THE INFLUENCE OF APPARATUS COMPETENCE, INTERNAL CONTROL, AND WHISTLEBLOWING ON THE PREVENTION OF FRAUD IN VILLAGE FUND MANAGEMENT WITH RELIGIOSITY AS A MODERATING VARIABLE

[1*]Ummul Aimanah, [2]Yuliusman, [3]Muhammad Ridwan

[1,2,3]Department of Accounting, Faculty of Economics and Business, Jambi University - Indonesia

e-mail :
[1*]ummulone@gmail.com *(corresponding author)*
[2]yuliusman@unja.ac.idi
[3]m_ridwan@unja.ac.idi

ABSTRACT

This study aims to determine the effect of apparatus competence, internal control, and whistleblowing on the prevention of fraud in village fund management, as well as the role of religiosity in moderating apparatus competence, internal control, and whistleblowing. This study uses a quantitative methodology. The Batin XXIV sub-district's village apparatus is included in the study's population. Purposive sampling was the method of sampling employed in this investigation, yielding a sample size of sixty respondents overall. PLS (Partial Least Square) is the data analysis technique used in this study, and SmartPLS software version 4.0.9.6 was used to process the data. The results of this study indicate that apparatus competence, internal control, and whistleblowing have a positive and significant effect on the prevention of fraud in village fund management. Religiosity does not moderate the relationship between apparatus competence and the prevention of fraud in village fund management, nor does it moderate the relationship between internal control and the prevention of fraud in village fund management. However, religiosity can moderate the relationship between whistleblowing and the prevention of fraud in village fund management.

Keywords: *Apparatus Competence; Internal Control; Whistleblowing; Religiosity; Fraud Prevention*

Diterima (Received) : 06-07-2024
Direvisi (Revised) : 15-09-2024
Disetujui (Approved) : 26-10-2024
Dipublikasi (Published) :01-11-2024

INTRODUCTION

Villages are given the power to manage their revenue sources in order to meet their needs and priorities under Law Number 6 of 2014 (Republik Indonesia, 2014). Village funds, sourced from the State Budget (APBN), are utilized for government administration, development, empowerment, and community development (Wahyudi et al., 2021)..Minister of Home Affairs Regulation Number 113 of 2014 outlines five stages of village fund reporting: planning, implementation, administration, reporting, and accountability. Managing village funds requires meticulous planning, structured governance, efficient supervision, and adequately qualified village officials. However, in practice, fraud by village officials in managing village funds still occurs (Biduri et al., 2023).

The Association of Certified Fraud Examiners (ACFE, 2020) states that in Indonesia, the most common and most damaging type of fraud is corruption. Indonesia Corruption Watch (ICW, 2022) notes that corruption cases in the village sector are the most frequently prosecuted by law enforcement compared to other industries. In 2016, there were 17 corruption cases with 22 suspects; in 2022, there were 155 village fund corruption cases with 252 suspects. This data indicates a continuous increase in village fund corruption cases every year.

One of the provinces of Indonesia is the Province of Jambi, which is made up of ten regencies or cities that get village fund distributions. Among these is the Batang Hari Regency, which has 110 villages, 8 districts, and 14 sub-districts (Badan Pusat Statistik Kabupaten Batang Hari, 2023). The reason this study focuses on Batang Hari Regency is that, following inspections in 2022, the Regional Inspectorate of Batang Hari Regency made four findings about the handling of village funds in four villages.

To aid in the management of village finances and guard against any fraud, the government has set rules and regulations (Yusuf et al., 2021). However, many cases of corruption still occur, causing losses to the state. Therefore, efforts to enhance fraud prevention are necessary to ensure individuals refrain from harmful behavior (Yusuf et al., 2021). Biduri et al., (2023) argue that organizational and individual elements can collaborate to maximize fraud prevention.

The competence of the apparatus is considered capable of preventing fraud in the management of village funds because their competence in managing the village economy is one of the main determinants of the effectiveness of village governance, and their level of competence is highly important (Wahyudi et al., 2021). Competence itself is a form of expertise or skill, insight, ability, and behavior of an employee in carrying out or performing tasks (Pratiwi & Handayani, 2023). Additionally, internal control also affects the prevention of fraud in village financial management (Fikri et al., 2021). The stronger the internal control in village governance, the lower the likelihood of fraud and errors. Conversely, if internal control is weak, the likelihood of fraud increases (Laksmi and Sujana, 2019). Another aspect of preventing village fund fraud is whistleblowing. The National Committee on Governance Policy (KNKG, 2008) states that whistleblowing is the disclosure of illegal acts, inappropriate behavior, or other actions that could harm the organization or other entities capable of addressing the violations. Religiosity influences the tendency of individuals to commit fraud (Maulana et al., 2022). Individuals with a high level of religiosity are less likely to have the intention to commit fraud, while those with a low level of religiosity are more prone to fraudulent behavior. Strong religious knowledge can prevent individuals from engaging in deviant behavior (Hayati and Amalia, 2021).

This research is required because of the events that take place and the variations in the findings of earlier investigations about fraud prevention in village fund administration. Thus, the purpose of this study is to investigate how internal control, whistleblowing, and apparatus competency affect the prevention of fraud in village fund administration.

LITERATUR REVIEW

Apparatus Competence

According to Wahyudi et al. (2021), competence is the capacity to carry out activities with a sufficient level of proficiency or, alternatively, is the understanding of implicit abilities and skills. When village officials in village administration are able to carry out a variety of tasks in roles with specified work requirements, they are regarded as competent. Village officials' knowledge is essential for the efficient administration of village finances in a number of ways (Wahyudi et al., 2021). Therefore, to implement it efficiently and professionally and to avoid potential fraudulent actions, officials must possess the necessary information, abilities, intelligence, and understanding (Rosifa and Supriatna, 2022)

Internal Control

Government Regulation (PP) Number 60 of 2008 controlling the Government Internal Control System (SPIP) governs the internal control procedures employed by Indonesian government institutions. Leaders and all staff members must continuously implement the internal control system in order to provide reasonable assurance in achieving organizational goals through efficient and effective operations, trustworthy financial reporting, the protection of state assets, and adherence to legal requirements (Republik Indonesia, 2008).

Whistleblowing

According to Triantoro et al. (2020), whistleblowing is the act of an employee revealing particular information about regulations, practical guidelines, or professional declarations that are broken. This information can involve inappropriate procedures, corruption, abuse of authority, or dangers to public safety. According to the National Committee on Governance Policy /KNKG (2008), whistleblowing is the act of disclosing illegal activities, inappropriate activities, or other behaviors that could harm the company or other institutions with the authority to take legal action. This disclosure is usually done confidentially.

Religiosity

Religiosity is defined as an individual's beliefs, values, laws, and rituals that provide purpose in their lives and guide them towards moral principles (Suryandari and Pratama, 2021). Part of an individual's religiosity is their morality and mentality, which are shaped by the strength of their religious convictions (Maulana et al., 2022). We can examine different expressions of attitudes, feelings, concepts, and behaviors that are generally referred to as religiosity in order to comprehend the function that religion plays in an individual's life (Heriningsih et al., 2019). Those who practice a high level of religiosity are reluctant to engage in such actions because they believe that their deeds will have consequences or karma that will be experienced in the future or perhaps in the next life (Heriningsih et al., 2019).

Fraud

Tunnakotta (2017) defines fraud as illegal behavior carried out by people inside or outside an organization with the intent to gain benefit for themselves or their group, directly harming others. According to the Association of Certified Fraud Examiners (ACFE, 2020) Fraud is defined as one or more deliberate activities that are planned and meant to deceive others and cause them to lose money. Financial Statement Fraud, Asset Misappropriation, and Corruption are the three categories of fraud (Association of Certified Fraud Examiners, 2020).

METHOD

The population used in this study consists of all village apparatus and Village Consultative Body (BPD) members in the Batin XXIV District of Batang Hari Regency. The sampling in this study uses purposive sampling, where the sample is determined using specific criteria (Sugiyono, 2019). The criteria for determining the sample in this study are as follows: 1) respondents are directly involved in financial management (village head, village secretary, and finance staff), and 2) respondents are involved in supervising the village head's performance in financial management (BPD head). Based on these criteria, the total number of respondents in this study is 60.

According to Sugiyono (2019), distributing questionnaires is a data collection approach that entails giving respondents a set of written questions or statements to answer. This was the method used to collect data for this study. The questionnaires will be distributed directly to each village apparatus in the villages of Batin XXIV sub-district, which were selected as samples in this study. The questionnaires in this study provide five answer alternatives for each item, and their scores are weighted so that each variable is measured using a Likert scale (Sugiyono, 2019). The following Table 1 presents the operational definitions of each variable used in this study.

Descriptive analysis provides an overview or description of the data regarding respondent demographics (gender, formal education, position, and length of employment) and a description of respondents' responses to the indicators of the constructs in this study.

This study uses Likert scale scores. The variables employed in this study will be measured and then delineated into variable indicators using the Likert scale. For every study tool, the Likert scale scores vary from extremely positive to extremely negative (Sugiyono, 2019). A categorical approach is necessary to determine respondents' responses to each instrument. Since this study uses a Likert scale of 1-5, the categorization or classification for variables can be seen in Table 2.

Table 1
Operational Definition of Variables

Variables	Indicators	Scale
Apparatus competence (X_1)	1. Knowledge 2. Skills 3. Attitudes and behaviors (Romadaniati et al., 2020)	Ordinal
Internalicontrol (X_2)	1. Controlienvironmentn 2. Riskiassessmentn 3. Controliactivitiesn 4. Informationiandicommunication 5. Monitoringi (COSO, 2017)	Ordinal
Whistleblowing (X_3)	1. Structuraliaspects 2. Operationaliaspects 3. Maintenanceiaspects (KNKG,2008)	Ordinal
Religiosity (Z)	1. Belief 2. Religious practices 3. Experience 4. Knowledge 5. Devotion (Ancok & Suroso, 2011)	Ordinal
Fraud prevention (Y)	1. Fraud Awareness 2. Self-Managementiand Participationi 3. AccountableiandiTransparent 4. OrderlyiAdministration and Reportingi 5. MutualiTrust (Putri and Prasiwi, 2021)	Ordinal

Table 2
Variable of Measurement

Scale Range	VariableiMeasurement				
	X_1	X_2	X_3	Z	Y
55 – 98,9	VeryiLow	VeryiLow	VeryiLow	VeryiLow	VeryiLow
99 – 142,9	Lowi	Lowi	Lowi	Lowi	Lowi
143 – 186,9	Moderate	Moderate	Moderate	Moderate	Moderate
187 – 230,9	Highi	Highi	Highi	Highi	Highi
231 - 275	Very Highi	Very Highi	VeryiHigh	Very Highi	Very Highi

Source : Data processed by the researcher, 2024

Measurement Model (Outer Model)

The Outer Model analysis is used to determine the suitability of the measurements used (valid and reliable), Whare the relationship between latent variables and their indicators can be seen in this analysis (Ghozali and Kususmadewi, 2023). The outer model analysis contains a number of indicators, such as: The correlation between item scores and components evaluated using Partial Least Squares (PLS) is used to evaluate convergent validity; correlations greater than 0.7 are regarded as high. With each indicator having the maximum loading value on its corresponding latent variable, discriminant validity guarantees the distinctness of latent variable notions. Good validity and reliability are

seen as having constructs with AVE more than 0.5 and reliability over 0.7 (Ghozali and Kususmadewi, 2023).

Structural Model (Inner Model)

Evaluating the structural model, also known as the inner model, is the second step in the model assessment process. Based on substantive theory, the inner model is used to show the links between latent variables (Ghozali and Kusumadewi, 2023). The structural model is evaluated using t-tests to determine the significance of structural path coefficients, the Stone-Geisser square test for predictive relevance, and the R-square for dependent constructs (Ghozali and Kusumadewi, 2023).

Hypothesis Testing

Ghozali and Kususmadewi (2023) argue that The probability value and the T-statistic value can be used to evaluate hypothesis testing. Using statistics for hypothesis testing, the T-statistic value for an alpha of 0.05 is 1.96. Therefore, when the T-statistic is greater than 1.96, Ha is accepted and Ho is rejected. If the p-value is less than 0.05, then the hypothesis is accepted. Conversely, the hypothesis is rejected if the p-value is greater than 0.05 (Ghozali and Kusumadewi, 2023).

RESULTSIANDIDISCUSSION

Respondent Demographics

The majority of respondents in this study were male, accounting for 89.1%. Most respondents had education up to high school level, with a percentage of 54.54%, and the majority had been working for 2-5 years, covering 50.9%.

Descriptive Statistics of Variables

This study uses five variables, namely the Y variable for fraud prevention, the X1 variable for competency of officials, the X2 variable for internal control, the X3 variable for whistleblowing, and the Z variable for religiosity. Here are explanations related to each variable.

1. Variable Competency of Apparatus (X1)

Based on the data collection and processing of questionnaire responses from the respondents, the following are the answers provided by the respondents regarding the competency of the apparatus variable, as presented in Table 3.

The survey results indicate that the average score for the competency of the apparatus variable is 239.4. According to the measurement criteria in Table 2, this score falls into the "very high" category (range 231-275). The fourth statement with code X1.2A in the survey obtained the highest score of 249, while the eighth statement with code X1.3B obtained the lowest score of 233.

Table 3
Frequency of Responses to the Variable of Apparatus Competence

Code	x	SD	D	N	A	SA	Total	Average	Description
		1	2	3	4	5			
X1.1A	f	0	0	6	26	23	55	240.33	Very High
	fx	0	0	18	104	115	237		
X1.1B	f	0	0	6	21	28	55		
	fx	0	0	18	84	140	242		
X1.1C	f	0	2	2	23	28	55		
	fx	0	4	6	92	140	242		
X1.2A	f	0	1	5	13	36	55	243	Very High
	fx	0	2	15	52	180	249		
X1.2B	f	0	0	6	21	28	55		
	fx	0	0	18	84	140	242		
X1.2C	f	0	1	4	26	24	55		
	fx	0	2	12	104	120	238		
X1.3A	f	0	3	4	21	27	55	235	Very High
	fx	0	6	12	84	135	237		
X1.3B	f	0	3	4	25	23	55		
	fx	0	6	12	100	115	233		
Average score of apparatus competence variable								239.44	Very High

Source: Data questionnaire processing results, 2024

2. Internal Control Variable (X2)

Based on the collection and processing of questionnaire data from respondents, here are the responses given by the respondents regarding the internal control variable presented in Table 4.

Table 4
Frequency of Responses to the Variable of Internal Control

Code	x	SD	D	N	A	SD	Totali	Average	Description
		1	2	3	4	5			
X2.1A	f	0	4	12	25	14	55	217.5	High
	fx	0	8	36	100	70	214		
X2.1B	f	0	2	11	26	16	55		
	fx	0	4	33	104	80	221		
X2.2	f	0	5	14	23	13	55	209	High
	fx	0	10	42	92	65	209		
X2.3	f	0	5	11	25	14	55	218	High
	fx	0	15	33	100	70	218		
X2.4A	f	0	3	12	25	15	55	218	High
	fx	0	6	36	100	75	217		
X2.4B	f	0	2	13	24	16	55		
	fx	0	4	39	96	80	219		
X2.5A	f	0	4	11	22	18	55	221.5	High
	fx	0	8	33	88	90	219		
X2.5B	f	0	2	13	19	21	55		
	fx	0	4	39	76	105	224		
Average score of internal control variable								216.8	High

Source : Data questionnaire processing results, 2024

The survey results indicate that the average score for the internal control variable is 216.8. According to the measurement criteria in Table 2, this score falls into the "high" category (range 187 – 230.9). The eighth statement with code X2.5B in the survey obtained the highest score, which is 224, while the third statement with code X2.2 obtained the lowest score, which is 209.

3. Whistleblowing Variable (X3)

Based on the collection and processing of questionnaire data from respondents, here are the responses given by the respondents regarding the whistleblowing variable presented in Table 5.

Table 5
Frequency of Responses to the Variable of Whistleblowing

Code	x	SD	D	N	A	SD	Totali	Average	Description
		1	2	3	4	5			
X3.1A	f	0	5	6	19	25	55	231	Very high
	fx	0	10	18	76	125	229		
X3.1B	f	0	3	8	17	27	55		
	fx	0	6	24	68	135	233		
X3.2A	f	0	5	6	21	23	55		
	fx	0	10	18	84	115	227	232	Very high
X3.2B	f	0	1	9	17	28	55		
	fx	0	2	27	68	140	237		
X3.3A	f	0	6	5	17	27	55		
	fx	0	12	15	68	135	230	231.5	Very high
X3.3B	f	0	3	7	19	26	55		
	fx	0	6	21	76	130	233		
Average score of whistlebowing variable								231.5	Very high

Source : Data questionnaire processing results, 2024

The survey results indicate that the average score for the whistleblowing variable is 231.2. Based on the measurement criteria in Table 2, this variable falls into the "very high" category (range 231-275). The fourth statement with code X3.2B in the survey obtained the highest score, which is 237, while the third statement with code X3.2A obtained the lowest score, which is 227.

4. Religiosity Variable (Z)

Based on the collection and processing of questionnaire data from respondents, here are the responses given by the respondents regarding the religiosity variable presented in Table 6.

The survey results indicate that the average score for the religiosity variable is 239. Based on the measurement criteria in Table 2, this variable falls into the "very high" category (range 231-275). The second statement with code Z.2 in the survey obtained the highest score, which is 246, while the first statement with code Z.1 obtained the lowest score, which is 236.

Table 6
Frequency of Responses to the Variable of religiosity

Code	x	SD	D	N	A	SA	Totali	Average	Description
		1	2	3	4	5			
Z.1	f	0	4	5	17	29	55	236	Very high
	fx	0	8	15	68	145	236		
Z.2	f	0	3	5	10	37	55	246	Very high
	fx	0	6	15	40	185	246		
Z.3	f	0	3	6	15	31	55	239	Very high
	fx	0	6	18	60	155	239		
Z.4	f	0	3	6	17	29	55	237	Very high
	fx	0	6	18	68	145	237		
Z.5	f	0	5	4	15	31	55	237	Very high
	fx	0	10	12	60	155	237		
Average score of religiosity variable								239	Very high

Source : Data questionnaire processing results, 2024

5. Variable Fraud Prevention (Y)

Based on the data collection and questionnaire processing results from respondents, here are the answers provided by respondents regarding the fraud prevention variable presented in the following Table 7.

Table 7
Frequency of Responses to the Variable of Fraud Prevention

Code	x	SD	D	N	A	SA	Totali	Average	Description
		1	2	3	4	5			
Y.1A	**f**	0	0	10	20	25	55	237	Very high
	fx	0	0	30	80	125	235		
Y.1B	**f**	0	3	7	13	32	55		
	fx	0	6	21	52	160	239		
Y.2	**f**	0	6	4	11	34	55	238	Very high
	fx	0	12	12	44	170	238		
Y.3A	**f**	0	1	9	13	32	55	242.5	Very high
	fx	0	2	27	52	160	241		
Y.3B	**f**	0	1	9	10	35	55		
	fx	0	2	27	40	175	244		
Y.4A	**f**	0	4	6	13	32	55	233.5	Very high
	fx	0	8	12	52	160	232		
Y.4B	**f**	0	5	5	15	30	55		
	fx	0	10	15	60	150	235		
Y.5	**f**	0	6	3	14	32	55	237	Very high
	fx	0	12	9	56	160	237		
Average score of fraud prevention variable								237.6	Very high

Source : Data questionnaire processing results, 2024

Based on the survey results, the average score for the fraud prevention variable is 237.6. According to the measurement criteria in Table 2, this score falls into the "very high" category (range 231-275). Statement number five with code Y.3B in the survey obtained the highest score of 244, while statement number six with code Y.4A obtained the lowest score of 232.

Test of Measurement Model (Outer Model)

1. Convergent Validity Test

An indication's convergent validity is evaluated by looking at the relationship between the construct scores and item/component scores. According to Ghozali and Kususmadewi (2023), a reflective measure is deemed high if its correlation coefficient is greater than 0.7 with the constructs being tested. Table 8 shows the loading factor results for each indicator.

Table 8
Convergent validity test

Variable	Indicator	Outer Loadings	Description
Apparatus competence (X_1)	X1.1A	0.829	Validi
	X1.1B	0.863	Validi
	X1.1C	0.836	Validi
	X1.2A	0.848	Validi
	X1.2B	0.859	Validi
	X1.2C	0.809	Validi
	X1.3A	0.913	Validi
	X1.3B	0.872	Validi
Internal control (X_2)	X2.1A	0.915	Validi
	X2.1B	0.861	Validi
	X2.2	0.895	Validi
	X2.3	0.891	Validi
	X2.4A	0.886	Validi
	X2.4B	0.924	Validi
	X2.5A	0.905	Validi
	X2.5B	0.896	Validi
Whistleblowing (X_3)	X3.1A	0.934	Validi
	X3.1B	0.946	Validi
	X3.2A	0.929	Validi
	X3.2B	0.936	Validi
	X3.3A	0.957	Validi
	X3.3B	0.930	Validi
Religiosity (Z)	Z.1	0.939	Validi
	Z.2	0.949	Validi
	Z.3	0.936	Validi
	Z.4	0.903	Validi
	Z.5	0.945	Validi
Fraud prevention (Y)	Y.1A	0.922	Validi
	Y.1B	0.956	Validi
	Y.2	0.951	Validi
	Y.3A	0.943	Validi
	Y.3B	0.963	Validi
	Y.4A	0.950	Validi
	Y.4B	0.951	Validi
	Y.5	0.888	Validi

Source : Ouput SmartPLS, 2024

Table 8 shows that the data processing results using SmartPLS indicate that all outer loading values are > 0.7 thus meeting the test of convergent validity or already valid.

2. Discriminant Validity Test

According to Ghozali and Kususmadewi (2023), one way to assess discriminant validity is by the use of Fornell-Larcker. The Fornell-Larcker criteria states that if a variable's square root of average variance extracted (AVE) is higher than the correlation between the variables, the model has good discriminant validity (Ghozali and Kususmadewi, 2023). Table 9 shows the Fornell-Larcker values in this study.

Table 9
Fornell-Larcker

	X_1	X_2	X_3	Y	Z
X_1	**0.854**				
X_2	0.285	**0.897**			
X_3	0.435	0.099	**0.939**		
Y	0.747	0.521	0.466	**0.941**	
Z	0.228	0.119	0.282	0.406	**0.934**

Source : Ouput SmartPLS, 2024

Table 9 demonstrates that for every variable, the square root of the AVE is higher than the association with other factors. This suggests that the variables' discriminant validity has been attained.

3. Composite Reliability Test

The criteria for validity and reliability can also be ascertained using the Average Variance Extracted (AVE) values for each construct and the reliability value of a construct. A construct is deemed to have strong reliability if its AVE is larger than 0.5 and its reliability value is over 0.7 (Ghozali and Kususmadewi, 2023). The Composite Reliability and AVE values for each variable are shown in Table 10.

Table 10
omposite Reliability and Average Variance Extracted (AVE) values

Variable	CompositeiReliability	AVE
Apparatus competence (X_1)	0.983	0.885
Internal control (X_2)	0.951	0.729
Whistleblowing (X_3)	0.971	0.805
Religiosity (Z)	0.978	0.873
Fraud prevention (Y)	0.979	0.881

Source : Ouput SmartPLS, 2024

Table 10 demonstrates that the Average Variance Extracted (AVE) values are greater than 0.5 and the composite reliability values are greater than 0.7 for all constructs. Thus, it may be concluded that this study's constructs are all trustworthy.

Structural Model Testing (Inner Model)

A structural analysis is the analysis used to test the hypothesis or model (inner model). The structural model that links the latent variables is also evaluated in this approach (Ghozali and Kususmadewi, 2023).

R-square

According to Ghozali and Kususmadewi (2023), the first step in assessing the structural model in PLS is to look at each endogenous latent variable's R-square value, which

indicates the structural model's predictive power. R-square values of 0.75 (strong), 0.50 (moderate), and 0.25 (weak) are typically taken into consideration when determining whether a specific independent latent variable has a considerable impact on the dependent latent variable (Ghozali and Kususmadewi, 2023). The following Table 11 presents the R-square values in this study.

Table 11
R-Square

Variable	R-Square
Fraud prevention (Y)	0.861

Source : Ouput SmartPLS, 2024

Table 11 shows that the R-square value of the fraud prevention variable is 0.861 or 86.1%. According to this finding, 86.1% of the variation in the dependent (endogenous) variable can be described by the independent (exogenous) variables and the moderation variable, with the remainder being explained by factors not included in the suggested model.

Q-square

If the Q-square value of a model is greater than zero, it is considered to have relevant predictive value (Ghozali and Kususmadewi, 2023). Table 12 presents the Q-square values in this study.

Table 12
Q-square

Variable	$Q^2predict$
Fraud prevention (Y)	0.745

Source : Ouput SmartPLS, 2024

Table 12 shows a Q-square result of 0.745 or 74.5%, which is greater than zero. This means that the model in this study is suitable for explaining the dependent variable, which is fraud prevention. Additionally, a Q-square value greater than zero also indicates that the independent variables and the moderation variable have predictive relevance for the dependent variable in this study.

Hypotheses Testing

According to Ghozali and Kususmadewi (2023), the t-statistic and p-value are examined when conducting hypothesis testing. The route coefficient, also known as the model coefficient, indicates the significance level in hypothesis testing. The statistics must display a path coefficient or model coefficient score greater than 1.96 (significance level = 5%) (Sarwono and Narimawati, 2015). Table 13 presents the hypothesis testing results in SmartPLS.

Table 13
Path Coefficient

Indicator	Original Sample (O)	Sample Mean (M)	Standar Deviation (STDEV)	T-statistics (|O/STDEV|)	P Values
Competence of Apparatus (X1) -> Fraud Prevention (Y)	0.229	0.259	0.101	2.276	0.023
Internal Control (X2) -> Fraud Prevention (Y)	0.277	0.286	0.063	4.408	0.000
Whistleblowing (X3) -> Fraud Prevention (Y)	0.450	0.456	0.116	3.886	0.000
Religiosity (Z) x Competence of Apparatus (X1) -> Fraud Prevention (Y)	-0.125	-0.133	0.106	1.180	0.238
Religiosity (Z) x Internal Control (X2) -> Fraud Prevention (Y)	-0.069	-0.111	0.087	0.788	0.431
Religiosity (Z) x Whistleblowing (X3) -> Fraud Prevention (Y)	0.352	0.290	0.131	2.692	0.007

Source : Ouput SmartPLS, 2024

Based on Table 13 path coefficients, the explanations are as follows:

1. H1 indicates a path coefficient of 0.229 (positive) with P-values (0.023 < 0.05) and T-statistics (2.276 > 1.96). This signifies that apparatus competence has a positive and significant impact on preventing fraud in village fund management. Thus, H1 is accepted.
2. H2 indicates a path coefficient of 0.277 (positive) with P-values (0.000 < 0.05) and T-statistics (4.408 > 1.96). This suggests that internal control has a positive and significant impact on preventing fraud in village fund management. Therefore, H2 is accepted.
3. H3 shows a path coefficient of 0.450 (positive) with P-values (0.000 < 0.05) and T-statistics (3.886 > 1.96). This indicates that whistleblowing has a positive and significant impact on preventing fraud in village fund management. Therefore, H3 is accepted.
4. H4 shows a path coefficient of -0.125 (negative) with P-values (0.238 > 0.05) and T-statistics (1.180 < 1.96). Religiosity does not moderate the relationship between apparatus competence and fraud prevention in village fund management. H4 is rejected.
5. H5 shows a path coefficient of -0.069 (negative) with P-values (0.431 > 0.05) and T-statistics (0.788 < 1.96). Religiosity does not moderate the relationship between internal control and fraud prevention in village fund management. H5 is rejected.
6. H6 shows a path coefficient of 0.352 (positive) with P-values (0.007 < 0.05) and T-statistics (2.692 > 1.96). Religiosity significantly moderates the impact of whistleblowing on fraud prevention in village fund management. H6 is accepted.

Discussion

The Influence of Apparatus Competence on the Prevention of Fraud in Village Fund Management

The results of hypothesis testing indicate that the competence of village apparatus in the The outcomes of the hypothesis test show that the Batin XXIV sub-district's village apparatus's proficiency has a favorable impact on preventing fraud in the management of village funds. This implies that preventive measures against fraud in village fund

management might be encouraged by the competency of village administrators. These findings support the hypothesis that fraud prevention rises with the competency of village authorities in the Batin XXIV subdistrict. As a result, fraud prevention benefits from apparatus competency. Previous research by Priandini and Biduri (2023) and Wahyudi et al. (2021) that shown apparatus competency had a positive and significant impact on fraud prevention lends weight to this research finding.

The Influence of Internal Control on the Prevention of Fraud in Village Fund Management
According to the findings of the hypothesis test, internal control helps to avoid fraud in the management of village funds in the Batin XXIV subdistrict's villages. This implies that village internal controls can encourage proactive measures against fraud in the administration of village funds. Furthermore, the analysis's findings show that the Batin XXIV sub-districts village apparatus has successfully and in accordance with goals implemented internal control, averting possible fraud incidents. The organization benefits from the effective and efficient operation of internal control, which is facilitated by the alignment of goals and compliance with each village apparatus. This research finding is consistent with studies by Oktaviani and Biduri (2023) and Fikri et al. (2021), which found that internal control has a significant impact on fraud prevention.

The Influence of Whistleblowing on the Prevention of Fraud in Village Fund Management
According to the results of the hypothesis test, whistleblowing in the Batin XXIV sub-districts villages helps to avoid fraud in the management of village funds. This shows that the Batin XXIV sub-districts village whistleblower program can promote proactive measures against village budget management fraud. Effective implementation of the whistleblowing system can reduce fraud in the management of village funds. These findings suggest that fraud prevention will rise in tandem with whistleblowing in the Batin XXIV subdistrict's villages. Whistleblowing, thus, benefits the fight against fraud.. This research finding is consistent with studies conducted by Ramadhan and Setiawati (2023) and Setiyowati et al. (2022), where the results obtained show that whistleblowing has a significant impact on fraud prevention.

The Influence of Religiosity on the Relationship Between Apparatus Competence and Fraud Prevention in Village Fund Management
The findings of the hypothesis test show that there is no association between religion and the ability of the village machinery to prevent fraud in the management of village funds. This demonstrates that the level of religiosity exhibited by the village apparatus in Batin XXIV District has no effect on the strength or weakness of the association between the apparatus's ability to avoid fraud in the management of village funds. These results conflict with the research conducted by Mahdi et al. (2021), which showed that spiritual intelligence affects the relationship between the ability of village government resources to avoid fraud and the administration of village funds. A village's apparatus with high levels of competency and spiritual intelligence will be highly adept at preventing fraud.

The Influence of Religiosity on the Relationship Between Internal Control and Fraud Prevention in Village Fund Management
The results of the hypothesis test show that the association between internal control and fraud prevention in the management of village funds is not moderated by religiosity. This demonstrates that the relationship between internal control and the avoidance of fraud in village fund management is not strengthened nor weakened by the degree of religiosity

exhibited by the village apparatus in Batin XXIV District. The results of this investigation are in line with those of Fasa et al. (2024), who demonstrated that internal control's impact on fraud is not mitigated by religiosity. However, these results contrast with the study by Maulana et al. (2022), which found that religiosity does influence the relationship between internal control and fraud prevention in village fund management. Good internal control, supported by high religiosity among individual apparatus, can prevent fraud in village financial management.

The Influence of Religiosity on the Relationship between Whistleblowing and Fraud Prevention in Village Fund Management

According to the results of the hypothesis test, the relationship between fraud prevention and whistleblowing in village fund management is moderated by religiosity. This indicates that fraud prevention in village budget management in the villages of Batin XXIV sub-district is influenced by whistleblowing intentions that are moderated by religiosity. It suggests that more religious village apparatus tend to have stronger whistleblowing motives, which reduce or even eliminate fraud. These findings are consistent with the study by Rahmadhan and Setiawati (2023), which shows that religiosity moderates the relationship between fraud prevention and whistleblowing. A person is more likely to act morally when their level of religiosity is higher. On the other hand, less religious individuals may be more prone to committing fraud.

CONCLUSION AND SUGGESTION

Competency of officials, internal control, and whistleblowing all have a positive influence on fraud prevention in village fund management, indicating that improvements in each of these variables will enhance fraud prevention. Competent officials will carry out their duties responsibly, good internal control systems will minimize fraud, and effective whistleblowing will prevent officials from engaging in fraud. However, religiosity does not moderate the relationship between competency of officials or internal control and fraud prevention, indicating that the presence of religiosity is not strong enough to enhance the influence of competency or internal control in preventing fraud. On the other hand, religiosity can moderate the relationship between whistleblowing and fraud prevention, indicating that officials with high levels of religiosity are more likely to increase whistleblowing, thus preventing fraud in village fund management. It is recommended that future research take into account including elements that have not before been examined, including financial reporting, and include more respondents who are involved in managing village funds.

REFERENCES

Ancok, D., & Suroso, F. N. (2011). Psikologi Islam : Solusi Islam dan Problem-Problem Psikologi. Pustaka Pelajar.

Association of Certified Fraud Examiners (ACFE). (2020). 2020-Report-to-the-Nations.

Badan Pusat Statistik Kabupaten Batang Hari. (2023). Kabupaten Batang Hari Dalam Angka Badan Pusat Statistik Kabupaten Batang Hari BPS-Statistics of Batang Hari Regency.

Biduri, S., Ferisanti, R. A., & Sigit. (2023). Pencegahan Kecurangan di Pemerintah Desa melalui Moralitas Individual. Jurnal Riset Dan Aplikasi: Akuntansi Dan Manajemen, 6(2). https://doi.org/10.33795/jraam.v6i2.005

Committee of Sponsoring Organizations of the Treadway Commission.2017. Enterprise Risk Management Integrating with Strategy and Performance. Executive Summary.

Fasa, M. A., Sudaryanti, D., & Hidayah, N. (2024). Pencegahan Fraud Pada Karyawan BMT Syariah Jatim Melalui Pendekatan Pengendalian Sistem Internal Dan Kesesuaian Kompensasi Dengan Religiusitas Sebagai Variabel Moderasi. Jurnal Ilmu Sosial Dan Humaniora, 7(1). https://jayapanguspress.penerbit.org/index.php/ganaya165

Fikri, A. S., Hizazi, & Ratih K. (2021). The Effect Of Internal Control Systems, Compliance Of Government Financial Reporting, Organization And Whistleblowing Cultural Culture On Village Prevention Prevention Of Village Funds Management With Morality As Moderating Variables. Akuntansi Dan Keuangan Universitas JAMBI, 6, 231–242. https://online-journal.unja.ac.id/jaku

Ghozali, I., & Kususmadewi, K. A. (2023). Partial Least squares: Konsep, Teknik, dan Aplikasi menggunakan program SmartPLS 4.0 untuk penelitian empiris (Apriliya Heri S, Ed.). Yoga Pratama.

Hayati, N., & Amalia, I. (2021). The effect of religiosity and moderation of morality on fraud prevention in the management of village funds. The Indonesian Accounting Review, 11(1), 105. https://doi.org/10.14414/tiar.v11i1.2297

Heriningsih, S., Sudaryati, D., & Pemoderasi, S. (2019). Pengaruh Good Governance Dan Kompetensi Sumber Daya Manusia Terhadap Pengelolaan Dana Desa Dengan Religiusitas Sebagai Pemoderasi. http://www.kpk.

Indonesia Corruption Watch. 2023. Laporan Pemantauan Tren Penindakan Kasus Korupsi Tahun 2022.

Kementerian Dalam Negeri Republik Indonesia. 2014. Peraturan Menteri Dalam Negeri Republik Indonesia Nomor 113 Tahun 2014 tentang Pengelolaan Keuangan Desa.

Komite Nasional Kebijakan Governance (KNKG). 2008. Pedoman Sistem Pelaporan Pelanggaran-SPP (Whistleblowing System-WBS). Jakarta : KNKG.

Laksmi, P.S.P., & Sujana, I. K. (2019). Pengaruh Kompetensi SDM, Moralitas dan Sistem Pengendalian Internal Terhadap Pencegahan Fraud Dalam Pengelolaan Keuangan Desa. E-Jurnal Akuntansi, 2155. https://doi.org/10.24843/eja.2019.v26.i03.p18

Mahdi, S. A. R., Djaelani, Y., Suwito, & Buamonabot, I. (2021). Determinants of fraud prevention with spiritual intelligence as moderator. Estudios de Economia Aplicada, 39(12). https://doi.org/10.25115/eea.v39i12.6004

Maulana, R., Purnamasari, P., & Maemunah, M. (2022). Pengaruh Lingkungan Pengendalian dan Religiusitas terhadap Pencegahan Kecurangan. Bandung Conference Series: Accountancy, 2(2). https://doi.org/10.29313/bcsa.v2i2.2824

Oktaviani, Y., & Biduri, S. (2023). Determinan Fraud Prevention Atas Pengelolaan Keuangan Desa (Studi Empiris Pada Seluruh Desa Kabupaten Sidoarjo). 11(3). https://doi.org/10.26740/jupe.v11n3.p231

Pratiwi, N., & Handayani, A. P. (2023). Pencegahan Kecurangan Pengelolaan Dana Desa Oleh Aparat Desa Di Kabupaten Kulonprogo. 07. Https://Doi.Org/10.26460/Ad.V7i1

Priandini, Al, E. M., & Biduri, S. (2023). Pengaruh Kompetensi Sumber Daya Manusia, Whistleblowing System, Moralitas Individu, dan Sistem Pengendalian Internal terhadap Pencegahan Fraud dalam Pengelolaan Dana BUMDes di Kabupaten Sidoarjo. Innovative Technologica: Methodical Research Journal, 2(4). https://doi.org/10.47134/innovative.v2i4

Putri, A. Z., & Prasiwi, F. D. (2021). Faktor-Faktor Yang Mempengaruhi Pencegahan Fraud Dalam Pengelolaan Keuangan Desa. Akmenika,18(2). https://doi.org/https://doi.org/10.31316/akmenika.v18i2.2141

Ramadhan, B. N. G., & Setiawati, E. (2023). The Effect of Whistleblowing Intention on Fraud Prevention With Religiusity as a Moderation Variable. International Journal of Economics Development Research, 4(2), 646–659.

Republik Indonesia. (2008). Peraturan Pemerintah Nomor 60 Tahun 2008 tentang Sistem Pengendalian Intern Pemerintah.

Romadaniati, Taufik, T., & Nasir, A. (2020). The Influence Of Village Aparature Competence, Internal Control System And Whistleblowing System On Fraud Prevention In Village Government With Individual Morality As Moderated Variables (Study In Villages In Bengkalis District). In Jurnal Ilmiah Akuntansi (Vol. 4, Issue 3). http://www.ejournal.pelitaindonesia.ac.id/ojs32/index.php/BILANCIA/index

Rosifa D., & Supriatna, I. (2022). Analisis Faktor-Faktor yang Mempengaruhi Kecenderungan Kecurangan pada Pengelolaan Dana Desa (Survei pada Pemerintahan Desa di Kabupaten Bandung Barat). Indonesian Accounting Research Journal, 2(3), 218–236. https://doi.org/10.35313/iarj.v2i3.4117

Sarwono, J., & Narimawati, U. (2015). Membuat Skripsi, Tesis, dan Disertasi dengan Partial Least Square SEM (PLS-SEM). Andi Offset.

Setiyowati, S. W., Irianto, M. F., dan Tyasari, I. (2022). Determinan Pencegahan Kecurangan Pengelolaan Dana Desa Dimoderasi Kompetensi Aparatur. https://doi.org/10.35138/organu

Sugiyono. (2019). Metode Penelitian Kuantitatif, Kualitatif, dan R&D. Alphabet.

Suryandari, E., & Pratama, L. V. (2021). Determinan Fraud Dana Desa: Pengujian Elemen Fraud Hexagon, Machiavellian, dan Love of Money. Reviu Akuntansi Dan Bisnis Indonesia, 5(1), 55–78. https://doi.org/10.18196/rabin.v5i1.11688

Triantoro, H. D., Utami, I., & Joseph, C. (2020). Whistleblowing system, Machiavellian personality, fraud intention: An experimental study. Journal of Financial Crime, 27(1), 202–216. https://doi.org/10.1108/JFC-01-2019-0003

Tuanakotta, T. M. (2014). Akuntansi Forensik dan Audit Investigatif. Jakarta. Salemba Empat.

Republik Indonesia. (2014). Undang-Undang Nomor 6 Tahun 2014 tentang Desa

Wahyudi, S., Achmad, T., & Pamungkas, I. D. (2021). Village apparatus competence, individual morality, internal control system and whistleblowing system on village fund fraud. WSEAS Transactions on Environment and Development, 17, 672–684. https://doi.org/10.37394/232015.2021.17.65

Yusuf, M., Ibrahim, I., Yusdhaniar, & Indah Waty, F. (2021). Pengaruh kompetensi aparatur, system pengendalian intern dan moralitas individu terhadap pencegahan fraud dana desa. Jae (jurnal akuntansi dan ekonomi), 6(2), 1–12. https://doi.org/10.29407/jae.v6i2.15008