

Determinants of Quality of Regional Financial Reports Using Fraud Triangle Theory

Dewi Sinto¹ Evi Maria²

Satya Wacana Christian University, Salatiga, Indonesia^{1,2}

Abstract. The research aims to find empirical evidence of the determinants of the quality of regional financial statements in Central Java Province from the perspective of the fraud triangle theory. The research sample is limited to local government financial reports in Central Java Province for the 2016-2019 fiscal year, with a total sample of 175 observations. Data were analyzed using multiple linear regression analysis. The research results found that pressure and rationalization did not affect the quality of financial reports in the regional government of Central Java Province. Meanwhile, the opportunity negatively influence the local government's financial information quality. The higher the opportunity to cheat, the lower the quality of local government financial statements, and vice versa. The theoretical implication is that this research finds empirical evidence that local government financial reports will be of higher quality if the opportunity to commit fraud is low. While the policy implications for the government, implementing good supervision is needed so that the opportunity for cheating is reduced and the financial reports presented can be of good quality. The novelty of this research is the use of fraud theory, namely the fraud triangle theory, to explain the factors that affect the quality of financial reports in local governments. So far, research in the field of Public Accounting has focused chiefly on researching changes in accounting methods, so research linking fraud theory and the quality of financial reports in local governments is still limited in number.

Keywords. Opportunity; Pressure; Quality of regional financial statements; Rationalization

Abstrak. Tujuan riset ini adalah untuk menemukan bukti empiris determinan dari kualitas laporan keuangan pemerintah daerah di Provinsi Jawa Tengah dari persepektif teori *fraud triangle*. Sampel riset ini adalah laporan keuangan pemerintah daerah di Provinsi Jawa Tengah untuk tahun anggaran 2016-2019. Total sampel 175 observasi. Data dianalisis menggunakan analisis regresi linear berganda. Hasil riset menemukan bahwa faktor tekanan dan rasionalisasi tidak memiliki pengaruh pada kualitas laporan keuangan pemerintah daerah di Provinsi Jawa Tengah. Sedangkan, faktor kesempatan memiliki pengaruh negatif pada kualitas laporan keuangan. Ini artinya, semakin tinggi kesempatan untuk berbuat curang maka semakin rendah kualitas laporan keuangan pemerintah daerah, dan sebaliknya. Implikasi teori, riset ini menemukan bukti empiris bahwa laporan keuangan pemerintah daerah akan semakin berkualitas jika kesempatan berbuat curang rendah. Sedangkan implikasi kebijakan bagi pemerintah, implementasi sistem pengendalian internal yang baik diperlukan agar kesempatan berbuat curang berkurang dan laporan keuangan yang disajikan dapat berkualitas. Kebaruan riset ini ada pada penggunaan teori *fraud*, yaitu teori *fraud triangle* untuk menjelaskan faktor yang memengaruhi kualitas laporan keuangan di pemerintah daerah. Selama ini, riset di bidang Akuntansi Publik kebanyakan hanya fokus meneliti tentang perubahan metode akuntansi, sehingga riset yang menghubungkan teori *fraud* dan kualitas laporan keuangan di pemerintah daerah masih terbatas jumlahnya.

Kata kunci. Kualitas Laporan Keuangan; Pemerintah Daerah; Kesempatan; Rasionalisasi; Tekanan

Corresponding author. Email: dewi.sinto@gmail.com¹, evi.maria@uksw.edu²

How to cite this article. Sinto, D. & Maria, E. (2023), Determinants of Quality of Regional Financial Reports Using Fraud Triangle Theory. *Jurnal Riset Akuntansi dan Keuangan*, 11(1) 219-230.

History of article. Received: Juni 2023, Revision: Juli 2023, Published: Agustus 2023

Online ISSN: 2541-061X. Print ISSN: 2338-1507. DOI: 10.17509/jrak.v11i2.51840

Copyright©2023. Published by Jurnal Riset Akuntansi dan Keuangan. Program Studi Akuntansi. FPEB. UPI

INTRODUCTION

Quality financial management occurs when financial statement information is fully presented for users (Yesiariani & Rahayu, 2017) and financial statements are free from fraudulent actions (Primadhany & Puspaningsih, 2018). The government strives to improve financial report quality by

reforming regional financial management. The milestone for regional financial management reform began with the implementation of the regional autonomy policy as regulated in Law No. 22/1999, which was later revised into Law No. 32/2004 dan Law No. 23/2014 on Regional Government and Law No. 33/2004 concerning Financial Balance between the Central

Government and Regional Governments. Consequently, local governments can regulate the sources of funds to determine the direction, objectives, and targets for using the budget. The preparation of government financial statements must also refer to Government Regulation No. 71/2010 concerning Government Accounting Standards (GAS). GAS stipulates that the management and reporting of government finances must be done honestly, accountable, and transparently. The government must also control risk in its institutions by implementing an internal control system (ICS). The aim is to provide adequate confidence in achieving effectiveness and efficiency, reliability of financial reporting, safeguarding state assets, and compliance with laws and regulations (Government Regulation No. 60/2008) to create a clean and free state administration from corruption, collusion, and nepotism.

Research on the determinants of the quality of regional financial reports has been carried out in Indonesia, such as the research conducted by Karmila et al. (2012), Yendrawati (2013), Pradono & Basukianto (2015), Suarmika & Suputra (2016). Previous research has examined the role of human resources, information technology, internal control system, the role of Financial Administration Officials for Regional Apparatus Work Units (in Indonesia called PPK-SKPD), and reconciliation on the quality of financial reporting. The quality of financial reporting is measured using a questionnaire developed based on the qualitative characteristics of financial information according to Government Regulation No. 71/2010, as relevant, reliable, comparable, and understandable. The research results found that human resource capacity influences the quality of regional financial reporting.

An exciting thing is Susanti & Budiwitjaksono's (2020) research which tries to test the theory of fraud to identify factors that affect the quality of financial statement management in the Malang City Government. Susanti & Budiwitjaksono (2020) found that pressure, opportunity, rationalization, and ability influence the quality of financial

statement management. Research that tries to test the theory of fraud with the quality of financial reports is still few, so Susanti & Budiwitjaksono (2020) suggest that future research still needs to be done. Research in the Government Accounting field has only focused on identifying changes in accounting methods (Maria et al., 2019). This condition makes research examining the relationship between fraud theory and the quality of financial reports interesting. Therefore, this research was conducted to find empirical evidence of the quality determinants of regional financial statements from the perspective of the fraud triangle theory (Cressey, 1953), namely pressure, opportunity, and rationalization. The fraud triangle theory is used because this theory can explain the phenomenon of fraud that occurs in local governments in Indonesia (Maria & Gudono, 2017; Muhtar et al., 2018).

This research was conducted at the district/city government in Central Java Province for two reasons. First, although many audit opinions in district/city governments in Central Java Province have received Unqualified Opinions, the Finance Bureau of the Regional Secretariat of Central Java Province still finds inaccurate Local Government Financial Report data, SKPD also has not been able to present financial statement items properly. The Notes to Financial Statements are also still offered less informative and complete (Pradono & Basukianto, 2015). Not a few, even a regional head, such as Indra Kusuma (Regent of Brebes), Soemarmo (Mayor of Semarang), Ikmal Jaya and Siti Masitha Soeparno (Mayor of Tegal), Sri Hartini (Regent of Klaten), and Tasdi (Regent of Purbalingga). Therefore, research needs to be done to identify the determinants of the quality of financial reports from the perspective of the fraud triangle theory in district/city governments in Central Java Province.

This research is expected to provide two contributions. First, research results contribute to the development of knowledge in the field of Public Accounting because it provides empirical evidence of factors determining the quality of regional financial

reports. Second, contribute to the government, both the central government and local governments as policymakers because the research results provide information on what factors need to be considered by local governments to improve the quality of regional financial reports and eliminate fraud that occurs in local governments.

RESEARCH METHODOLOGY

Research Samples and Data

The population of this research is the district/city government in Central Java Province, namely 29 district governments and six city governments. District/city governments in Central Java Province because although audit opinions in district/city governments in Central Java Province are already many that are Unqualified, the Finance Bureau of the Regional Secretariat of Central Java Province still finds data on Regional Government Financial Reports, which is not accurate (Pradono & Basukianto, 2015) and several regional heads in Central Java Province who were caught in the Corruption Eradication Commission (in Indonesia called KPK) Hand Arrest Operation. This research sample is limited to district/city local governments in Central Java Province during the 2016-2019 fiscal year. The sample was selected using a purposive sampling method with three criteria. First, local governments have been audited by

the State Audit Board of the Republic of Indonesia (in Indonesia called BPK-RI). Second, the type of BPK-RI audit is an audit of financial statements. Third, the Audit Report of BPK-RI contains an Audit Report on Compliance with the Internal Control System (ICS) and Compliance with the Law.

The data used in this research is secondary data. The Audit Report of BPK-RI data on district/city governments in Central Java Province for the 2016-2019 fiscal year were obtained from the BPK-RI office. Data on names of autonomous regions, sub-district data, and population data for districts/cities in Central Java Province for 2016-2019 were obtained from the website of the Central Bureau of Statistics (in Indonesia called BPS). The method of data collection was carried out using a documentation study, namely by collecting secondary data in the form of notes, financial reports, and other information related to this research.

Operational Definition and Measurement of Variables

The dependent variable of the research is the quality of financial reports. This research has three independent variables: pressure, opportunity, and rationalization. The summary of operational definitions and measurement of variables in this research is presented in Table 1.

Table 1. Measurement of Research Variables

Variable	Code	Measurement	Reference
Financial Report Quality	FRQ	Audit Opinion, score 1 if Disclaimer Opinion, score 2 if Adverse Opinion, score 3 if Qualified Opinion, score 4 of Unqualified Opinion with Paragraph Emphasizing Matter, score 5 if Unqualified Opinion.	The audit report of BPK-RI during 2019-2021
Pressure	P	Regional Original Income, the ratio of Regional Original Income divided by total Regional Income (ROIRI), and the ratio of Regional Original Income divided by total Regional Expenditure (ROIRE).	The audit report of BPK-RI during 2019-2021.
Opportunity	O	Number of sub-districts, natural logarithm of total assets, total population, and natural logarithm of capital expenditures.	The audit report of BPK-RI during 2019-2021 and the BPS report.

Rationalization	R	Number of auditee responses.	The audit report of BPK-RI during 2019-2021.
-----------------	---	------------------------------	--

Financial Report Quality

Quality financial reports are financial reports that are relevant, reliable, comparable, and understandable (Government Regulation No. 71/2010). Measurement of the quality of financial reports is the same as research conducted by Djanegara (2017) using audit opinion proxies. The smaller the misstatement or discrepancy with Government Accounting Standards, the better the quality of local government financial reports. This is because the Unqualified Opinion gains more trust and is considered more reliable by users of financial statements (Djanegara, 2017; Sasmita, 2021). The audit opinion of BPK-RI on the financial statements is measured using a dummy variable. Score 1 for Disclaimer Opinion, 2 for Adverse Opinion, 3 for Qualified Opinion, 4 for Unqualified Opinion with Paragraph Emphasizing Matter, 5 for Unqualified opinion.

Pressure, Opportunity, and Rationalization

This research uses the definition of pressure in Maria & Gudono's study (2017), namely conditions that encourage fraud in organizations. Pressure is measured using proxies generated from research Maria et al. (2018), namely the amount of Regional Original Income, the ratio of Regional Original Income divided by total Regional Income (ROIRI), and the ratio of Regional Original Income divided by total Regional Expenditure (ROIRE). If Regional Original Income, ROIRI, and ROIRE show high values, the local government is under pressure. Regional Original Income data is transformed into natural logarithms to avoid high data variability.

This research uses the definition of opportunity in Maria & Gudono's study (2017), namely opportunities that allow someone to realize their actions, namely conditions when the organizational control system is weak. Opportunity is measured by the number of sub-districts, total assets, population, and capital

expenditures. The proxy for measuring this opportunity result from research Maria et al. (2019b). The number of sub-districts show the complexity of the area, total assets, and population shows the larger an area (Hartono et al., 2014; Maria et al., 2019b), while the amount of capital expenditure indicates regional expenditures for capital formation (Maria et al., 2019b). The more complex and larger an area and the greater the funds for capital expenditure, more excellent the opportunity for fraud to occur, so the region requires an excellent internal control system. Data on total assets and capital expenditures are transformed into natural logarithms to avoid high data variability.

This research uses the definition of rationalization in Maria & Gudono's study (2017), namely the attitude of management to justify fraudulent acts in organizations. In local governments, the State Auditing Standard (BPK, 2017) stipulates that the auditor, namely the BPK-RI, must request a written response from the auditee regarding the findings, conclusions, and recommendations and report it in the BPK-RI Audit Report. The measurement of the rationalization variable is the same as the research of Maria & Gudono (2017) by calculating the number of auditee responses to justify their actions. The auditor reports the auditee's response in writing in the Audit Report on Compliance with Internal Control System (ICS) and Compliance with Laws.

Analysis Method

This research hypothesis was tested using multiple linear regression with a significance level (α) of 5 percent (Gudono, 2017). This analytical tool determines the relationship between pressure, opportunity, and rationalization on the quality of district/city financial reports in Central Java Province. The multiple regression model that will be tested in this research is presented in equation 1 as follows:

$FRQ = \beta_0 + \beta_1 P_{it} + \beta_2 O_{it} + \beta_3 R_{it} + \varepsilon_{it..}$ (1)
 FRQ is the quality of financial reports, i is district/city government in Central Java Province, t is year, β_0 is constant, β_{1-3} is coefficient of independent variable: P is pressure, O is opportunity, R is rationalization, ε is confounding variable.

RESULTS AND DISCUSSION

Descriptive Statistics

Table 2 presents descriptive statistics. The results of descriptive statistics show that there are 175 district and city governments in Central Java Province that are the sample of this research, with the 2016-2019 fiscal year. The financial report quality variable has a minimum value of 39.33 and a maximum value of 163.00 with a mean value of 87.54 and a standard deviation of 22.14, which means the minimum increase in the average financial report quality variable is 22.14. While the maximum decrease in the average financial report quality variable is 22.14, or it can be said that the average value of financial report quality is 22.15 percent. The pressure variable has a minimum value of 0.16 and a maximum

value of 0.31 with a mean value of 1.15 and a standard deviation of 5.05, which means that the minimum increase in the average pressure variable is 5.05. While the maximum decrease in the average pressure variable is 5.05, or it can be said that the average pressure is 5.05 percent.

The opportunity variable has a minimum value of 0.22 and a maximum value of 11.30, with a mean value of 4.24 and a standard deviation of 1.84, which means that the minimum increase in the average opportunity variable is 1.84. While the maximum decrease in the average opportunity variable is 1.84, or it can be said that the average value of opportunity deviation is 1.84 percent. The rationalization variable has a minimum value of 0.80 and a maximum value of 22.27 with a mean value of 3.78 and a standard deviation of 3.04, which means that the minimum increase in the average rationalization variable is 3.04. While the maximum decrease in the average rationalization variable is 3.04 or it can be said that the average deviation value of rationalization is 3.04 percent.

Table 2. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Pressure	175	0.16	0.31	1.15	5.05
Opportunity	175	0.22	11.30	4.24	1.84
Rationalization	175	0.80	22.27	3.78	3.04
Financial Report Quality	175	39.33	163.00	87.54	22.14

Source: Processed Secondary Data (2022)

Hypothesis Testing Results

This research hypothesis test uses multiple linear regression analysis with t-test to determine the effect of independent variables, namely pressure, opportunity, and rationalization, on the quality of local government financial reports in Central Java Province. The results of the hypothesis test are presented in Table 3. The results of the H₁ test obtained t-test for the pressure variable of -0.699 and p-value of 0.125. The p-value of this pressure variable is >0.05, meaning that pressure does not affect the quality of local government financial reports in Central Java Province, so H₁ is not supported. The results of

the H₂ test obtained t-test for the pressure variable of 3.550 and p-value of 0.002. The p-value of this opportunity variable is <0.05, meaning that opportunity affects the quality of local government financial reports in Central Java Province, so H₂ is supported. The negative correlation between opportunity and quality of financial statements indicates the higher the opportunity, the lower the quality of financial statements, and vice versa. The lower the opportunity, the higher the quality of financial statements. The results of the H₃ test obtained t-test for the rationalization variable of -0.514 and p-value of 0.608. The p-value of this pressure variable is >0.05, meaning that rationalization has no effect on the quality of

local government financial reports in Central Java Province, so H₃ is not supported.

The test results in Table 3 also show that the coefficient of determination (R²) is 0.651. This means that the independent variables in this research jointly affect the dependent variable, namely the quality of the financial statements of 0.651, and the rest, which is 0.349, is

influenced by other variables not included in this research model. Meanwhile, the adjusted R² value is 0.655. This means that the percentage of the influence of pressure, opportunity, and rationalization variables on the quality of financial reports is 65.5 percent and the remaining 34.5 percent is influenced by other variables outside this research.

Table 3. Hypothesis Testing Results

$$FRQ = \beta_0 + \beta_1 P_{it} + \beta_2 O_{it} + \beta_3 R_{it} + \varepsilon_{it}$$

Variable	B	t-count	Sig.	Note
(Constant)	0.648	2.410	0.018	
Pressure	0.195	-0.699	0.125	Not Supported
Opportunity	-0.048	3.550	0.002	Supported
Rationalization	0.682	-0.514	0.608	Not Supported
R ² : 0.651				
Adjusted R ² : 0.655				

Note: significant on $\alpha=0.05$

Source: Processed Secondary Data (2022)

The Effect of Pressure on the Quality of Local Government Financial Reports

The test results found that hypothesis 1 of this research is not supported by empirical evidence. Pressure was found not to affect the quality of local government financial reports in Central Java Province. This research is not in line with the research findings of Wonar et al. (2018), Susanti & Budiwitjaksono (2020), and Halim & Miharjo (2020). Pressure factors, such as fiscal distress conditions in local governments (Maria & Gudono, 2017), compensation (Wonar et al., 2018; Susanti & Budiwitjaksono, 2020), and orders from superiors (Mayhew & Murphy, 2014; Febriani & Suryandari, 2019; Halim & Miharjo, 2020) were found not to affect the quality of financial reporting there.

Local governments will continue to present quality financial reports because local governments have employees and public officials who uphold professional attitudes (Liu & Lin, 2012; Darwanis et al., 2016; Basar, 2017). Professional human resources will perform their duties and functions optimally and optimally (Basar, 2017; Nursito et al., 2020). Professional Civil Servants have independence, firmness in the profession, and good cooperation. Every task of financial management and reporting will be carried out by civil servants carefully and thoughtfully, and they use all of their professional abilities so that the quality of their work is optimal (Basar, 2017). Professional local government financial report preparers know that their work is not merely an obligation but also a form of social service to the community (Leviany et al., 2020).

Not only professional attitudes, competent civil servants and public officials can produce accurate financial reports and meet the elements of quality financial statements (Pradono & Basukianto, 2015; Darwanis et al., 2016; Pujanira & Taman, 2017). Competence describes knowledge, skills, experience so that competent employees understand what they are doing. The correct understanding will produce quality government financial reports (Sukarno et al., 2020; Yulanda & Oktala, 2021). Competent

local financial managers will respond quickly if there are irregularities in financial management and reporting there (Basar, 2017; Nursito et al., 2020). Professional and competent public officials will carry out their duties by applicable norms and standards to prevent fraudulent acts (Liu & Lin, 2012; Maria & Halim, 2021).

The Effect of Opportunity on the Quality of Local Government Financial Reports

The test results found that hypothesis 2 of this research is supported by empirical evidence. Opportunity influences the quality of local government financial reports in Central Java Province. The negative correlation between opportunity and the quality of financial reports indicates the higher the opportunity, the lower the quality of local government financial reports in Central Java Province, and vice versa. The lower the opportunity, the higher the quality of local government financial reports in Central Java Province. From the fraud triangle theory perspective, the individual will look the opportunities if the individual believes that the problem can be solved by committing fraud (Cressey, 1953). Opportunity is a condition in an organization that opens up opportunities for fraud. Financial management changes occur when employees take advantage of opportunities for personal and or group interests (Ruankaew, 2016; Febriani & Suryandari, 2019).

This research's findings align with the results of Susanti & Budiwitjaksono (2020). The quality of financial information will decrease if Civil Servants have the opportunity to commit fraudulent acts (Susanti & Budiwitjaksono, 2020). Opportunities can reduce the quality of financial reports, if the internal control system (ICS) in local governments is weak (Maria & Gudono, 2017; Muhtar et al., 2018; Maria et al., 2019a; Febriani & Suryandari, 2019). When the ICS is weak, organizational governance becomes less effective and has an impact on decreasing the quality of financial reports, and fraud is easy to occur there (Yendrawati, 2013; Suarmika & Suputra, 2016; Mokoginta et al., 2017;

Chodijah & Hidayah, 2018; Yulistiyawati et al., 2019; Maria et al., 2019a; Maria et al., 2019b). If the ICS is good, the financial reports are of higher quality, but vice versa. Weak ICS makes financial reports even less qualified. An effective ICS can provide reasonable assurance about the reliability of financial statements, compliance with laws and regulations, and effective and efficient operations (Mokoginta et al., 2017; Desviana et al., 2020). Therefore, effective internal control is needed in local governments to produce quality regional financial reports.

The Effect of Rationalization on the Quality of Local Government Financial Reports

The test results found that hypothesis 3 of this research is not supported by empirical evidence. Rationalization was found to not affect the quality of local government financial reports in Central Java Province. The rationalization defined by Cressey (1953) as a just before the perpetrator committed a fraudulent act was found not to affect the quality of local government financial reports in Central Java Province. Individuals commit to their religion's teachings, so their attitudes and behavior will reflect that commitment (Johnson et al., 2001). Although there are many justifications for cheating to be committed, individuals with a high level of religiosity will not be tempted to commit acts that violate the teachings of their religion (Johnson et al., 2001). Individuals with a high level of religiosity tend to avoid cheating (Wiebe & Fleck, 1980; Cipta, 2021). Research by Dyreng et al. (2012) found that leaders with high levels of religiosity will not engage in tax avoidance behaviors. This shows that financial managers with a high level of religiosity will further minimize fraud and errors when compiling their financial statements so that the quality of financial reports can be maintained properly. This research does not align with the findings of Wahyuni & Budiwitjaksono (2017) and Susanti & Budiwitjaksono (2020). Rationalization does not affect the quality of financial reports in the local government of Central Java Province.

CONCLUSION

This research finds empirical evidence that pressure and rationalization factors do not affect the quality of local government financial reports in Central Java Province. The opportunity factor negatively influences the quality of local government financial reports in Central Java Province. This means the higher the opportunity to cheat, the lower the quality of local government financial reports in Central Java Province, and vice versa. The lower the opportunity to commit fraud, the higher the quality of regional government financial reports in Central Java Province. The findings of this research align with the results of Susanti & Budiwitjaksono (2020), which state that opportunity influences the quality of financial reporting in local governments. Therefore, internal control in the management and presentation of good financial statements must be made so local governments in Central Java Province can present quality financial reports.

This research has two limitations. First, this research examines the determinants of financial statement quality using only the fraud triangle perspective. Even though there are many other factors that can affect the quality of local government financial reports, such as the competence and ability of human resources, the application of the government accounting system, and others. Therefore, further research is recommended to examine these other factors to obtain more in-depth results about what determinants affect the quality of local government financial reports. Second, this research is limited to researching local governments in Central Java Province, so the research results cannot be generalized to all local governments in Indonesia. Therefore, further research is recommended to expand the sample to all local governments in Indonesia so that the research results can be generalized to the context of local government in Indonesia.

REFERENCES

- Badan Pemeriksaan Keuangan Republik Indonesia. (2017). Standar Pemeriksaan Keuangan Negara. Jakarta.
- Basar, N. (2017). Pengaruh Profesionalisme Dan Pengetahuan Aparat Inspektorat Terhadap Kualitas Laporan Keuangan Pemerintah Daerah Kabupaten Gowa. *Jurnal Economix*, 5(1), 226–237.
- Chodijah, S., & Hidayah, N. (2018). Pengaruh Pemanfaatan Teknologi Informasi dan Sistem Pengendalian Internal terhadap Kualitas Pelaporan Keuangan Pemerintah Daerah (Studi Kasus SKPD Provinsi DKI Jakarta). *TEKUN: Jurnal Telaah Akuntansi Dan Bisnis*, 9(1), 34–48. <https://doi.org/10.22441/tekun.v8i1.2595>
- Cipta, W. (2021). Kecurangan Pelaporan Keuangan pada Pemerintah Daerah di Indonesia: Pengujian Peran Aspek Religiusitas. *Jurnal Ilmiah Akuntansi Dan Humanika*, 11(1), 89–103.
- Cressey, D. R. (1953). *Other People's Money: A Study in the Social Psychology of Embezzlement*. Free Press.
- Darwanis, D., Saputra, M., & Kartini, K. (2016). Effect of Professionalism, Competence, Knowledge of Financial Management, And Intensity Guidance Apparatus Inspectorate for Quality of Financial Statements (Study on Inspectorate Regencies/Cities in Aceh). *BRAND (Broad Research in Accounting, Negotiation, and Distribution)*, 7(1), 28–36.
- Desviana, Basri, Y. M., & Nasrizal. (2020). Analisis Kecurangan pada Pengelolaan Dana Desa dalam Perspektif Fraud Hexagon. *SAKI: Studi Akuntansi Dan Keuangan Indonesia*, 3(1), 50–73. <https://doi.org/https://doi.org/10.21632/saki.3.1.50-73>
- Djanegara, M. S. (2017). Pengaruh Kualitas Audit Terhadap Kualitas Laporan Keuangan Pemerintah Daerah. *Jurnal Akuntansi*, 21(3), 461. <https://doi.org/10.24912/ja.v21i3.252>
- Dyreng, S. D., Mayew, W. J., & Williams, C. D. (2012). Religious Social Norms and Corporate Financial Reporting. *Journal of Business Finance and Accounting*, 39(7–8), 845–875. <https://doi.org/https://doi.org/10.1111/j.1468-5957.2012.02295.x>
- Febriani, F., & Suryandari, D. (2019). Analisis Faktor-Faktor yang Berpengaruh Terhadap Kecenderungan Kecurangan (Fraud): Persepsi Pegawai Padda Dinas Kota Tegal. *Jurnal Akuntansi*, 9(1), 33–45.
- Government Regulation No. 71 of 2010 Concerning *Government Accounting Standards*. Indonesia.
- Government Regulation No. 60 of 2008 Concerning *Internal Control System*. Indonesia.
- Gudono. (2012). *Analisis Data Multivariat* (2nd ed.). BPFE.
- Halim, A., & Miharjo, S. (2020). Tone At The Top dan Perilaku Korupsi Pegawai Negeri Sipil di Pemerintah Daerah, Indonesia. In Harnovinsah, A. Sopanah, & R. P. Sari (Eds.), *Bunga Rampai Akuntansi Publik: Isu Kontemporer Akuntansi Publik* (pp. 1–20). Unitomo Press.
- Hartono, Mahmud, & Utaminingsih. (2014). Faktor-Faktor yang mempengaruhi Kelemahan Pengendalian Internal Pemerintah Daerah. *Simposium Nasional Akuntansi XVII*.
- Johnson, B. R., Jang, S. J., Larson, D. B., & De Li, S. (2001). Does Adolescent Religious Commitment Matter? A Reexamination

- of the Effects of Religiosity on Delinquency. *Journal of Research in Crime and Delinquency*, 38(1), 22–44. <https://doi.org/10.1177/002242780103801002>
- Karmila, Tanjung, A. R., & Darlis, E. (2012). Pengaruh Kapasitas Sumber Daya Manusia, Pemanfaatan Teknologi Informasi dan Pengendalian Intern terhadap Keterandalan Pelaporan Keuangan Pemerintah Daerah (Studi Pada Pemerintah Provinsi Riau). *Jurnal SOROT*, 9(1), 25–42.
- Law No. 22 of 1999 Concerning *Regional Government*. Indonesia.
- Law No. 32 of 2004 Concerning *Regional Government*. Indonesia.
- Law No. 33 of 2004 Concerning *Financial Balance between the Central Government and Regional Governments*. Indonesia.
- Law No. 23 of 2014 Concerning *Regional Government*. Indonesia.
- Levianny, T., Dwijayanty, R., & Hanifia, M. (2020). Profesionalitas dan Kompetensi Penyusun Laporan Keuangan terhadap Kualitas Laporan Keuangan. *SIKAP (Sistem Informasi, Keuangan, Auditing Dan Perpajakan)*, 4(2), 136–141. <https://doi.org/10.32722/mapnj.v3i1.2823>
- Liu, J., & Lin, B. (2012). Government Auditing and Corruption Control: Evidence from China's Provincial Panel Data. *China Journal of Accounting Research*, 5(2), 163–186.
- Maria, E., & Gudono. (2017a). Empirical test of fraud triangle theory on local government (evidence from Indonesia). *International Journal of Applied Business and Economic Research*, 15(4), 233–248.
- Maria, E., & Gudono. (2017b). Empirical test of fraud triangle theory on local government (evidence from Indonesia). *International Journal of Applied Business and Economic Research*, 15(4), 233–248.
- Maria, E., & Halim, A. (2021). E-government dan Korupsi: Studi di Pemerintah Daerah, Indonesia dari Perspektif Teori Keagenan. *EKUITAS (Jurnal Ekonomi Dan Keuangan)*, 5(1), 40–58. <https://doi.org/10.24034/j25485024.y2021.v5.i1.4789>
- Maria, E., Halim, A., & Suwardi, E. (2018). Eksplorasi Faktor Tekanan untuk Melakukan Fraud di Pemerintah Daerah, Indonesia. *Jurnal Akuntansi Publik*, 1(1), 111–126. <https://doi.org/10.32554/jap.v1.i1.p111-126>
- Maria, E., Halim, A., Suwardi, E., & Miharjo, S. (2019a). Desentralisasi fiskal dan probabilitas terjadinya korupsi: Sebuah bukti empiris dari Indonesia. *Jurnal Ekonomi Dan Bisnis*, 22(1), 1–22. <https://doi.org/10.24914/jeb.v22i1.2036>
- Maria, E., Halim, A., Suwardi, E., & Miharjo, S. (2019b). Eksplorasi Kesempatan Untuk Melakukan Fraud Di Pemerintah Daerah, Indonesia (Exploration Opportunities To Commit Fraud in Local Governments, Indonesia). *Jurnal Akuntansi Dan Keuangan Indonesia*, 16(1), 216–232.
- Mayhew, B. W., & Murphy, P. R. (2014). The Impact of Authority on Reporting Behavior, Rationalization and Affect. *Contemporary Accounting Research*, 31(2), 420–443. <https://doi.org/https://doi.org/10.1111/1911-3846.12037>
- Mokoginta, N., Lambey, L., & Pontoh, W. (2017). Pengaruh Sistem Pengendalian Intern Dan Sistem Akuntansi Keuangan Daerah Terhadap Kualitas Laporan Keuangan Pemerintah. *Going Concern* :

- Jurnal Riset Akuntansi*, 12(2), 874–890.
<https://doi.org/10.32400/gc.12.2.18282.2>
017
- Muhtar, Sutaryo, & Sriyanto. (2018). Corruption in Indonesia Local Government: Study on Triangle Fraud Theory. *International Journal of Business and Society*, 19(2), 536–552.
- Nursito, N., Suhono, S., & Mahpudin, E. (2020). Effect of Professionalism, Work Attitude, and Accounting Systems on Accountability and their Implications on Quality of Financial Reporting. In H. Ratih, T. Benny, G. Ade, & S. Lisnawat (Eds.), *Advances in Business, Management and Entrepreneurship* (1st Editio). London: CRC Press.
- Pradono, F. C., & Basukianto. (2015). Kualitas Laporan Keuangan Pemerintah Daerah: Faktor Yang Mempengaruhi Dan Implikasi Kebijakan (Studi Pada SKPD Pemerintah Provinsi Jawa Tengah). *Jurnal Bisnis Dan Ekonomi (JBE)*, 22(2), 188–200.
- Primadhany, A. Y., & Puspaningsih, A. (2018). Analisis Determinan Kecenderungan Kecurangan Akuntansi di Sektor Publik. *Behavioral Accounting Journal (BAJ)*, 1(1), 62–83.
- Pujanira, P., & Taman, A. (2017). Pengaruh Kompetensi Sumber Daya Manusia, Penerapan Standar Akuntansi Pemerintahan, dan Penerapan Sistem Akuntansi Keuangan Daerah terhadap Kualitas Laporan Keuangan Pemerintah Daerah Provinsi DIY. *Jurnal Nominal*, VI(2), 14–28.
- Ruankaew, T. (2016). Beyond the Fraud Diamond. *International Journal of Business Management & Economic Research*, 7(1), 474–476.
- Sasmita, R. P. H. (2021). Pengaruh Karakteristik Pemerintah Daerah Dan Opini Audit BPK Terhadap Understandability Dalam Kualitas Laporan Keuangan. *Modus*, 33(1), 98–119.
<https://ojs.uajy.ac.id/index.php/modus/article/view/4171>
- Suarmika, I. G. L., & Suputra, I. D. G. D. (2016). Kemampuan Komitmen Organisasi dan Sistem Pengendalian Intern Memoderasi Pengaruh Kapasitas Sumber Daya Manusia dan Penerapan SIKD Pada Kualitas LKPD Kabupaten KarangAsem. *E-Jurnal Ekonomi Dan Bisnis*, 5.9, 2921–2950.
- Sukarno, S. A., Tinangon, J. J., & Tangkuman, S. J. (2020). Pengaruh Kompetensi Aparat dan Komitmen Organisasi terhadap Implementasi Sistem Akuntabilitas Kinerja Instansi Pemerintah (Studi pada Kantor Perwakilan Badan Pengawasan Keuangan dan Pembangunan Provinsi Sulawesi Utara). *Indonesia Accounting Journal*, 2(2), 110–117.
- Susanti, E. Y., & Budiwitjaksono, G. S. (2020). Fraud Diamond Theory dan Kualitas Pengelolaan Keuangan dengan Moderasi Sistem Pengendalian Internal. *Behavioral Accounting Journal (BAJ)*, 3(1), 37–46.
- Wahyuni, & Budiwitjaksono, G. S. (2017). Fraud Triangle Sebagai Pendeteksi Kecurangan Laporan Keuangan. *Jurnal Akuntansi*, 21(1), 47–61.
<https://doi.org/https://doi.org/10.24912/ja.v21i1.133>
- Wiebe, K. F., & Fleck, J. R. (1980). Personality correlates of intrinsic, extrinsic, and nonreligious orientations. *Journal of Psychology: Interdisciplinary and Applied*, 105(2), 181–187.
<https://doi.org/10.1080/00223980.1980.915149>

- Wonar, K., Falah, S., & Pangayow, B. J. (2018). Pengaruh Kompetensi Aparatur Desa, Ketaatan Pelaporan Keuangan dan Sistem Pengendalian Intern terhadap Pencegahan Fraud dengan Moral Sensitivity sebagai Variabel Moderasi. *Jurnal Akuntansi, Audit & Aset*, 1(2), 63–89.
- Yendrawati, R. (2013). Pengaruh sistem pengendalian intern dan kapasitas sumber daya manusia terhadap kualitas informasi laporan keuangan dengan faktor eksternal sebagai variabel moderating. *Jurnal Akuntansi & Auditing Indonesia*, 17(2), 165–174.
<https://doi.org/10.20885/jaai.vol17.iss2.art7>
- Yesiariani, M., & Rahayu, I. (2017). Deteksi financial statement fraud: Pengujian dengan fraud diamond. *Jurnal Akuntansi & Auditing Indonesia*, 21(1), 49–60.
<https://doi.org/10.20885/jaai.vol21.iss1.art5>
- Yulanda, D., & Oktala, R. (2021). Kompetensi Sumber Daya Manusia terhadap Kualitas Laporan Keuangan pada Satuan Kerja Seksi Keuangan Polres. *Journal of Management and Business (JOMB)*, 1(2), 1–9.
<https://doi.org/10.31539/jomb.v3i1.2293>
- Yulistyawati, N. K. A., Suardikha, I. M. S., & Sudana, I. P. (2019). The analysis of the factor that causes fraudulent financial reporting with fraud diamond. *Jurnal Akuntansi & Auditing Indonesia*, 23(1), 1–10.
<https://doi.org/10.20885/jaai.vol23.iss1.art1>