



## **The Impact of Accounting Implementation, Budget User Behavior, and Internal Control on Fraud Prevention of Regional Apparatus Organizations in Aru Islands Regency**

**Yohanes Zefnath Warkula<sup>1\*</sup>, Andi Kusumawati<sup>2</sup>, Nirwana<sup>3</sup>**

<sup>1</sup>Prodi Akuntansi, PSDKU Universitas Pattimura Aru, Indonesia

<sup>2,3</sup>Universitas Hassanudin Makassar

\*Corresponding Author : Yohanes Zefnath Warkula

Email : [anezeft.1004@gmail.com](mailto:anezeft.1004@gmail.com),

### **ABSTRACT**

*Good accounting implementation by government and optimal supervision toward the quality of government financial reports are expected to improve the accountability of government agencies' performance. Therefore, the performance of governmental administration can be optimal. This study aims to empirically test the application of accounting, budget user behavior, and internal control that affect the prevention of fraud in Government of Aru Islands Regency. This research used quantitative research with descriptive approach, it use Slovin sample formula, the sample needed by the author to process data is 148 people from 236 specified populations. Based on the the results and discussion of the research, it can be concluded several things that: Partial internal control has significant positive effect on fraud prevention in Aru Islands Regency Government.*

**Keywords:** *The Implementation of Accounting, Accounting Behavior, Internal Control, Fraud*

### **INTRODUCTION**

The replication of this research is a study entitled: Public Sector Accounting Application Models to Prevent Fraud in the Public Sector in Digital Era by (kristiyani Dian, 2020), what makes different is that the authors took several independent variables (Accounting Application, Behavior, and Internal Control) to influence the fraud prevention variable, another characteristic that distinguish this research is the research method. Based on the explanation above, the authors are interested in doing the research related to the Impact of Accounting

Implementation, Budget User Behavior, and Internal Control Against Fraud Prevention in Regional Apparatus Organizations of the Aru Islands Regency.

Therefore, the author feels the need to examine in form of scientific research the obstacles that are often faced by Aru Islands Regency Regional Apparatus Organizations (OPD) related to the financial statements of the Government (Dobo, *Tribun-Maluku.com*). The three independent variables of this study are related to the influence of dependent variable (Fraud Prevention) because, in carrying out their duties and responsibilities as budget users, knowledge related to Government Accounting Standards is needed, good internal control, then supported by ethical and responsible behavior towards the tasks of local government budget user.

Good accounting implementation by government agencies and optimal supervision of government agency financial reports quality are expected to improve the accountability of government agencies' performance. Therefore, the performance of government affairs administration can be optimal. It is expected that the improvement of accountability for the performance of government agencies will have implications for the minimum practice of corruption. Thus, a good governance can be realized in Indonesian Government, both at the central and regional levels.

Unethical behavior also caused by substantial things, such as the attitude and moral responsibility of a company. The company has moral and social responsibilities (Kerafi, 1998) which at the operational level, moral responsibility is represented by management. According to (Wilopo, 2017), Unethical behavior can be in form of positional abuse, power abuse, resources abuse and no action. The cause of unethical behavior is the lack of management supervision where it can provide opportunities for employees to take unethical actions and harm the organization or company.

According to (Elkha & Wahidawati, 2020), Internal control includes five elements, such as environmental control, risk assessment, information and communication control activities, and monitoring. These elements help company to achieve its goals. Internal control is an action or activity carried out by management to ensure (adequately, not absolutely) the achievement of organizational goals. Within the effective internal control, leaders are expected to behave to achieve organizational goals. Thus, it can be said that an effective internal control will help to prevent accounting fraud.

Fraud usually has the following criteria: (1) misrepresentation, (2) Past and Present, (3) material fact, (4) Intentional act without any calculation, (5) with an intention (6) there is a harmed person, (7) Incurring losses, (8) benefit the perpetrator or other parties related to the perpetrator.

Behavioral accounting is a part of accounting discipline that examines the relationship between human behavior and the accounting system, it is also the behavioral dimensions of organization in which humans and accounting systems

exist and recognized for their existence. Thus, the definition of behavioral accounting is a study of accountants or non-accountants behavior who are influenced by accounting and reporting functions (Moon & Seo, 2021).

## **LITERATURE REVIEW**

### **Entity Theory and Agency Theory**

Entity theory proposed by Paton (Bryer, 2021), it is stated that organization is considered as an independent economic entity or business entity, act on its own behalf, and its position separated from the owner or other parties who invest funds in organization and economic unit becomes the center of attention or accounting point of view. From this perspective, accounting concerned with the financial reporting of business entities, not the owners. In the other words, business unit becomes a reporting entity that is responsible to the owner. The business unit is the center of responsibility and financial reports are the medium of responsibility.

In the mechanism of Indonesian state finance, the theory or concept of entities has been applied. The term reporting entity is included in the treasury of legislation through the explanation of Article 51 paragraph (2) and (3) of Constitution Number 1/2004 concerning on the State treasury, which state that: each state ministry/institution is a reporting entity that is not only obliged to carry out accounting, but also required to submit an accountability report in form of financial statements. It begin from legal provisions, Government Accounting Standards are standardized and confirmed the existence of Reporting Entities and Accounting Entities, each of which according to the process of thinking from professional point of view are that has the following limits:

1. Reporting Entity is a government unit consist of one or more accounting entities. according to the provisions of legislation, it is required to submit an accountability report in form of financial statements.
2. Accounting Entity is a government unit that uses budgets/users of goods. Therefore it is obliged to carry out accounting and prepare financial reports to be combined with reporting entities.

In Agency Theory, Jensen and Meckling (Amis et al., 2020), defines agency relationship as a contract under one or more principal. they hire another person as an agent to perform some service on their behalf by delegating some decision-making authority to the agent.

From the perspective of agency theory, the relationship between community and government is like the relationship between principal and agent. Community is the principal and government is the agent. The principal gives regulatory authority to the agent, and provides resources to the agent (in form of taxes and others). As a form of accountability for the given authority, the agent provides an accountability

report to the principal. Because they don't know what the agent actually does (information asymmetry occurs), the principal needs a third party who is able to convince the principal that what the agent is reporting is true. In this position as a third party that the role of public sector accountants is actually expected to play a major role. Accountants (in this case as auditors) have an important position such as; (1) has access to financial information, (2) has access to management information, (3) Independent, (4) has received professional training, and (5) can be obtained everytime (available) (Amis et al., 2020).

### **Behavior Accountant**

Theory of Reasoned Action was first introduced by Martin Fishbein and Ajzen in (Jogiyanto H. M, 2007). This theory connects belief, attitude, intention, and behavior. An important concept in this theory is the focus of attention (salience), which is considering something that is considered important. An important concept in this theory is the focus of attention (salience), which consider something important. Intention determined by subjective attitudes and norms (Jogiyanto H. M, 2007) argues that the intention is a function of two basic determinants, the individual's attitude towards behavior (a personal aspect) and individual's perception of social pressure to perform or not a behavior called as subjective norm.

(Sarmigi & Andriadi, 2019) stated that attitudes affect behavior through a careful and reasoned decision-making process and their impact is limited by only three factors; First, behavior is not much determined by general attitudes but by specific attitudes towards something. Second, Behavior is influenced not only by attitudes but also by objective norms, beliefs about what other people want an individual to do. Third, the attitudes towards a behavior with subjective norms form an intention or intention to behave in a certain way.

### **Research Hypothesis**

Development of public sector theory to improve the current practice. It is related to the efforts to improve the quality of financial reports that able to present relevant and reliable financial information. To produce relevant and reliable public sector financial reports, there are several obstacles faced by public sector accounting. These obstacles are objectivity, consistency, comparability, punctuality, economical in presenting reports, and materialistic.

H1: The Application of Accounting has Significant Influence on Fraud Prevention in Aru Islands Regency Government.

Behavioral theory are modified by (Djou, 2019) it is named as Theory of Planned Behavior. The main point of this theory includes 3 things; behavioral beliefs, normative beliefs, and control beliefs

H2: Budget User Behavior has a Significant Influence on Fraud Prevention in Aru Islands Regency Government

In order to achieve adequate internal control, several components of internal control are required as stated by COSO. Research Committee of Sponsoring Organizations of Treadway Commission (COSO) stated that internal control as a process implemented by board of commissioners, management, and those under their direction to provide reasonable assurance that control objectives can be achieved. Internal control provides reasonable, not absolute assurance, because the possibility of human error, collusion, and management's resistance to the control process makes this process imperfect.

H3: Internal Control Has Significant Influence on Fraud Prevention in Aru Islands Regency Government.

Fraud prevention is generally in form of activities carried out by management in terms of implementing policies, systems and procedures that help to ensure that necessary actions have been taken by the board of commissioners, managers and other company personnel to provide adequate assurance in achieving 3 (three) main objectives, such as: (1) State of the financial statements, (2) Operational effectiveness and efficiency and (3) Obedience to the applicable laws and regulations.

Fraud that occurs should be prevented, among others, by ways such as building a good internal control structure, streamlining control activities, increasing organizational culture, streamlining the internal audit function, and other actions.

H4: Simultaneous Implementation of Accounting, Budget User Behavior, and Internal Controls Have a Significant Effect on Fraud Prevention in Aru Islands Regency Government.

## **RESEARCH METHODOLOGY**

### **Pendekatan Penelitian**

The type of research used in this research is quantitative research with descriptive approach. Quantitative research method is a type of research whose specifications are systematic, well-planned and clearly structured from the beginning to the making of the research design.

According to (Sugiyono, 2009), Quantitative research methods can be interpreted as research methods based on the philosophy of positivism, used to examine certain populations or samples, sampling techniques are generally carried out random, data collection uses research instruments, data analysis is quantitative/statistical with an aim of testing hypotheses that has been established

before. This study uses a descriptive approach with an aim of describing the object of research or research results.

Moreover, the definition of Descriptive according to (Sugiyono, 2009) is a method that describe or provide an overview of the object under study through the data or samples that have been collected without conducting analysis and making general conclusions.

### **Data Collection Technique**

Data collection techniques are the methods used to collect data and other information in research toward the problems of research object. The data of this study can be collected using the techniques of questionnaire.

### **Population and Sample**

Based on the activities related to the title of the thesis, the author determines the population target. According to (Sugiyono, 2009) "Population is a generalization area consist of objects/subjects as a certain quantities and characteristics determined by researcher". The population of this study were echelon II and III officials who were in Aru Islands Regency Government which consist of 35 echelon II people (it consist of head of service, head of inspectorate, and head of agency) and 201 echelon III consist of agency secretary, service secretary, and head of agency). fields, section heads, and sub-district heads) within the total population of 236 people.

Meanwhile According to (Sugiyono, 2009) "Sample is a part of number and characteristics possessed by the population". Non-Probability Sampling technique in this study is precisely uses a purposive sampling technique. Purposive sampling according to (Sugiyono, 2009) is a sampling technique with certain considerations. Therefore, the data obtained are more representative by conducting a competent research process in their field, the sample of the study consist of: Echelon II officials consist of 35 people, Echelon III officials consist of 201 people, the total sample in this study is 236 people. This study uses Slovin sample formula to find the minimum data that can be processed, as following below:

$$n = \frac{N}{1+N\alpha^2} = \frac{236}{1+236(5\%)^2} = 148,4 = 148 \text{ people}$$

Description:    n            = Sample = 148 people  
                       N            = Population = 236 people  
                        $\alpha$            = carelessness tolerance (5%)

By using Slovin sample formula, the sample needed by author to process data at least 148 people from 236 specified populations.

### **Inferential Statistical Method**

According to Chandrarin (Chandrarin, 2017), Inferential Statistical is a statistical technique that has functions to analyse sample data which the results are applied to population. Inferential statistics applied to the entire population based on sample data and the truth called as probability. In this study inferential statistics using multiple regression analysis. Multiple linear regression is a linear regression mode which the dependent variable is a linear function of several independent variables. Multiple linear regression equation is written as following below:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Description:

- Y : Faud Prevention
- X<sub>1</sub> : Accounting Implementation
- X<sub>2</sub> : Behavior
- X<sub>3</sub> : Internal Control
- α : Constant
- β : Regression Coefficient
- e : Error.

## RESULT AND DISCUSSION

The Research conducted on Aru Islands Regency Government by taking Regional Apparatus Organization (OPD) as the agency that manages Regional Revenue and Expenditure Budget (APBD), by distributing questionnaires to state civil servants who have authority as budget users in Aru Islands Regency government agency. The Distribution of 236 questionnaires to budget users, both echelon II and echelon III officials at regional apparatus organizations with a return rate of 158 questionnaires or 66.9% while those who did not return were 78 questionnaires or 33.1%, it is happen due to time distribution that is not related to the respondent's activities, thus, the questionnaire return is not optimal. However, it can be said that the sample data is 158 or 66.9% more than the sample target determined using Slovin formula of 148 respondents. And this research can be continued to the analysis stage.

In this study, multiple linear regression equations are used, which is a linear regression model whose dependent variable is linear function of several independent variables. The multiple linear regression equation written as following below:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

For multiple linear regression equations can be seen in following table Table 1 Testing multiple linear regression equations

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6,714	2,066		3,25	0,001
	Accounting Implementation	1,696	0,116	0,769	14,643	0,000
	Behavior	-1,368	0,23	-0,677	-5,957	0,000
	Internal Control	1,039	0,203	0,612	5,122	0,000

a. Dependent Variable: Fraud Prevention

Multiple linear regression analysis is used to determine the effect of independent variables on dependent variable, it is the results of calculation on multiple linear regression analysis using SPSS, the equation as shown in Table 4.18 above as following below:

$$Y = 6,714 + 1,696X_1 + (-1,368X_2) + 1,039X_3 + e$$

Regression coefficient for accounting application ( $X_1$ ) is 1.696, it indicates the magnitude effect of accounting application on fraud prevention is unidirectional (positive), it means that if accounting application index increases by 1%, it will increase fraud prevention by 1.696. moreover, the regression coefficient of budget user behavior ( $X_2$ ) is -1.368, it indicated the magnitude effect of budget user behavior towards fraud prevention has the same direction (negative), it means that if the budget user behavior index increases by 1%, it will increase fraud prevention by -1.368. And the internal control regression coefficient ( $X_3$ ) of 1.315 indicates the magnitude effect of internal control against fraud prevention is unidirectional (positive), it means that if the internal control index increases by 1%, it will increase fraud prevention by 1.039.

### Partial Test (t Test)

Based on table 1, the multiple linear regression equation test above is to determine partial effect of each independent variable on dependent variable, it is known that the t-value of  $X_1$  variable (The implementation of Accounting) is 14,643 which is higher than t-table value of 1.65487 which obtained from ( $df = 158 - 4 - 1 = 153$ ), by significant level of  $\alpha = 5\%$  (0.05), it is known that the significant value of variable  $X_1$  0.000 is smaller than p value of 0.05. It can be concluded that  $H_0$  is rejected and  $H_1$  is accepted.

Furthermore, multiple linear regression test to determine partial effect of variable  $X_2$  (Budget User Behavior) affects variable Y (Fraud Prevention) it is known that the -t value of  $X_2$  variable is -5.957 higher than the -t table value of -1.65487, and significant value of  $X_2$  is 0.000 which is smaller than significant level  $\alpha = 5\%$  (0.05). Therefore, it can be concluded that  $H_0$  is rejected and  $H_2$  is accepted.

The next multiple linear regression test to calculate partial effect of  $X_3$  variable (Internal Control) on Y variable (Fraud Prevention) it is known that t-count value of  $X_3$  variable is 5.122 higher than t-table value of 1.65487 with significant level of  $\alpha = 5\%$  (0.05), therefore it is known that the significant value of  $X_3$  Variable 0.000 is smaller than p value of 0.05. It can be concluded that  $H_0$  is rejected and  $H_3$  is accepted.

### Simultaneous Test (F Test)

To test simultaneously the effect of independent variable on dependent variable, it is written in the following table below

Table 2. Simultaneous Test Result

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2653,407	3	884,469	119,732	,000 <sup>b</sup>
	Residual	1137,612	154	7,387		
	Total	3791,019	157			

a. Dependent Variable: Fraud Prevention

b. Predictors: (Constant), Internal Control, Accounting Implementation, Behavior

Based on the results of F test in table 2 above, it can be seen that significance level is  $0.000 < 0.05$  then  $H_0$  is rejected and  $H_4$  is accepted. it can be said that those three independent variables have simultaneous influence on dependent variable within the calculated F value of 119.732 which is higher than F table value of 2.66, F table value is obtained from the value of  $df_1 = 4 - 1 = 3$  and  $df_2 = 158 - 4 = 154$  (at the distribution value of F table df probability = 0.05) then  $H_0$  is rejected and  $H_4$  is accepted.

### Coefficient of Determination ( $r^2$ )

To observe how much influence of independent variable has on dependent variable, as mentioned in the following table below,

Table 3. Coefficient of Determination

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,837 <sup>a</sup>	,700	,694	2,718	,702

- a. Predictors: (Constant), Internal Control, The Implementation of Accounting, Behavior
- b. Dependent Variable: Fraud Prevention

Table 3 above indicated that the calculated value of coefficient of determination (on adjusted column of R square) explain the dependent variable if ( $R^2$ ) is higher than 50%. In this research the coefficient of determination ( $R^2$ ) is 0.694 or 69.4%, then the level of trust or contribution of three independent variables,  $X_1$  (accounting application),  $X_2$  (Budget User Behavior), and  $X_3$  (Internal Control) on Y variable (Prevention of Fraud) is 69.4% while 30.6% is influenced by other factors not examined by researchers.

### **Research Interpretation**

#### ***The Effect of Accounting Implementation on Fraud Prevention in Aru Islands Regency Government***

Based on the analysis carried out using multiple linear regression statistical analysis and the results of t test or partial test to the influence of Variable  $X_1$  accounting application toward variable Y fraud prevention, it can be said that accounting application has significant effect in positive way. this is proved by the calculations of author related to the calculation of table 4.18, it is known that t-count value of 13.761 is obtained based on the calculation results using SPSS 23.0 statistical software for windows which is higher than t-table value of 1.65487 which obtained based on 158 sample of respondents minus the number of 4 variable items (independent and dependent) minus 1 then obtained a value of 153, it is based on the distribution of t table values with a significant level  $\alpha = 0.05$ .

Moreover, the significant level has the stipulation that if in research results, p value > significant 0.05 then it can be said that the first alternative hypothesis ( $H_{a1}$ ) is accepted with the requirements that the application of accounting has significant effect on fraud prevention.

The application of accounting to local governments is related to the provisions of Government Accounting Standards where in the implementation of local government agencies use a system that refers to Government Accounting Standards based on Government Regulation Number 71/2010 and accommodates tRegional Financial Management architecture built by Government Regulation Number 12/2019. The main pillar of local government accounting development happen in formulation of accounting policies and the development of accounting systems. Therefore, in carrying out the duties and responsibilities as a State Civil Apparatus (ASN), it is necessary to have an understanding of the three objectives of implementing government accounting related to the theory of (Mardiasmo, 2002) which consist of: (1) understanding the current accounting practices, (2) learning the weaknesses and shortcomings in current accounting practices, and (3) improving the future accounting practices

To solve the challenges above, it is necessary to conduct training or comparative studies. thus, local government employees are more competent in carrying out their duties and responsibilities related to the applicable regulations, if the implementation is related to the provisions of applicable rules, it can help to overcome the potential of fraud and can be properly minimized therefore the government can be implemented effectively and efficiently based on the company goals.

### ***The Influence of Budget User Behavior on Fraud Prevention in Aru Islands Regency Government***

Based on the analysis using multiple linear regression statistical analysis, the results of partial test calculation to analyze the effect of the  $X_2$  variable budget user behavior on Y variable of fraud prevention, it can be said that the budget user behavior has significant effect in negative direction. it is proven by the calculations on table 4.18 which is known that -t value of -6.304 obtained based on the calculations using SPSS 23.0 statistical software for windows is higher than -t table value of -1.65487 which obtained based on the number of samples (158 respondents) minus the number of 4 variable items (independent and dependent) minus 1 which obtained a value of 153. Moreover, related to the distribution of t table values with significant level  $\alpha = 0.05$ .

Moreover, the significant level with the stipulation that the results of the study are p value > significant 0.05, it can be said that the second alternative hypothesis ( $H_{a2}$ ) is accepted. It is provided that the behavior of budget users has significant effect on fraud prevention in negative direction. (Ghozali, 2018).

The results of behavioral variable partial test on budget users have a significant influence in negative direction, it gives an understanding related to the theory by (Ajzen, 1991) regarding *Teori Planned Behavior* (TPB) explained that the theory of planned behavior is a theory related to the relationship between belief and behaviour. This theory states that attitudes towards behavior, subjective norms, and perceptions of control form individual behavioral intentions which preventing fraud (cheating) in local government agencies is necessary to believe and behave individually in state civil servants who have responsibilities and task related to the statutory provisions in order to reduce the amount of fraud in local government agencies.

in carrying out the task, individual should obtain a good beliefs and behavior, moreover in carrying out the intention to commit fraud will be smaller. it is in line with the view that the higher individual's intention to do something good, the higher individual performance will be produced. Moreover, social and environmental factors also affect individual behavior to carry out their duties and responsibilities. Therefore, it is necessary to have synergy between these three factors, be it beliefs

and behavior, social, and environment should synergize to make prevention of fraud in local government agencies can be handled properly.

### ***The Effect of Internal Control on Fraud Prevention in Aru Islands Regency Government***

Based on the analysis carried out using statistical analysis of multiple linear regression and the calculation result of or partial test to the effect of  $X_3$  variable internal control on fraud prevention of Y variable, it can be said that control has significant effect in positive direction. It is proven by the calculations carried out by author related to the calculation of table 4.18, it is known that t-count value of 5.535 is obtained based on the results of calculations using SPSS 23.0 statistical software for windows which is higher than t-table value of 1.65487 obtained based on the number of samples (158 respondents) minus the number of 4 item variables (independent and dependent) minus 1 then, it obtain a value of 153 then, it is related to the distribution of t table values with significant level of  $\alpha = 0.05$ .

Moreover, the significant level within the provision that, if the results of the study are p value > significant 0.05, it can be said that the second alternative hypothesis ( $H_{a3}$ ) is accepted with the condition that internal control has significant effect on fraud prevention.

The internal control system related to the Government Regulation Number 60/2008 concerning on Government Internal Control System is an integral process for actions and activities carried out continuously by the leader and every employees to provide adequate assurance on the achievement of organizational goals through effective and efficient activities, reliable reporting finance, safeguarding state assets, and compliance to the laws and regulations.

Internal control of local government is a system designed to control every activity of governmental agencies in order to achieve effective and efficient organizational goal. Therefore, internal control is needed to prevent fraud if in carrying out its duties and responsibilities as state civil servants comply and carry out every internal control element contains in Government Regulation Number 60/2009 properly, Thus, fraud prevention in government agencies will be more optimal.

In carrying out internal control related to the elements in government regulation number 60/2008 the first thing that needs to be implemented is internal control, it is regarding how each individual creates a good work environment by carrying out tasks based on the division of tasks and placement of each field, the second is risk assessment, the second element intended to carry out the duties of each individual that will be able to overcome problems or obstacles that likely to occur, If the risk assessment is carried out properly, in carrying out the task the problems that arise will be resolved without disturbing the previously targeted work, If the risk assessment is carried out properly, the problems that arise will be

resolved without disturbing the previous targeted work, The third is control activities where every employee should evaluate every task that has been done, therefore it can improve employee work performance, fourth, the information and communication are intended to carry out the tasks. it needs a good cooperation to the linkages or relationships between a field and another to support each other in carrying out their duties, whether from the provided information and the work that can be communicated within the organization, the last thing that needs to be considered is the monitoring process of internal control, this is a control function or direction to carry out the duties and responsibilities. it can help to detect and prevent the unexpected problem of organization. If the organization able to carry out the internal control, it will be better to deal with fraud and obtain more accountability and transparency.

### ***The Influence of Accounting Implementation, Budget User Behavior, and Internal Control on Fraud Prevention in the Aru Islands Regency Government***

Fraud prevention is generally in the form of activities carried out by management in terms of implementing policies, systems and procedures that help to ensure the necessary actions have been taken by commissioners boards, managers and other company personnel to provide adequate assurance in achieving the 3 (three) main objectives consist of: (1) Financial reports, (2) the operational effectivity and efficiency and (3) the obedience of the current laws and regulations.

Fraud that occurs should be prevented, among others, by ways such as building a good internal control structure, streamlining control activities, increasing organizational culture, streamlining the internal audit function, and other actions.

To create a clean and accountable government in order to avoid the fraud, a clean and transparent government is needed. Thus, it can provide Good Governance System in Aru Regency Regional Government. It needs training system for employees, thus the employee performance can be more competent.

Besides, the behavior of each budget user is also needed to carry out the work program which can be implemented based on the vision and mission of organization (Ajzen, 1987). organizational social and environmental factors can also shape the behavior of budget users related to a good governmental mandates. If each individual was built by better social factors, it will be build a good individual's behavior, in carrying out duties and responsibilities of a good environment, it is still in line with individual behavior in preventing fraud of local government organizations.

Internal control is intended to control every activity of organization within the local government related to government regulation number 60/2008 concerning on Government Internal Control System. which the regulation contains several mandates that must be carried out by each component of local government. Thus, the work it can be controlled properly. moreover the expected organizational goals

can be achieved. If internal control is implemented properly, fraud prevention can be minimized in local government organizations.

One of the frequent causes of fraud according to the theory stated by Donald R. Cressey in (kristiyani Dian, 2020) has three factors, pressure, opportunity, and rationalization. First, pressure can cause someone to commit fraud. Pressure can occur because of financial, on bad habits, or pressure on work. Second, opportunity is an external factor that causes a person to be compelled to commit fraud also a weak control mechanisms and lack of audit supervision thus, a person can take advantage to commit fraud.

Therefore, it is necessary to have a strict system within the government, it will help to overcome the acts of fraud by each individual government, besides, the behavior of these individuals can help to overcome the acts of fraud. Furthermore, in this study the author argues that to overcome or prevent fraud it is necessary to pay attention to several variables include: accounting implementation, budget user behavior, and internal control.

## CONCLUSION

Based on the results and discussion, it can be concluded that: Partial internal control has significant positive effect on fraud prevention in Government of Aru Islands Regency. The behavior of budget users partially has significant negative effect on fraud prevention in the government of Aru Islands Regency. Partial internal control has significant positive effect on fraud prevention in Government of Aru Islands Regency. The implementation of accounting, budget user behavior, and internal control simultaneously have a significant positive effect on fraud prevention in Government of Aru Islands Regency.

Local government need to optimize their effort in preventing fraud. Therefore, in carrying out the activities can be implemented as what is planned before, it creates a good organizational culture and environment in government organizations. Therefore, the employees behavior will be more consistent in carrying out their duties. Furthermore, related to internal control in government performance, it becomes one of the better controls if every element in government organization carries out its duties and responsibilities based on the mandate of applicable legislation.

For further researchers who want to observe the similar problem, it is necessary to add variables or modify research variables, thus, the research results are able to answer the problems of governmental sector in Aru Islands Regency.

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