Factors Affecting To Accounting Fraud Tendencies: Study Of South Tapanuli District North Sumatera Province

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A R T I C L E I N F O

A B S T R A C T

The aims of this research are to know the influence of: 1) Effect of Internal Control Effectiveness on Tendency Accounting Fraud in Local Government Institution of Tapanuli Selatan. (2) Effect of Composition Satisfaction on Tendency of Accounting Fraud in Local Government Institution of Tapanuli Selatan (3) Effect of Compliance to Accounting Rules on Tendency of Accounting Fraud Local Government Institution of Tapanuli Selatan. (4) Influence of Internal Control Effectiveness, Composition Satisfaction, and Compliance to Accounting Rules on Tendency of Accounting Fraud in Local Government Institution of Tapanuli Selatan. The method of collecting data used in this research is questionnaire. The population in this research consited of 90 employees of in Local Government Institution) of Tapanuli Selatan who were still actively working. The questionnaire had been tested validity and reliability. Test requirements analysis included tests for normality, multi-co-linearity test, heteroscedasticity test, linearity test. Analysis of the data used to test the hypothesis was to use the technique of multiple regression analysis. The results of this study are: (1) internal control compliance negatife and significant effect on accounting fraud tendency (2) Satisfaction Compensation positive and not significant effect on accounting fraud tendency (3) Compliance to Accounting Rules significant negative effect on Accounting Fraud Tendency. (4) Simultaneously Internal Control Compliance, Satisfaction Compensation and Compliance with Accounting Rules.

1. INTRODUCTION

In Indonesia the case of accounting fraud trend occurs continuously and growing. Generally, cheating accounting relates to corruption, the usual action is to manipulate the recording of financial statements, removal of documents and mark up that hurt the state's finances. Fraud as a deliberate action by one or more individuals between the management, the parties responsible for governance, employees, or fraudulent third parties in order to obtain unfair or illegal gains (Hayes et al, 2017). One of the theories describing the motivation of someone in cheating is the Fraud Triangle theory developed by Cressey (1953) (in Paranoan, 2018). This theory states that cheating accounting is caused by three factors, namely (1) Opportunity (opportunity), (2) pressure (pressure), and (3) rationalization.

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The ACFE (Association of cerified Fraud examiners) categorizes cheating accounting into three parts, namely: (a) corruption, (b) Financial fraud and (c) misuse of assets. The definition of corruption according to KBBI (Great Dictionary of Bahasa Indonesia) is misappropriation or misuse of state money (companies and so on) for personal or other people's benefit.

Other cheating accounting is cheating financial statements, according to Islahuzzaman (2012) The fraud of financial statements is a fraud made by management in the form of material misserved over financial statements that harm investors and creditors. Another form of cheating accounting is the misuse of assets, according to Tuanakotta (in Rendika, 2013) Asset misuse is one form of cheating that is done in an unauthorized manner and evasion of the government assets to enrich themselves and use the assets for personal benefit, which is usually done by employees who work in the agency.

One of the causes of accounting fraud is due to weak internal control within a company or organization, therefore effective internal control can minimize the occurrence of accounting fraud. Satisfaction compensation can also affect the occurrence of accounting fraud, this is in accordance with the study of Gayatri et al (2017) which found that compensation satisfaction negatively and significantly affect the accounting fraud. Rivai (2013) (in Sunaryo et al, 2019) explains that compensation is something that employees receive as a substitute for their contributions to the company. Compensation is a major cost of expertise or work and loyalty in the company's business, compensation becomes the main reason why most people seek employment.

Nasution (2017) had conducted research on the influence of internal control effectiveness, perceptions of conformity compensation, management morality to the unethical behaviour and tendencies of accounting fraud by using variables of the effectiveness of internal control, perception of conformity of compensation, the morality of unethical behaviour management and trends in accounting fraud. The study managed to find the effectiveness of internal control significantly negative influence on the accounting fraud tendencies, conformity of significant negative compensatory compensation towards the accounting fraud tendencies, management morality negatively affect insignificant against the trend of accounting fraud. Referring to Nasution's research (2017), this study will examine the influence of internal control effectiveness, compensation satisfaction, and adherence to accounting rules against accounting fraud tendencies. The variable observance of this accounting rule is based on Adelin's research (2013) which found that the accounting regulations adherence to significant negative influence against accounting fraud tendencies.

Another factor that can prevent the occurrence of accounting fraud is the obedience to accounting rules. According to the Bahasa Indonesia dictionary The rules are a way (terms, benchmarks, instructions, commands) that have been set to be obeyed or done.

Based on the explanation above it is important to know the effect of internal control effectiveness, compensation satisfaction, and compliance accounting rules against accounting fraud tendencies. Therefore, the research is titled "The Effect of internal control effectiveness, satisfaction compensation, and compliance accounting rules *Rules Of Accounting Fraud Tendencies* (empirical study in South Tapanuli district North Sumatera Province)".

2. METHODS

This study was conducted in the organization of regional devices in South Tapanuli province, North Sumatera. The time of the study was from 2020 March to completion. The population in this study is all parties who accept the delegation of authority and responsibility to engage in the use of the estimated funds and the person responsible for the preparation of financial statements in 30 regional device organizations in the provincial government of South Tapanuli in North Sumatra. In this case, the research population is staffed within the budget, your reporting department and accounting from the financial and asset Management Office of South Tapanuli District, North Sumatera. All populations are given the opportunity to fill out questionnaires to obtain information relating to all existing diversity. An example of

this research is an employee who works in the provincial government of South Tapanuli Sumatera Utara in the financial bureau. Sampling in this study uses saturated sampling.

3. RESULTS

In this research we test the data using assumption classic test with the first test is normality using Kolmogorov-Smirnov test. Based on the test results normality with normal probability plot (Fig 1). The dots tend to spread close to the diagonal line. This means that the data has fulfilled the normality assumptions.
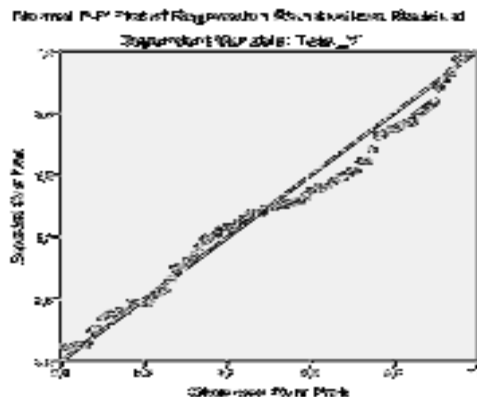
Picture 1. The results of the test result of double regression normality:
Results of Data processing with SPSS Software 21

To check whether there is a multicolinearity or cannot be seen from the value of variance inflation factor (VIF). The value of the VIF of more than 10 indicated a free variable of multicolinearity (Ghozali, 2006: 58). The result multicolinearity shows on table 1. Best on the table we conclude there is no multicolinearity on the data.

Table 1
Multicolinearity Test

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
Total_X1	,873	1,146
Total_X2	,940	1,064
Total_X3	,850	1,176

The third test from the assumption classic is heteroskedasticity test. Based on the table 2, a known probability value of the entire independent variable is greater than 0.05, then the H0 is received, so it can be inferred there is no heteroskedastisity on the regression model used.

Table 2
Heterokedasitas Test

Model		T	Sig.
1	(Constant)	1,481	,143
	Total_X1	-,704	,484
	Total_X2	,807	,422
	Total_X3	-,787	,434

FINDINGS
a. Simultaneous test of influence significance (F test)
The test aims to test the influence of free variables simultaneously or simultaneously against the non-free variables.

Table 3
Simultaneous influence Test
ANOVA[a]

Sum of Squares	df	Mean Square	F	Sig.
679,650	3	226,550	5,356	,002[b]
2960,999	70	42,300		
3640,649	73			

F tabel = F (k; n-k)= f (3 ; 71) = 2.73

Based on table 3, the known value of F count is 5.356, while the value F table is 2.73. Becausen Value F count 5.356 > F table 2.73 Sig. 0.002 < 0.05. Thus internal control, conformity of compensation, and compliance with the simultaneous accounting rules have significant effect on the trend of accounting fraud.

b. Test partial influence significance (T Test)

Table 4
Test partial influence significance (T Test)
Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	71,778	11,792		6,087	,000
	Total_X1	-,313	,148	-,244	-2,118	,038
	Total_X2	,016	,168	,010	,093	,926
	Total_X3	-,533	,219	-,284	-2,433	,018

a. Dependent Variable: Total Y

Based on table 4. Acquired multiple linear regression equations as Following.

$Y = 71.778 – 0, 313X1 + 0, 016X2 – 0, 533X3 +$

Based on multiple regression equations, it is known:
1. The internal control variable significantly affects (in statistics) against the trend of accounting fraud, at a significance level of 5%.
2. Variable gratification satisfaction has no significant effect (in statistics) against the trend of accounting fraud, at a significance level of 5%
3. Variable Ketatan accounting rules have significant effect (in statistics) against the trend of accounting fraud, at a significance level of 5%.

c. Analysis coefficient determination coefficient of determination (R^2)

According to table 5 above, it can be seen that the value of coefficiencies determination (R^2) is 0.327. From these values it can be interpreted that a 32.7% variable accounting fraud is influenced by internal control and satisfaction compensation, and the compliance of accounting rules whereas the remainder of 68.3% is explained by other factors that are not incorporated into this model.

Table 5
Coefficient of determination

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,694[a]	,486	,327	1,504

a. Predictors: (Constant), Total_X3, Total_X2, Total_X1

DICUSSION OF RESEARCH RESULTS
1. Influence of Internal control effectiveness in accounting fraud
Partially, the test results between internal control variables of the accounting fraud tendencies showed significant influence. Internal control affects negatively and significantly against the trend of accounting fraud, which can be seen from T-calculate greater than T-table (-2,118 > critical value T 1.994) and significance value is 0038 below 0.05, this means the hypothesis (H1) is accepted stating that there is a significant influence between internal control effectiveness and accounting fraud tendencies. Based on a regression equation shows that internal control effectiveness has a negative regression coefficient of-0313. This means that the increasingly effective internal control can lower the tendency of accounting fraud in an agency.

The findings supported the research conducted by Adelin (2013), Nasution (2017), Nugroho (2017) and Sari DKK (2015) who found that internal control effectiveness had significant effect on the trend of accounting fraud. Internal control of effective agencies can minimize the opportunity for individuals to cheat in accounting.

2. Effect of satisfaction compensation against cheating accounting
Partially, the test results between the variable satisfaction compensation against the trend of accounting fraud showed no significant influence. The compensation satisfaction positively and insignificant effect on the trend of accounting fraud, which can be seen from T-count is greater than the T-table (0.093 < 1.994) and the value of significance is 0.926 greater than 0.05, this means the hypothesis (H2) is rejected stating that there is no significant influence between the satisfaction of compensation and the trend of accounting fraud. Thereby, whether or not high compensation is given has no effect on increasing or decreasing the trend of accounting fraud.

According to the research results Faisal (2013) explained that, the main purpose of the government apparatus works is to serve the community, although they admit that they are average less satisfied with the salary. In addition they also understand that the basic salary rules for civil servants are strongly influenced by the group and the length of the work. They fully realized all the authority relating to the determination of the absolute principal salary in the hands of the central government, as stipulated in PP No. 9 year 2007 which renews the PP No. 11 year 2003 on the amendment of PP No. 98 Year 2000 on the procurement of civil servants. Bologna (1993) in Soepardi (2010) says one cause of fraud or cheating is Greed or greed.

The results of this study contradict the research conducted by Nasution (2017) and Gayatri et al. (2017) who found that the compensation satisfaction significantly affected the tendencies of accounting fraud**.**

3. Influence of obedience rules accounting against cheating accounting
The results of the study supported the third hypothesis that obedience to the accounting rules negatively and significantly affect accounting fraud. This is evidenced by the value of Thitung of 2,433 which is greater than this at a significance level of 5% namely

1,994 (2,433 > 1,994. In addition, the probability value is significance of the amount.,018 < 0.05 This means the hypothesis (H3) accepted indicates that the accounting rules compliance variable has significant effect on cheating accounting.

The findings of this research supported the research conducted by Adelin (2013), and Rahmaidha (2013) who found that the compliance of accounting rules significantly affects the trend of accounting fraud. The results of this study indicate that the higher level of obedience to the OPD accounting rules in South Tapanuli district, the accounting fraud will be decreasing.

4. Effect of Internal control effectiveness, compensation satisfaction, and compliance accounting rules against accounting fraud

The results of the study supported the fourth hypothesis that Internal control effectiveness, compensation satisfaction, and compliance with the accounting rules simultaneously were negatively and significantly influential in accounting fraud at OPD in South Tapanuli district. This is demonstrated by the value of the coefficient of Internal control effectiveness of 0.313 which means if Internal control effectiveness increased 1 point, the accounting fraud will decrease by 0.313 units with the assumption of variable satisfaction compensation and adherence to fixed accounting rules. A compensation satisfaction coefficient value of 0.016 which means if the compensation satisfaction is 1 point, then the accounting fraud will decrease by 0, 016 units with the variable assumption of Internal control effectiveness and adherence to fixed accounting rules. The value of obedience coefficient of accounting rules is 0.533 which means if the job satisfaction increased 1 point, then the accounting fraud will decrease by 0.533 units with the assumption of Internal control effectiveness and compensatory satisfaction.

From simultaneous testing (together) It can be noted that the independent variables used in this study are internal control, satisfaction compensation and compliance of accounting rules, simultaneously having a significant influence on the inadequation of accounting fraud which becomes the dependent variable. This is indicated by an F value of 5,356 while the F table value is 2.73. The probability of 0.002 is smaller than 0.05, then it can be said that the independent variables used in the study have an effect simultaneously. The adjusted value of R^2 is equal to 0327 which means that a 32.7% variable of fraud accounting tendencies can be explained by internal control variables, Perkepuasan compensation, and the observance of the remaining accounting rules 67.3% explained by other factors outside the regression model.

4. CONCLUSION

Based on the results:
1. The entire variable is free, i.e. internal control, satisfaction compensation, and obedience to the accounting rules simultaneously affecting the tendency variable of accounting fraud.
2. Simultaneously, internal control, satisfaction compensation, and compliance accounting rules have a significant influence on the tendencies of accounting fraud in 30 OPD of South Tapanuli District

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