

Roles Of Unethical Behavior In Mediating The Influence Of Internal Control System, Distributive Justice, And Accounting Rules Compliance Towards Accounting Fraud Behavior

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Abstract—The research aimed to examine factors affecting tendency of accounting fraud. The population of the research was local government offices and agencies of Semarang city which amounts to 29 offices and agencies. This research uses sample of 87 respondents using purposive sampling technique in their selection. The data was analyzed by SEM using software Smart PLS 3.0. The results of this research indicate that the government's internal control system and distributive justice have negative effect on unethical behavior, while compliance accounting rules does not affect. Compliance accounting rules has negative effects on fraud, while the government's internal control system and distributive justice does not affect. Unethical behavior has a positive effect on fraud. The government's internal control system and distributive justice have negative effect on fraud through unethical behavior while, compliance accounting rules does not affect fraud. This study presents unethical behavior variables to detect accounting fraud. Therefore this research is very important to do. This will be able to find out whether fraud behavior in accounting is driven by the existence of unethical behavior personally, so that later the results of this study can be used as a reference for controlling accounting fraud that occurs especially in Indonesia and countries in Asia. The conclusion of this research is unethical behaviors are influenced by the government's internal control system and distributive justice, while compliance accounting rules does not affect. Compliance accounting rules influence the tendency of accounting fraud, while the government's internal control system and distributive justice do not. Unethical behavior cannot mediate the compliance towards the accounting rules for fraud, whereas the unethical behavior mediates the government's internal control system and distributive justice towards the fraud. Further research should use other variables outside the research variables that have been studied, such as position on the job.

Index Terms—Accounting Fraud Tendency; Accounting Rules Compliance; Distributive Justice; Government's Internal Control System; Unethical Behavior

1 INTRODUCTION

The rise of fraud committed by various parties for certain individual or group interest is increasingly getting serious attention from the community. Fraud is committed by both the lower and upper classes people, which causes losses to other entities. Insitute of Internal Auditors' International Standards for The Professional Practice of Internal Auditing (Standards) defines the fraud as:

".....any illegal act that is marked by concealment or breach of trust. Such actions do not depend on threats of violence or physical strength. Fraud is carried out by parties and organizations to get money, property, or services; to avoid payment or loss of service; or to secure personal or business profits (IIA's, 2017) "

Based on the scope of accounting, fraud is an accounting procedure that is not based on what should be done so as to cause errors in making financial statements and misuse of entity assets (Wulandari & Zaky, 2014). Accounting fraud does not only occur in a profit-oriented company environment, but also occurs in government agencies whose main purpose is to provide services to the community. The government has the obligation to carry out tasks effectively and efficiently, such as managing state finances. However, in reality there are a lot of frauds that can harm people and the country. The rise of disclosure of fraud in Indonesia, especially corruption, shows two sides of the facts of the current implementation of the government. Transparency International is an international organization running on the field of accountability that has the authority to issue Corruption Perceptions Index (CPI). Indonesia's CPI score did not change in 2016 and 2017 (37th rank). Based on the data from Indonesia Corruption Watch through the 2017 Corruption Law Enforcement Trends, the

corruption cases committed by the State Civil Officers (ASN) topped the list with the number of 495 suspects. The Recapitulation of Corruption Crimes by the Corruption Eradication Commission through the Anti-Corruption Clearing House shows that the most corrupt government agencies during the last 5 years are the Ministries or Government Institutions followed by the Municipalities or Regencies Government agencies (aach.kpk.go.id, 2017). Based on the 2017 Indonesian Corruption Perception Index, Semarang City is ranked 9th out of 12 cities in Indonesia with the cleanest sector affected by corruption. The Office of Spatial Planning and Building, the Police Department, the Public Works Agency, and the Semarang One-Stop Integrated Licensing Agency have the highest probability of corruption cases. The fraud in accounting field is commonly caused by three conditions called as the Fraud Triangle (Arens, 2008). These conditions consist of incentives or pressures, opportunities, and rationalization. Pressure is the desire of employees to act fraud due to strong pressure from internal and external parties (Pramudita, 2013). Pressure felt by someone such as accumulated bills, luxurious lifestyle, needs or financial problems cause him to commit a fraud. Opportunity is a condition that allows someone to commit the fraud. Rationalization is an attitude, character, or series of ethical values that justify someone committing an act of fraud or the person is in a stressful environment so that he rationalizes or justifies the acts of fraud (Norbarani, 2012). The main factor that influences the occurrence of these conditions within the scope of government entities is internal control system. The application of effective internal control that is supported by adequate regulations will prevent various forms of problems and irregularities that are detrimental to various interested parties. Low internal control system and employees'

compliance with internal control may trigger the frauds in the government sectors (Widyaswari, Yuniarta, & Sujana, 2017). The low quality of the internal control system is an opportunity that can be used to commit fraud, especially in bookkeeping process. The results of the research by Siregar, et. al. (2015) found that the low internal control and ethical values put the entity at risk of fraud. The entity must have a system of reporting fraud, corruption, and errors. This finding is supported by Rae & Subramaniam (2008); Siregar & Tenoyo (2015); Zakaria et al. (2016); and Gupta & Gupta (2015) who found that internal control system influences the accounting frauds. The results of the research contradict the findings of Wulandari (2016) who stated that the internal control system had a negative effect on the fraud, and Arista et al. (2016); and Kusumastuti & Meiranto (2012) who explained that internal control had no effect on the accounting fraud. Supardi (2008) in Najahningrum (2013) stated that distributive justice is a perception of values received by employees based on the acceptance of a situation or goods that are able to influence individuals. Someone who feels treated fairly by the leader will tend not to abuse authority for personal gain. Vice versa, if someone feels they are not getting what he is entitled to rightly, then he will probably commit the fraud. Wijaya, et al. (2017) found that the distributive justice variable has a significant negative effect on the tendency of fraud; the more distributive justice would decrease the tendency of fraud. One of the factors that influence the tendency of committing the fraud is the negative influence between distributive justice and the tendency of fraud (Najahningrum, 2013). Another theory used to answer the phenomenon of fraud is the theory of moral development developed by Kohlberg (1969) regarding the level of a person's moral based on the development of moral reasoning as expressed. There are six stages which are divided into three levels: pre-conventional, conventional and post-conventional. This theory holds that moral reasoning is the basis of ethical behavior. Management at the conventional stage begins to shape its management morality by making and maintaining rules, which in this research are the accounting rules that are continued to a high level of moral maturity, namely the post conventional stage. The accounting rules compliance is seen as the level of conformity of organizational asset management procedures, the implementation of accounting procedures, and the presentation of financial statements along with all supporting evidence, with the rules determined by the BPK and / or SAP (PP RI Number 24/2005). An agency or institution will commit fraud because it is not guided by the applicable accounting rules (Bartenputa, 2016). Parmini, et al. (2017); Rizky (2016); Shintadevi (2015); Thoyibatun (2012) found that adherence to accounting rules had a negative and significant effect on the trends in accounting fraud. The results of the research contradict the results by Widiutami et al. (2017) and Purnomo & Khafid (2017), while Arista et al. (2016) and Nurlaeliyah & Anisykurlillah (2017) showed that accounting fraud is not influenced by observance of accounting rules. Based on varied findings of previous research, it is possible that there are variables that affect the relationships of internal control system, fairness of distribution, and compliance with accounting rules for accounting fraud. This research uses unethical behavior as the mediating variable. Management at the post-conventional stage shows high level of moral maturity. Moral maturity is the basis and consideration in designing responses and attitudes towards the ethical issues. The

development of moral knowledge is an indication of ethical and positive decision making related to social responsibility behavior (Rahmi & Sovia, 2017). The high level of unethical behavior will increase the high level of fraud committed by the employees. A good internal control system, fair justice distribution, and the existence of accounting compliance will be of no value to reduce accounting fraud if every employee in the company has unethical behavior. The purpose of this research is to identify the determinants or factors that influence the tendency of accounting fraud. The distributive justice variable is used as a differentiator, where there is rarely research into unethical behavior influenced by distributive justice and examines the influence of unethical behavior that mediates the distributive justice against accounting fraud. Distributive justice is an individual's perception based on inputs or acceptance that may influence individual thinking and behavior.

2 LITERATUR REVIEW

2.1 Fraud Triangle

The Fraud Triangle theory, developed by Cressey (1953), explains that fraud is caused by three factors. These three factors cause a person to commit fraud and are depicted in the concept of a fraud triangle. Cressey (1953) in Tuannakotta (2007) concluded that fraud in general has three general characteristics. The fraud triangle consists of three conditions which are generally present when fraud occurs, namely pressure, opportunity, and rationalization. Pressure is the motivation of individual employee to commit fraud caused by both financial and non-financial pressure, and can also be caused by personal or organizational pressure (Pristiyanti, 2012). In line with the opinion of Sukirman & Sari (2013), financial factors arise because of the desire to have a lifestyle that is materially adequate, while non-financial factors can encourage someone to commit fraud, which is an act to cover up poor performance. In SAS No. 99, there are four types of conditions that commonly occur due to the existence of pressure that can lead to fraud. They are financial stability, external pressure, personal financial needs, and financial targets. According to Pristiyanti (2012) opportunity is a factor that causes corruption due to weaknesses within a system, where an employee has the power or ability to take advantage of the existing weaknesses, so he is able to commit fraud. SAS no. 99 states that opportunities in financial statements fraud can occur in three categories. They are nature of industry, ineffective monitoring, and organizational structure. According to Pramudita (2013), rationalization is a consideration of cheating behavior as a consequence of the employee's personal integrity gap or other moral reasoning. Rationalization is also an attitude, character, or series of ethical values that justify someone committing an act of fraud or the person is in a stressful environment so that he further rationalizes or justifies the acts of fraud (Norbarani, 2012). Distributive justice is one of the pressure factors felt by someone to commit fraud. The perception of fairness in the distribution of salaries and compensation related to the element of fraud triangle theory proxies the pressure factor. Rae & Subramaniam (2008) stated that the employees' pressure who commits fraud is a result of greed or financial pressure among various reasons, so that distributive justice that has been fulfilled can reduce the tendency of fraud, but if the distributive justice is low then the tendency of accounting

fraud will be high. Internal control system is a process of policies, procedures, methods and regulations that are established and implemented to achieve organizational goals. Gupta & Gupta (2015) stated that the weaknesses of internal control will be the main factor that raises opportunities for fraud. Weak internal control will allow for fraud easily, while the strong internal control will minimize the possibility of fraud.

2.2 Theory of Moral Development

The stages of moral development are the measure of the level of morality of a person based on the development of moral reasoning as expressed (Kohlberg 1969 in Kohlberg & Hersh, 2013). This theory holds that moral reasoning, which is the basis of ethical behavior, has six identifiable developmental stages. They follow the development of moral decisions as age increases which Piaget originally studied (1958), who stated that logic and morality develop through constructive stages. Kohlberg (1969) developed this basic view by determining that the process of moral development is principally related to justice and its development continues throughout life. He used stories about moral dilemmas in his research and he was interested in how people would justify their actions if they were in the same moral problem, then categorizing and classifying the responses that appeared in six different stages. The theory of moral development raises the accounting rules compliance variable with an explanation that management is a collection of individuals who have some moral stages. At the conventional stage, moral judgment is based on an understanding of social rules, laws, and obligations. Management at the conventional stage begins to shape its morality by making and maintaining rules, which in this study are accounting rules, and are continued to higher level of moral maturity of management, namely the post conventional stage. The management at the post-conventional stage shows high moral maturity level. Moral maturity is the basis and consideration in designing responses and attitudes towards ethical issues. The development of moral knowledge is an indication of ethical and positive decision making related to social responsibility behavior (Rahmi & Sovia, 2017). The accounting rules compliance means obedience towards standards and procedures for preparing financial statements. If the accounting rules or financial management in public sector agencies are not implemented properly, it means they provide an opportunity for fraud. The higher the level of public sector compliance with accounting rules, the lower the fraud will occur, while the lower the level of compliance with accounting rules, the higher the possibilities for the accounting fraud.

2.3 Accounting Fraud Tendency

The fraud, according to the Black Law Dictionary in Tungga (2010) is intentional or wrong statement of a truth or condition that is hidden from a material fact that can influence others to commit acts or actions that harm it, usually is a mistake, but in some cases (specifically done intentionally) is possibly a crime. The Indonesian Institute of Accountants (IAI) describes accounting fraud as: (1) Misstatements arising from fraud in financial statements, which is misstatement or deliberate disappearance of amounts or disclosures in the financial statements to deceive the users of the financial statements; (2) Misstatements arising from improper treatment of assets (often referred to as misuse or embezzlement) connected to the theft of assets of an entity resulting in financial statements are not presented based on standards of Generally Accepted

Accounting Principles (GAAP) in Indonesia. The improper treatment of an entity's assets can be done in various ways, including embezzlement of receipts of goods / money, theft of assets, or actions that cause the entity to pay for goods or services not received by the entity. Improper treatment of assets can be accompanied by false or misleading notes or documents and can involve one or more individuals among employees or third parties. Quoted by Tunggal (2013), basically there are two types of fraud that occur within an agency or company; external and internal. External fraud is the fraud committed by external parties to the company, and the internal one is an illegal act of employees, managers and executives. According to Pristiyanti (2012), the fraud that most often occurs in the government sector is corruption. Corruption comes from the Latin, *Corruptio-Corrumperere* which means rotten, damaged, shaking, turning or bribing. Corruption is literally the behavior of public officials, politicians and public servants who enrich themselves or enrich others who are close to them improperly, illegally, and by abusing the public power entrusted to them.

2.4 Unethical Behavior

Ethics is a belief about right and wrong actions or good and bad actions that affect other things (Griffin & Ebert, 2006). Ethics affects personal behavior in the work environment. According to Arens and Loebbecke (1997) in Arifiyani & Sukirno (2012), there are two main factors that might cause people to behave unethically, namely: (1) ethical standards of people differ from society in general, and differences in principles and opinions make someone different from others. When a group of people thinks fraud is something that is not natural, another group considers it as a natural thing to do. The existence of different ethical standards makes unethical behavior is difficult to understand; (2) someone intentionally behaves unethically for one's own benefit. The number of needs that must be met force someone to behave unethically to get something more, which can be used for personal gain. Unethical behavior influences the accounting fraud tendency (Purnomo & Khafid, 2017). Unethical behavior should not be morally acceptable because it causes harm to others and surrounding environment. To minimize and anticipate the occurrence of unethical behavior, agencies or companies should encourage their employees to instill ethical attitudes and behavior.

2.5 Accounting Rules Compliance

Compliance is an obedient or loyal attitude towards commands or rules, while rules are guides or instructions that are made to regulate something that must be carried out. According to Rizky & Fitri (2017), it is mandatory for an organization to have a basis or guidelines used by management in determining and implementing all company activities, and one of them is the rules regarding the accounting activities. In an agency, there is a basis or guidelines used by the management in determining and carrying out various activities within the company, one of which is the rules regarding accounting activities (Shintadevi, 2015). Quality accounting rules will be an important factor in creating transparency in the financial sector. An agency or institution will commit fraud because it not guided by the applicable accounting rules (Bartenputa, 2016). Albrecht & Albrecht (2003) stated that deviant behavior from rules influences policies and actions that benefit one or lead to trends in the

accounting fraud. Wolk and Tearney (1997: 93-95) in Wilopo (2006) explained that the failure in preparing financial statements is due to management disobedience towards the accounting rules in which results in the accounting fraud. Adherence to the accounting rules is expected to minimize and prevent unethical behavior that refers to the accounting fraud.

2.6 Government's Internal Control System

An internal control system consists of policies and procedures that are designed in such ways so that the management gets adequate confidence that the company is able to achieve the goals set. These policies and procedures are often referred to as the control, and collectively will form an internal control entity (Fachrunisa, Hasan, & Safitri, 2015). According to PP No. 8 of 2006 in Adelin (2013) defined that the internal control is a process that is influenced by the management created to provide adequate confidence in achieving effectiveness, efficiency, adherence towards the applicable laws and regulations, and the reliability of the presentation of financial statements. The companies with weak internal control will have many gaps that make an opportunity for their management or employees to manipulate transactions (Indriani, 2016). The existence of effective internal control is expected to minimize unethical behavior that can lead to the accounting fraud on the agency or company. There is an organized environmental effect on an effort to minimize unethical behavior in a management (Beu and Buckley, 2001). Internal control system plays an important role in the organization to minimize the fraud. Effective internal control will close the opportunity for a accounting fraud tendency (Mustika, 2016).

2.7 Distributive Justice

Conceptually, distributive justice is connected with the distribution of circumstances and goods that will affect individual welfare. The intended welfare includes physical, psychological, economic and social aspects. The purpose of this distribution is the prosperity, so that what is distributed is usually related to resources, rewards, or profits (Deutsch, 1998). Supardi (2008) in Najahningrum (2013) stated that distributive justice is a perception of values received by the employees based on the acceptance of a situation or goods that are able to influence individuals. Distributive justice can basically be achieved if the acceptance or input between two people is equal. If the proportion received by is greater, there is a possibility that it is more tolerated or fair enough, than if the proportion received is lower than it should be.

2.8 Development of Hypotheses

Obedience of employees towards the accounting rules is expected to reduce the occurrence of unethical behavior, but if they disobey the rules, unethical behavior will often occur. In accordance with the theory of moral development, at the conventional stage, the employees comply with the existing rules or obligations. In the post-conventional stage, the employees are already at a high moral maturity stage, in which they can determine the values and principles to be applied. Accounting rules applied by the employees are expected to reduce the occurrence of unethical behavior. Kusumastuti & Meiranto (2012) and Thoyibatun's (2009) research showed that the observance of accounting rules negatively influences the unethical behavior

H₁: Accounting rules compliance negatively influences unethical behavior

Weak internal control in an agency will open the opportunity for someone to do unethical actions because he thinks that his actions cannot be detected by existing internal control. Fraud triangle theory explains that opportunity is one of the factors of unethical behavior or fraud. Opportunities for fraud management are triggered by some factors such as the weak presence of the board of directors, or inadequate internal control. The results of Purnomo & Khafid's (2017) and Nurlaeliyah & Anisykurlillah (2017) stated that the internal control system negatively affects the unethical behavior.

H₂: Government's internal control system negatively influences unethical behavior

Someone who has problems such as accumulating debt, gambling, and drug addiction, may commit unethical actions such as stealing to meet his personal needs. Other cases related to pressures that can be experienced by the employees include inadequate income, urgent needs, as well as bad salary received with work that has been done. Those who feel disappointed and dissatisfied with agency policies tend to engage in unethical behavior. In accordance with the fraud triangle theory, if the employees feel that there is no fairness in the perception of salary conformity or compensation received, they will become a pressure to encourage the employees to behave unethically.

H₃: Distributive justice negatively influences unethical behavior

The accounting fraud will decrease if the employees act based on the accounting rules stipulated; otherwise, if they do not comply with applicable accounting rules, the possibility of accounting fraud committed by the employee will increase. In accordance with the theory of moral development, the high morality of management supports the compliance towards the applicable rules. This theory explains that at the post-conventional level, the management focuses more on established regulations, so that the management with high morality will comply with the accounting rules and reduce the tendency for accounting fraud. Widiutami et al. (2017) and Purnomo & Khafid (2017) showed that the compliance towards the accounting rules has a negative influence on the trends in accounting fraud.

H₄: Accounting rules compliance negatively influences accounting fraud tendency

The internal control that is applied based on established regulations will prevent problems that can harm various parties. The condition commonly referred to as the fraud triangle is pressure, opportunity and rationalization. Opportunity can be interpreted as a chance that can provide a loophole for someone to commit fraud, and in this case, the internal control system becomes an opportunity or chance for fraud if it does not run effectively. Gupta & Gupta (2015) and Zakaria et al. (2016) showed that the internal control system negatively affects accounting fraud.

H₅: *Government's internal control system negatively influences accounting fraud tendency*

Individuals who have an unfair perception of salary and compensation received will encourage others individual to commit fraud. One factor that causes fraud in fraud triangle theory is pressure. Pressure may come from financial and non-financial factors. Financial factors are proxied by distributive justice if the employees feel that there is injustice in the provision of salary or compensation, and it will cause them to feel unappreciated. They will feel pressured to be compelled to act fraudulently like manipulating accounting records. Najahningrum's research (2013) showed that distributive justice has a negative influence on accounting fraud.

H₆: *Distributive justice negatively influences accounting fraud tendency*

The tendency of high accounting fraud is caused by the employees performing unethical behavior. The theory of moral development shows that morality at the post-conventional stage is the stage at which ethical management principles are shaped by moral development. Good and bad decisions made by management are determined based on management's attitude that comes from the principle he believes. Employees who behave ethically will avoid the level of accounting fraud but conversely, the tendency for fraud will increase if employees behave unethically. The results of Nurlaeliyah & Anisykurlillah (2017) and Purnomo & Khafid (2017) research showed that unethical behavior has a positive effect on the accounting fraud tendency.

H₇: *Unethical behavior positively influences accounting fraud tendency*

The agencies and companies are obliged to obey the accounting rules as a basis for carrying out financial management and preparing financial statements. Based on the theory of moral development, unethical behavior has six stages of development based on the moral reasoning of each individual. In order to control the employees' behavior, they must carry out their duties in accordance with accounting rules and established codes of ethics. The agencies that obey the accounting rules will reduce their unethical actions that will be carried out by the agency employees. The low level of unethical behavior by the management will reduce the tendency for fraud to occur. Shintadevi (2015) conducted a study with the result that unethical behavior mediated the observance of accounting rules which had a negative influence on accounting fraud.

H₈: *Accounting rules compliance negatively influences accounting fraud tendency through the unethical behavior*

Internal control is a system or procedure within an agency and is expected to reduce the employees' unethical behavior. According to the fraud triangle theory, opportunity is one of the causes of fraud. The employees who commit fraud assume that their unethical behavior cannot be detected by the government's internal control system in the agency. Accounting fraud can be reduced if unethical behavior can be minimized by the government's internal control system.

Nurlaeliyah & Anisykurlillah's research (2017) explained that internal control negatively influences the accounting fraud tendency through unethical behavior

H₉: *Government's internal control system negatively influences accounting fraud tendency through the unethical behavior*

Distributive justice can affect a person's behavior in an agency. Fraud triangle theory states that the pressure a person experiences causes him to perform deviating actions. Unethical actions by the employees can be triggered by receiving inappropriate salary or compensation for what they have done, so they tend to commit fraud such as bribery, conflicts of interest, and extortion. Conversely, if the employees feel high distributive justice, it will reduce their unethical behavior. Low unethical actions will cause a low tendency for fraud as well.

H₁₀: *Distributive justice negatively influences accounting fraud tendency through the unethical behavior*

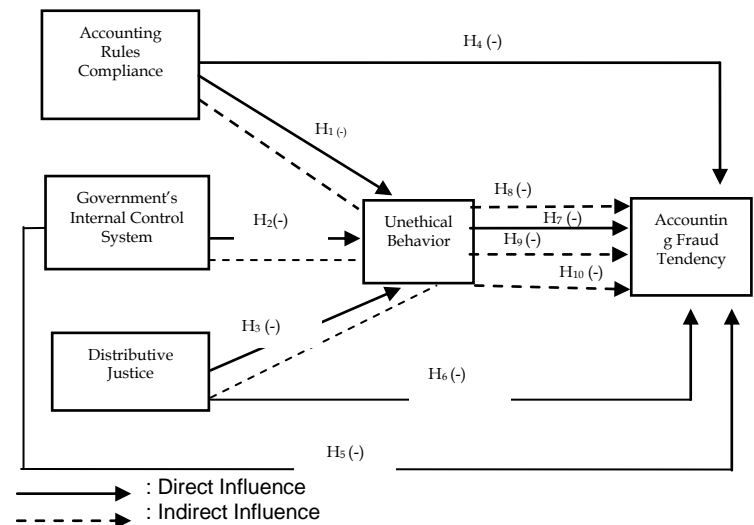


Figure 1 Research Framework

3 RESEARCH METHODOLOGY

The primary data obtained directly from the source are used in this quantitative study. The Semarang OPD Agencies were the research population. Based on the Government of Semarang City Regulation Number 14 of 2016 concerning the Formation and Arrangement of Semarang City Apparatus Arrangement of the Semarang City Regional Apparatus, there were 29 Departments and Agencies. This study used a sample of 87 respondents who were selected by purposive sampling technique. This research used a sample benchmark; that was the employees of the financial subsections who had a minimum service period of one year. The operational definitions and measurement of variables could be seen in Table 1.

Table 1 Operation Definition and Measurement of Variable

No	Definition of Variable	Measurement
Independen		
1	Accounting rules compliance The rules that must be obeyed in making financial reports must have the same format and make it easier for interested parties to make decisions (Thoyibatun, 2012)	5 indicators: (1) Disclosure requirements, (2) Presenting information that is beneficial to the public interest, (3) Objective, (4) Meet the prudential requirements, (5) Meeting the concept of consistency in presentation. (Ikatan Akuntansi Indonesia, 2001)
2	Government's internal control system A procedure or way to measure, monitor, and protect an organization's resources so fraud can be detected and prevented earlier (Najahningrum, 2013)	5 indicators: (1) Control Environment, (2) Risk Assessment, (3) Control Activities, (4) Information and Communication, (5) Monitoring (Government Regulation number 60 of 2008 on the Government's internal control system)
3	Distributive justice Perceptions about how resources and rewards are distributed across agencies fairly (Pristiyanti, 2012)	3 indicators: (1) Compensation describes the business carried out, (2) Compensation describes what is given to companies, (3) Compensation according to performance (Colquitt, 2001)
Mediator		
4	Unethical behavior Actions deviating from the rules that have been set to achieve certain goals (Tang & Chiu, 2003)	4 indicators: (1) Management behavior which abuses position, (2) Management behavior that misuse organizational resources, (3) Management behavior which abuses power, (4) Management behavior that does nothing (Tang & Chiu, 2003)
Dependen		
5	Accounting fraud tendency Errors in presentation or intentionality eliminate nominal or disclosure in the financial statements to deceive the users of the financial statements (Shintadevi, 2015)	5 indicators: (1) Tendency to manipulate fraud, or change accounting records, (2) Tendency to misrepresent or omit significant events, transactions, or information from FIs, (3) Tendency to commit accounting principles intentionally, (4) Tendency to present false financial statements due to theft of assets that make the entity pay for goods / services that are not Accepted, (5) Tendency to present incorrect financial statements due to improper treatment of accompanied fake document assets (Ikatan Akuntansi Indonesia, 2001)

Source: Various sources, 2018

Data collection technique used was questionnaire. The answers were measured using five-point Likert scale. The data analysis techniques in this reserach were divided into two; descriptive and inferential statistics. Structural Equation Model (SEM) approach used SmartPLS 3.0 software for measuring inferential statistical data analysis.

4 RESULTS AND DISCUSSIONS

The results of the descriptive statistical analysis of variables can be seen in Table 2 as follows:

Table 2 Descriptive Statistics of Research Variables

Variable	Interva l	Frequenc y	Percentag e (%)	Categor y	Mea n
Accounting rules compliance	35 – 42	44	51	High	43,24
Government's internal control system	35 – 42	48	55	High	41,48
Distributive justice	15-17	53	61	High	15,21
Unethical behavior	13 – 19	55	63	Low	15,02
Accounting fraud tendency	19 – 26	44	51	Low	17,60

Source: Processed data, 2018

From the results of the inferential analysis using SEM outer model test, the value of loadings factor of compliance with accounting rules, the government's internal control system, distributive justice, unethical behavior, and the tendency accounting fraud is higher than 0.7, so it can be concluded that all question items have good validity. Second, the reliability is seen from the value of composite reliability. The value of composite reliability for all variables has the value higher than 0.7 so that all constructs meet the reliable criteria. The inner model test results the R² value for unethical behavior of 0.351, which means the compliance towards accounting rules, government internal control system, and distributive justice can explain the unethical behavior by 35.1%, while the value of R² for the accounting fraud tendency is 0.557, which means that the compliance towards accounting rules, the government's internal control system, distributive justice, and unethical behavior can explain the tendency of accounting fraud by 55.7% and the remaining 44.3% is influenced by other variables outside of this research model. The hypothesis is accepted if the p-value is lower than a value. The level of confidence is 95% with α value of 0.05.

Tabel 3 Recapitulation of Hypotheses Testing

Hypothesis	Statement	Original Sample	P-value	Result	
H1	Accounting compliance influences behavior	rules negatively unethical	-0,097	0,167	Rejected
H2	Government's control system influences behavior	internal negatively unethical	-0,442	0,000	Accepted
H3	Distributive justice negatively influences unethical behavior	justice influences	-0,206	0,001	Accepted
H4	Accounting compliance influences accounting fraud tendency	rules negatively unethical	-0,307	0,003	Accepted
H5	Government's control system influences accounting fraud tendency	internal negatively unethical	0,401	0,001	Rejected
H6	Distributive justice negatively influences accounting fraud tendency	justice influences	-0,008	0,464	Rejected
H7	Unethical behavior positively influences accounting fraud tendency	behavior influences	0,776	0,000	Accepted
H8	Accounting compliance influences accounting fraud tendency through the unethical behavior	rules negatively unethical	0,076	0,170	Rejected
H9	Government's control system influences accounting fraud tendency through unethical behavior	internal negatively unethical	0,343	0,000	Accepted
H10	Distributive justice negatively influences accounting fraud tendency through unethical behavior	justice influences	-0,160	0,002	Accepted

Source: Processed data, 2018

Influence of Accounting Rules Compliance towards Unethical behavior

The compliance towards accounting rules does not affect unethical behavior. This is not in line with the theory of moral development which states that the employees are a group of individuals who have moral stages. One of the indicators' answers for the compliance towards the accounting rules is to present information that is beneficial to the public interest, with the perception of the performance and financial statements of the institutions presented being useful to the public's interests is the lowest. This means that the financial statement and performance reports made by the employees are only for the accountability reports to superiors. Financial statements and performance reports that are made will only be used by the employees as a reference in preparing the following year's report. This raises the opportunity for them to make financial statements and performance reports that less understood by the public because they do not think that the public needs the report. The results of the research are in accordance with Purnomo & Khafid (2017) and Nurlaeliyah & Anisykurillah (2017).

Influence of Government's internal control system towards Unethical behavior

The government's internal control system can negatively influence the unethical behavior. It is in line with the opinion of Beu & Buckley (2001) where internal control serves as a protection for the companies against individual weaknesses in order to reduce errors and behave according to the rules. It is also in accordance with the fraud triangle theory which explains that unethical behavior and fraud can occur because there is an opportunity to do so. The descriptive statistical results in Table 2 support the results of respondents' answers to the government's internal control system in the high category by 55% and unethical behavior in the low category by 63%. The results are in accordance with the research of Purnomo & Khafid (2017) and Nurlaeliyah & Anisykurillah (2017) who found that the internal control system can suppress the occurrence of unethical actions.

Influence of Distributive justice towards Unethical behavior

Distributive justice can negatively influence the unethical behavior. Unethical behavior will not occur at an institution if its employees feel high distributive justice so that their commitment and satisfaction will also increase. This is in accordance with the fraud triangle theory which states that if the employees feel that there is no fairness in the perception of salary compatibility or compensation received, dissatisfaction and disappointment will emerge so that they take unethical actions. The descriptive statistical results in Table 2 support the respondents' answers to distributive justice being in the high category at 61% and unethical behavior in the low category at 63%.

Influence of Accounting rules compliance towards Accounting fraud tendency

The compliance towards accounting rules negatively affects the accounting fraud. The financial statements must be prepared by the persons responsible for preparing them carefully and in accordance with their expertise. The employees who manage government the financial aspects feel that adherence towards the accounting rules is an obligation that must be carried out. They feel that it is a must, so they will not commit fraud in carrying out their main duties and functions in government agencies. According to the theory of moral development, adherence towards the accounting rules is also supported by the high morality of management. In the post conventional stage, according to the theory of moral development, the high morality of management can form good compliance towards the accounting rules because the management focuses on applying the applicable rules, so that the accounting fraud can be reduced as well. It is supported by the results of descriptive statistics in Table 2 which shows that the respondents' answers to the observance of accounting rules are in the high category by 51% and the tendency of accounting fraud is in the low category by 51%. The results of this research are consistent with Widiutami et al. (2017) and Purnomo & Khafid (2017) showing that compliance towards the accounting rules negatively influences the tendency of accounting fraud

Influence of Government's internal control system towards Accounting fraud tendency

The government's internal control system positively influences the tendency of accounting fraud. The results of the research are not in line with the fraud triangle theory, where one factor triggering the fraud is opportunity. The fraud can be done if there are circumstances and widely open opportunities. In this case, the internal control system becomes an opportunity or chance for fraud if it does not run effectively. The answer to the control activity indicator in the questionnaire with the perception of the institution where I am working, the authorized employees that authorize every task implementation is the lowest. Based on respondents' perceptions, not everything done by financial staff is authorized by the head of financial affairs. It could have happened because of the lack of policies from the head of financial affairs or authorized officials. The head of finance and the authorized officials have assumed that the staff will not commit fraud so that the agency places more emphasis on controlling others. The jobs that are not authorized by the employer will open up opportunities for the employees to commit fraud. This research is in accordance with Arista et al. (2016) and Kusumastuti & Meiranto (2012) that the internal control system has no influence on the tendency of accounting fraud.

Influence of Distributive justice towards accounting fraud tendency

Distributive justice does not have a significant influence on the accounting fraud. Fraud triangle theory is not in line with this research, which shows that pressure can cause an act of fraud. The financial factor of a pressure in this study is proxied by distributive justice which if an employee feels an injustice in his institution, it forces him to feel unappreciated so that he will commit fraud. Based on Table 2, distributive justice is in the high category so that it is not included in the fraud factor but Bologna (1993) argues that humans have a factor of greed, that is, they are never satisfied so that they give assumptions of fair or unfair distributive justice, the employees can still commit fraud. The research by Wulandari & Suryandari (2016) and Pristiyanti (2012) stated that the distributive justice does not have a significant negative effect on the accounting fraud

Influence of Unethical behavior towards accounting fraud tendency

Unethical behavior positively and significantly influences the accounting fraud. Al-Saggaf et al. (2015) stated that unethical behavior in the workplace occurs due to several factors such as pressure, poor management, greed, poor information and communication technology, and communication issues. Three stages in the theory of moral development shows the development of morality; the first is pre-conventional, second is conventional, and the third is post-conventional. The final stage is the stage at which the ethical management principles are formed by the moral development. Good and bad decisions made by the management are determined by its own attitude that comes from the principles it believes. In an agency, actions taken by the employees are influenced by the work environment and the behavior of their superiors. This statement is supported by the results of descriptive statistics in Table 2 which show that the respondents' answers towards the unethical behavior are in the low category and the tendency of accounting fraud is also low. This shows that the unethical

behavior in the City of Semarang OPD has decreased and the possibility of fraud committed is reduced too. The results of this research are in accordance with Nurlaeliyah & Anisykurillah (2017) and Purnomo & Khafid (2017) saying that the unethical behavior has a positive influence on the accounting fraud.

Influence of Accounting rules compliance towards accounting fraud tendency through Unethical behavior

The compliance towards the accounting rules is not able to suppress the existence of unethical attitudes, so fraud will remain occur. This result is not in line with the theory of moral development. In the post-conventional stage, the employees have already had high moral maturity so they are able to act according to the principles that are believed to be right. Acting properly and ethically related to social responsibility means they will not do deviations which can lead them to commit accounting fraud, but although there have been many obedient employees towards the accounting rules applied by the agency, the accounting fraud may still occur if they cannot control themselves to behave ethically. The research results are in line with research by Nurlaeliyah & Anisykurillah (2017) and Purnomo & Khafid (2017).

Influence of Government's internal control system towards accounting fraud tendency through Unethical behavior

The government's internal control system negatively influences the accounting fraud because the unethical actions can be suppressed. This research is in line with the fraud triangle theory, where opportunity is one of the factors for someone to commit fraud. Descriptive statistical results in Table 2 show that the results of respondents' answers to the government's internal control system are in the high category, while the low category can be seen in the variable of unethical behavior and the tendency of accounting fraud. It can be interpreted that the agency employees have understood the importance of internal government control that causes a low level of unethical behavior, and if the level of unethical behavior is low, it will allow the accounting fraud to be low too. This research is in line with the research by Shintadevi (2015) and Nurlaeliyah & Anisykurillah (2017).

Influence of Distributive justice towards accounting fraud tendency through Unethical behavior

The accounting fraud is negatively affected by distributive justice. The employees are satisfied and act ethically because the agencies where they work has been perceived as fair in providing salaries and compensation to them. The fraud triangle theory states that the pressure causes someone to deviate. Therefore, to avoid the employees taking deviant acts and accounting fraud, distributive justice must be implemented with the intention that they will act in accordance with the existing provisions or rules. Descriptive statistical results that support the hypothesis can be seen in Table 2, showing that the results of respondents' answers to distributive justice are in the high category, while the low category can be seen in the variable of unethical behavior and the tendency of accounting fraud.

5 CONCLUSIONS AND SUGGESTIONS

Unethical behavior is influenced by the government's internal control system and distributive justice, whereas the compliance towards the accounting rules has no effect at all.

The compliance towards the accounting rules influences fraud, while the, government internal control system and distributive justice don't. Unethical behavior cannot mediate the compliance towards the accounting rules for fraud, whereas the unethical behavior mediates the government's internal control system and distributive justice towards the fraud. Further research should use other variables outside the research variables that have been studied, such as position on the job. The position of a person such as a government official or starting from echelon IV in an agency allows higher fraud at that level because they are the decision makers in each sector they manage

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