emerging from the interdisciplinary research. Haghighattalaba (2019) investigated engineering ethics and its gap within accident analysis models. In this paper, at first, the role of human factors in the occurrence of accidents is presented. Then engineering ethics as an element of human factors is proposed. Presents research findings indicating that education students are not leaving colleges and universities with a clear understanding of what is expected of them by society, their peers and the profession. The paper concluded with three suggestions about how to begin bringing ethics education for teachers more into line with teaching's aspiration to professional status.

So the research concludes the need for ethics for prospective teachers to support their professionalism. Musa (2019) focused on evaluating the concept of professionalism and ethics of accounting standards on the quality of financial reports in Nigeria. To achieve this objective, data was collected from primary and secondary sources. It was recommended that corporate bodies should establish ethics compliance department to enhance the enforcement of ethical compliance in the various economy institutions. Musa research result shows that ethics affect the quality of financial statements. Albu, Mandru, and Suciu study (2020) revealed that implications of ethics in business are reaching a high level and they are more complex than presumed, ethical behaviour bringing significant benefits

to a business. The results of this study more firmly indicate that ethics have an affect on performance. From the above discussion the hypotheses can be determined as follows:

H1: Ethics has a positive effect on reducing corruption.

Religion has a positive effect on reducing corruption

Religion gives good teachings about life with fellow human beings, human life with the natural surroundings, and human life with the Almighty. Religion provides teachings about the obligations of every human being in nature and the restrictions that must be abandoned. Religion also teaches detailed procedures for carrying out religious commands and prohibitions. One of the teachings of religion is to avoid corruption. Religious teachings not only provide a prohibition against corruption, but also explain why corruption is prohibited. Hu (2015) examined in his research whether religion affects the terms of bank loans. found that corporate borrowers located in counties with a high level of religiousity are charged lower interest rates, have larger loan amounts and fewer loan covenants. These results suggest that the corporate culture of borrowers influences the availability and cost of bank loans. The more religious a prospective debtor is, the more likely it is to get credit, the less credit guarantees will be, and the lower the interest rate. Jiang et. al. (2015) found that family firms with religious founders have less risk than other family firms. Firms founded by religious entrepreneurs have lower leverage and less investment in fixed and intangible assets compared to firms founded by nonreligious entrepreneurs. More religious entrepreneurs bear lower investment costs than less religious entrepreneurs.

These findings primarily hold for entrepreneurs who adhere to Western religions but not to Eastern religions. Li and Cai (2016) investigates whether religious traditions influence firm-specific crash risk in China. Using a sample of a-share listed firms from 2003 to 2013, we provide evidence that the more intense the religious environment, the lower the stock price crash risk, implying that religion plays an important role in Chinese corporate governance.Thust the higher the level of diversity the more governance will improve. Deller, Conroy , and Markeson (2018) explored how different religious traditions influence small

business activity in U.S. counties, and found that communities with a large concentration of religious congregations have a correspondingly higher level of small business activity. Deller, Conroy , and Markeson found that the level of diversity affects the success rate of small businesses. Patrikios and Xezonakis (2019) emphasises the importance of light-touch regulation of religion not merely as a normative principle narrowly related to religious freedom, but also as a potential remedy that can enhance the quality of political institutions. Slatter (2019) explored how material approaches facilitate insights into the differences between how religious leaders designed these spaces and how individuals experienced them. Most specifically, it emphasizes how the insights that material approaches provide into everyday religious practices are especially useful when studying individuals in the past, as their voices are generally unrepresented in the official archival documents of religious institutions that historical research into religious communities is often dependent on.

Most specifically, it emphasizes how the insights that material approaches provide into everyday religious practices are especially useful when studying individuals in the past, as their voices are generally unrepresented in the official archival documents of religious institutions that historical research into religious communities is often dependent on. Shahidul Islam dan Kirillova (2020) study is to determine whether religion (Buddhism, Islam, Hinduism, and Christianity) plays a role in how hotel employees' non-verbal communication is perceived by guests. Effects of religion on kinesics and proxemics also depended on gender. Implications are discussed theoretically in terms of cross-religious discourse and practically in terms of workforce training effects of religion on kinesics and proxemics also depended on gender. Gyamfi (2020) studied the connection between religion and homeownership in the context of developing countries. The purpose of this study is to fill this conceptual gap by identifying the patterns of religious influences on homeownership in the Ghanaian context where deeper meanings are associated with religious beliefs and practices.

The findings show homeownership is perceived as physical evidence of the blessings of God or being attained as the will of Allah. However, its attainment is shaped by certain religious directives pertaining to both family and

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social life. Also, homeownership enhances religious practices while rental status is seen to stifle the performance of certain religious practices. García-Muiña, Martínez, and Kabbara (2020) analyzed the role of informal institutional factors (IIF) in location choice. The results showed that the higher the informal institutional differences (IID), the lower the presence of the hotels in the foreign country. Sihombing research (2018) describes the first stage (item generation) in developing a scale for corruption and integrity. Data were collected among Indonesian youth through an open-ended questionnaire and in-depth interviews. The results showed that Indonesian youth are not really familiar with the word integrity. More than half of the respondents could not define the word. From those who could, honesty was perceived as a main characteristic of integrity. Indonesian youth defined corruption as taking away the rights of others. They pointed out that taking away others money is an example of corruption. Various studies above show that religion influences performance, including decreasing the level of corruption.

From the above discussion the hypotheses can be determined as follows: **H2: Religion has a positive effect on reducing corruption.**

SPIP moderates the influence of ethics on reducing corruption

Ethics provides teachings about the good and bad actions so that humans can distinguish between what is good and what is bad. Ethics provides basic guidelines for ethical decision making so as to distinguish good actions or attitudes from bad actions or attitudes. Various ethical dimensions provide a reference for making ethical decisions and actions. Thus ethics in a person can inhibit the occurrence of corrupt behavior. Government Internal Control Systems (SPIP) are processes to encourage government performance. In this process includes the organization and all methods and provisions in the organization. The control system will direct and monitor all activities within a government entity to achieve the stated goals. Thus the existence of an adequate control system in government entities will strengthen the influence of ethics on reducing the scale of corruption in Indonesia.

There have been many previous research journals about the effect of SPIP on improving government performance. Utami (2016) conducted a study to examine the effect of the Government Internal Control System, Employee Performance, Installed Monitoring, and functional oversight of the Effectiveness of Financial Management (Study in the Five Pulp SKPD of West Sumatra City). The results of the study provide evidence that the Government Internal Control System, Employee Performance, Fitted Functional Control and Control has a significant influence on the Effectiveness of Financial Management. Ferry et. al. (2017) examined internal auditor roles to support public governance in a developing country context, through interviews with chief audit executives across 17 Malaysian Local Government Authorities. The research shows that internal auditors seek to legitimize their position through compliance (watchdog) and performance (helper and protector) audits. Tolley, Ridwan, and Kasim (2017) conducted a study to determine the effect of government internal control systems on the performance of government officials in Sigi Regency, Palu, Central Sulawesi, Indonesia. The results showed that the government's internal control system had an influence on the performance of government work units in Sigi Regency, Indonesia. Tadeko (2017) conducted a study to identify and analyze the effect of government internal control systems on service quality. The results showed that the government's internal control system simultaneously had a significant influence on service quality. Thust various research result above have shown the effect of SPP on performance.

Based on the discussion above, the hypothesis is set as follows:

H3: SPIP strengthens the influence of ethics on reducing corruption.

**SPIP moderates the influence of religion on reducing corruption.**

Religion teaches norms about life with fellow human beings, human life with the natural surroundings, and human life with the Creator. Religion provides teachings about the obligations of every human being in nature and the restrictions that must be abandoned. Religion also teaches detailed procedures for carrying out religious commands and prohibitions. One of the teachings of religion is to avoid corruption. Religious teachings not only provide a prohibition

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against corruption, but also explain why corruption is prohibited. The Government Internal Control System (SPIP) is established to encourage government performance. In this process includes the organization and all methods and provisions in the organization. The internal control system directs and monitors all activities within a government entity to achieve the stated goals. Thus the existence of an adequate control system in government entities will strengthen the influence of ethics on reducing the scale of corruption in Indonesia. Control systems can prevent employees from engaging in corrupt behavior.

Based on the discussion above, the hypothesis is set as follows: **H4: SPIP strengthens the influence of religion on reducing corruption.**

Research Framework

The research framework is as follows:
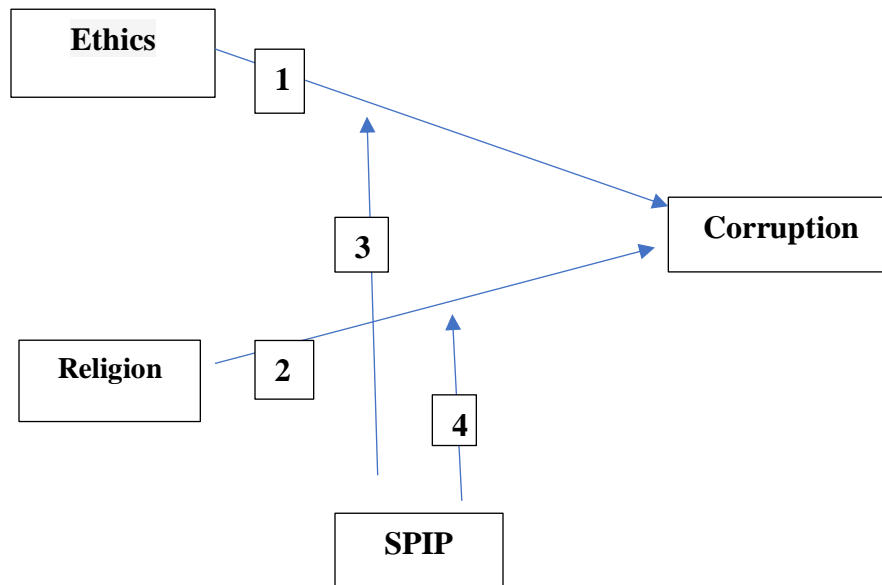
RESEARCH METHODS

This research uses quantitative research methods, with ordinary least squares (OLS). Processing is done with eviews 9. The quantitative research model is formulated as follows:

Y = a+ b1X1+b2X2+b3X1X3+b4X2X3+μ;

Where:
Y   = Corruption
X1 = Ethics
X2 = Religion
X3 = Government Internal Control System (SPIP)

X1X3= SPIP moderation on ethics

X2X3= SPIP moderation in religion.

The questions used in this study are as follows:

1. Moral is part of ethics.

2. Morals can prevent humans from corrupting.

3. Government officials and employees always take moral actions.

4. Obligations are part of ethics

5. Every state official and government employee has carried out his obligations properly.
6. The principle of benefits is part of ethics.

7. The principle of benefits can prevent humans from doing things that are of no use
8. Indonesian government officials and employees always carry out activities that benefit the people.

9. The need for self-development is part of ethics.

10. Self-development will enhance HR capabilities, both technical and ethical.
11. There is an adequate personal development program for officials and employees of the Government of Indonesia.

12. Every religion prohibits corruption.

13. There is adequate mental and religious guidance for officials and employees of the Government of Indonesia.

14. The Government Internal Control System (SPIP) can reduce the level of corruption in Indonesia (Vide PP No. 60 of 2008).

15. There has been a satisfactory SPIP.

16. Corruption is very damaging to the life of the nation and state.

17. There has been a decrease in the frequency and value of corruption in the Indonesian Government's Bureaucracy in the past 5 years.

The questions above are construct. Performance measurement is carried out using a Likert scale 1 to 4. Scale 1 means strongly disagree, scale 2 means disagree, scale 3 means agree, scale 4 means strongly agree. Research data collection was carried out using an online questionnaire. The questions above are construct. Performance measurement is carried out using a Likert scale 1 to 4. Scale 1 means strongly disagree, scale 2 means disagree, scale 3 means agree, scale 4 means strongly agree. Research data collection was carried out using an online questionnaire.

The reliability and validity tests were carried out on the questionnaire used. The reliability test results showed Cronbach Alpha 0.877, meaning that the questionnaire was reliable. The details of the reliability test results are as follows.

Case Processing Summary

		N	%
Cases	Valid	20	90.9
	Excluded^a	2	9.1
	Total	22	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.850	.877	17

The validity test results showed that the Pearson correlation is significant. Means the questionnaire is valid to achieve the main purpose of data collection.

RESEARCH RESULTS AND DISCUSSION

Research Result

The population in this study is Indonesian society. The sample selection is done purposively. The sample in this study were auditors and former government auditors and academics. Descriptive statistics from this study are as follows:

	Y	C	X1	X2	X1X3	X2X3
Mean	2.722222	1.000000	33.01852	6.740741	315.1389	64.29630
Median	3.000000	1.000000	33.00000	7.000000	297.0000	63.00000
Maximum	4.000000	1.000000	44.00000	8.000000	528.0000	96.00000
Minimum	1.000000	1.000000	22.00000	5.000000	176.0000	35.00000
Std. Dev.	0.795235	0.000000	4.030216	0.835770	70.88987	13.93192
Skewness	-0.024202	NA	1.021742	0.032387	1.198655	0.584850
Kurtosis	2.419787	NA	4.424340	2.193533	4.414493	3.064302
Jarque-Bera	1.525456	NA	27.92057	2.945633	34.86549	6.175495
Probability	0.466392	NA	0.000001	0.229279	0.000000	0.045605
Sum	294.0000	108.0000	3566.000	728.0000	34035.00	6944.000
Sum Sq. Dev.	67.66667	0.000000	1737.963	74.74074	537714.9	20768.52
Observations	108	108	108	108	108	108

Normality test for research data shows the following results:

Figure   **1**.   Data   Normality   Test   Results (Source: Data Processed)
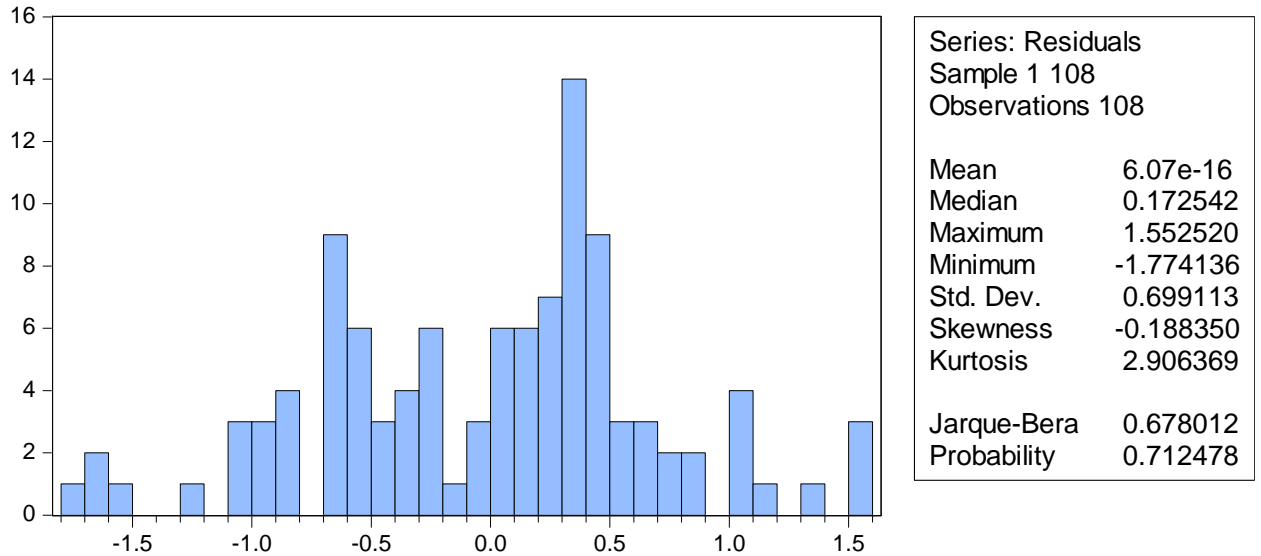
From the normality test above, it can be seen that skewness index is -0.188 <3 and kurtosis index is 2.906 <3 and Jarqua Berra indicator is 0.678 <2. Means the distribution of research data is normal.

Heteroscedasticity test shows the following results:

Heteroskedasticity Test: Breusch-Pagan-Godfrey

F-statistic	0.200978	Prob. F(4,103)	0.9373
Obs*R-squared	0.836407	Prob. Chi-Square(4)	0.9335
Scaled explained SS	0.725140	Prob. Chi-Square(4)	0.9482

Test Equation:
Dependent Variable: RESID^2
Method: Least Squares

Date: 02/13/20   Time: 08:28
Sample: 1 108
Included observations: 108

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.113730	0.815206	-0.139511	0.8893
X1	-0.003585	0.136204	-0.026318	0.9791
X2	0.173872	0.660972	0.263055	0.7930
X1X3	0.000674	0.013702	0.049166	0.9609
X2X3	-0.010390	0.068444	-0.151797	0.8796

R-squared	0.007745	Mean dependent var	0.484233
Adjusted R-squared	-0.030790	S.D. dependent var	0.671704
S.E. of regression	0.681966	Akaike info criterion	2.117517
Sum squared resid	47.90304	Schwarz criterion	2.241690
Log likelihood	-109.3459	Hannan-Quinn criter.	2.167865
F-statistic	0.200978	Durbin-Watson stat	1.939091
Prob(F-statistic)	0.937302		

Prob Chi square of obs R squared 0.93> 0.05. Not significant. This means that there is no heterokedasticity in the research model.

The serial correlation test showed the following results:

Breusch-Godfrey Serial Correlation LM Test:

F-statistic	0.077420	Prob. F(2,101)	0.9256
Obs*R-squared	0.165318	Prob. Chi-Square(2)	0.9207

Test Equation:
Dependent Variable: RESID
Method: Least Squares
Date: 02/09/20   Time: 02:06
Sample: 1 108
Included observations: 108
Presample missing value lagged residuals set to zero.

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.046919	0.868054	-0.054051	0.9570
X1	0.001364	0.144155	0.009463	0.9925
X2	0.003967	0.698287	0.005681	0.9955
X1X3	-0.000165	0.014490	-0.011397	0.9909
X2X3	0.000419	0.072265	0.005802	0.9954
RESID(-1)	0.032841	0.103598	0.317005	0.7519
RESID(-2)	-0.026042	0.104651	-0.248844	0.8040

R-squared	0.001531	Mean dependent var		6.07E-16
Adjusted R-squared	-0.057784	S.D. dependent var		0.699113
S.E. of regression	0.719028	Akaike info criterion		2.240786
Sum squared resid	52.21711	Schwarz criterion		2.414628
Log likelihood	-114.0024	Hannan-Quinn criter.		2.311272
F-statistic	0.025807	Durbin-Watson stat		1.946756
Prob(F-statistic)	0.999923			

From the table above it can be seen that the prob chi-square of Obs R Squared is 0.9207> 0.05. Not significant. This means that there is no serial correlation in the research model.

Hypothesis testing shows the following results.

Figure 2. Regression Results

(Source: Data Processed)

Dependent Variable: Y
Method: Least Squares
Date: 02/09/20   Time: 02:00
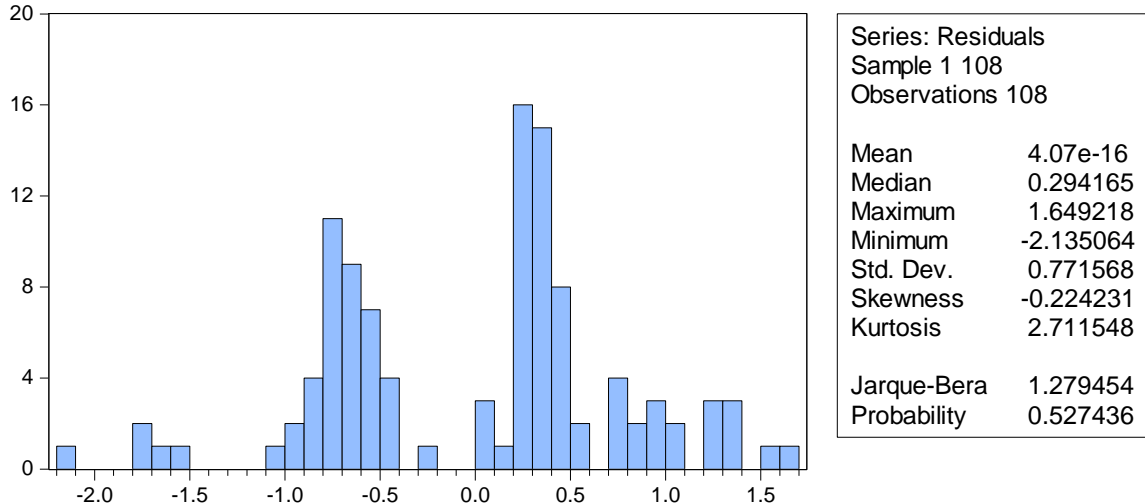Sample: 1 108
Included observations: 108

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.540369	0.851776	4.156457	0.0001
X1	-0.223261	0.142314	-1.568795	0.1198
X2	0.511015	0.690622	0.739935	0.4610
X1X3	0.023458	0.014317	1.638510	0.1044
X2X3	-0.066623	0.071514	-0.931615	0.3537

R-squared	0.227135	Mean dependent var	2.722222
Adjusted R-squared	0.197121	S.D. dependent var	0.795235
S.E. of regression	0.712558	Akaike info criterion	2.205281
Sum squared resid	52.29717	Schwarz criterion	2.329453
Log likelihood	-114.0852	Hannan-Quinn criter.	2.255628
F-statistic	7.567611	Durbin-Watson stat	1.889356
Prob(F-statistic)	0.000022		

From the above figure it can be seen that adjusted R squared 19%. This means that 19% of changes in the Y variable can be explained by changes in the X variable. Adjusted r squared of that size is quite fit for research in accounting.

Prob F statistic is equal to 0.000022 <0.05. Significant. This means that the variable X simultaneously has a significant effect on the Y variable.

Individual t test shows the result that prob X1 is 0.1198> 0.05. Not significant. This means that ethics has no significant effect on the level of corruption reduction in Indonesia. Hypothesis 1 is not proven. Prob X2 is 0.4610> 0.05. Not significant. This means that religion has no significant effect on the level of corruption reduction in Indonesia. Hypothesis 2 is not proven. Prob X1X3 is 0.1044> 0.05. Not significant. This means that SPIP moderation on the influence of ethics on the level of corruption reduction in Indonesia is not significant. Hypothesis 3 is not proven. Prob X2X3 is 0.3537> 0.05. Not significant. This means that the SPIP moderation on the influence of religion on reducing the level of corruption in Indonesia is not significant. Hypothesis 4 is not proven.

Without the influence of moderation test the influence of ethics and religion on reducing corruption shows the following results:

Jarqua Berra indicator 1,279 <2. Means that the research data is normally distributed. The hypothesis test shows the following results:

Dependent Variable: Y
Method: Least Squares

Date: 02/09/20   Time: 02:25
Sample: 1 108
Included observations: 108

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-2.711571	2.360167	-1.148890	0.2532
X1	1.489248	0.767738	1.939788	0.0551
X2	0.035040	0.107880	0.324801	0.7460

R-squared	0.058636	Mean dependent var		2.722222
Adjusted R-squared	0.040705	S.D. dependent var		0.795235
S.E. of regression	0.778882	Akaike info criterion		2.365469
Sum squared resid	63.69895	Schwarz criterion		2.439973
Log likelihood	-124.7354	Hannan-Quinn criter.		2.395678
F-statistic	3.270150	Durbin-Watson stat		1.705873
Prob(F-statistic)	0.041905			

F test results showed a statistical F probability of 0.04 <0.05. Significant. This means that simultaneously variable X affects the Y variable. Individual test results t indicate that the ethical and religious variables have no significant effect on reducing corruption. This means that without being moderated by SPIP, ethics and religion also have no effect on the level of corruption reduction in Indonesia.

Discussion

F test results show that the simultaneous influence of variable X on Y variables is significant. This means that the overall existence of the influence of ethics and religion, which is influenced by the government's internal control system is still needed. Overall the influence of ethics, religion, and internal control systems in inhibiting corruption is still significant towards reducing the amount

of corruption. As a whole ethics and religion are still the wrotten values that live on society. By being pushed or strengthened by the internal control system that has been built by the government, the existence of these three variables can influence the decrease in the level of corruption in Indonesia. Because of that the government as a whole must continue to develop ethics, religion, and government internal control systems.

T test results showed that ethics had no significant effect on reducing the number of events and the value of corruption. In theory and logic ethics should have a significant effect on impairment and the number of corruption incidents. Ethics contains good teachings to distinguish the good and bad of an action or activity. So ethics should be able to encourage corruption reduction, both in scale and value. But the opposite happened where ethics actually weakened or prevented the decline in corruption in Indonesia. This can happen if the motivation of people to commit corruption in Indonesia is not due to deficiencies and corruption is considered part of the culture.

The results of this study are not in line with the results of the study. Valentine and Godkin (2016), Cremer and Dekerckhove (2017), Maxwell (2017), Chan (2017), Chokprajakchat and Sumretphol (2017), Ferrella et. al. (2018), Durr et. al (2019), Haghighattalaba (2019), Musa (2019), and Suciu (2020). The researchers concluded that ethics had an effect on performance, including a decrease in the level of corruption in Indonesia. However, based on the results of this study, it turns out ethics have not significant effect on reducing the amount of corruption in Indonesia. The results of individual t tests on religious variables also show that religion has no significant effect on reducing the amount of corruption in Indonesia. One of the religious teachings is the prohibition on corruption. But the religious prohibition is not strong enough to prevent humans from corrupting. This phenomenon may be due to inadequate quality of religion or the occurrence of secularity in religion. Secularity in religion occurs when humanity thinks that religion is separate from life in organizations. Religion is considered only in mosques, churches, temples, and so on. But religion and teaching are not used In everyday life. Religion is not used as a reference or attitude in taking solutions to the problems of life and the profession.

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The results of this study are not in line with the results of Hu (2015), Jiang et. al. (2015), Li and Cai (2016), Deller, Conroy , and Markeson (2018), Patrikios and Xezonakis (2019), Slatter (2019), Shahidul Islam and Kirillova (2020), Gyamfi (2020), García-Muiña, Martínez, and Kabbara (2020), ana Sihombing (2018). The researchers concluded based on the results of their research that religion significantly influences the performance of entities, including the reductions in the level of corruption in Indonesia. The results of the test of the influence of SPIP moderation on the influence of ethics on reducing corruption show that the influence of SPIP is not significant. SPIP should be able to strengthen the influence of ethics on reducing corruption because SPIP itself has an effect on reducing corruption. SPIP is like a net or fence, which can filter out corrupt actions. The results of the test of the influence of SPIP moderation on the influence of religion on reducing corruption show that SPIP moderation is not significant. This shows that the strengthening of SPIP on the influence of religion on corruption reduction is not significant.

The results of this study are not in line with the results of Utmai's research (2016), Ferry et. al. (2017), Tolley, Ridwan, and Kasim (2017), and Tadeko (2017). The researchers argue that SPIP has a positive effect on performance, including reducing the level of corruption in Indonesia. Utami'S research results (2016) for example, concluded that SPIP had a positive effect on the effectiveness of financial management in the city of West Sumatera in Indonesia. However, the results of the study showed that SPIP had no significant effect on reducing the level of corruption in Indonesia. This conclusion shows that the goal of implementing SPIP by the Indonesian government set forth in government regulation number 60 of 2008 has not been fully achieved. However the application of SPIP in some entities is still more a formality requirement than the need to control and achieve excellent performance.

The theory of SPIP stipulated by the Government of Indonesia originates from the theory of the Committee On Sponsoring Organization of the Treadway Commission. The process carried out by management and other personnel in the organization, which is designed to obtain adequate confidence that there will be improvements in achieving objectives namely effectiveness and efficiency of

operations, reliability of financial reporting, and compliance with applicable regulations. But SPIP also has limitations. The limitation of SPIP as a system is the lack of judgment, errors in translating orders, neglect of management, and collusion. Collusion is a weakness of the internal control system that sometimes occurs in Indonesia. the functions of activities that have been separated are re-docked due to the outrageous of a number of activity actors so that the objectives of the internal control system are not achieved.

C. CONCLUSION

The purpose of this study is to study the effect of ethics and religion on reducing corruption in Indonesia, moderated by a government agency control system. The research uses quantitative method. Processing data using eviews 9. The population is Indonesian society. The research sample is the academic community and auditors. The sample selection is done purposively. The data used is primary data. Data collection was carried out using an online questionnaire. A total of 108 respondents filled out a questionnaire created using Google forms. The results showed that ethics had no significant effect on reducing corruption, religion had no significant effect on reducing corruption, moderating government internal control systems on ethical influence on reducing corruption was not significant, and moderating government internal control systems on religious influence on reducing corruption was not significant. Next researchers are expected to conduct research by adding cultural variable as one of the independent variables.

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