



Detecting Fraud in BOS Fund Management (Evidence from Lampung- Indonesia)

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Authors' contributions

This work was carried out in collaboration among all authors. Author FP designed the study, performed the statistical analysis, wrote the protocol and wrote the first draft of the manuscript. Authors Sudrajat and RO managed the analyses of the study. Author Sudrajat managed the literature searches. All authors read and approved the final manuscript.

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ABSTRACT

This study aims to detect fraud tendencies in BOS fund management with a diamond fraud approach that is influenced by organizational competence and culture by using the quality of accounting information systems as mediation variables. This study used quantitative descriptive method. This research was conducted in schools in Lampung Province. The Starfield Radom Sampling method is used to take samples. Primary data was obtained by distributing questionnaires to 1,366 schools that experienced delays in submitting reports on the use of BOS funds phase I 2020 as of June 12, 2020. Respondents in this study were teachers who did not get additional assignments as members of the BOS Fund Team. The research was conducted on February 6, 2021 – March 10, 2021. 973 data were obtained from 367 samples that met the criteria. Data is processed using Smart PLS 3.0. The test results show that competence, organizational culture, and competence with the quality of accounting information systems as mediation variables do not detect

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fraud tendencies in managing BOS funds with a diamond fraud approach. While the quality of accounting information systems and organizational culture with the quality of accounting information systems as a mediating variable can detect fraud tendencies in the management of BOS funds.

Keywords: *Organizational culture; BOS funds; fraud diamond; fraud detection; competence; quality of accounting information systems*

1. INTRODUCTION

The determination of the Indonesian government is very large to improve the quality of education. This is evidenced by the large allocation of education funds which reaches 20% of the state budget. In 2020, the state budget allocates at 508.1 trillion with 10.69% allocated for BOS funds for 45.4 million students or 54.32 trillion IDR. The allocation of BOS funds in the 2020 state budget increased by 6.03% compared to 2019 [1].

BOS or School Operational Assistance is a central government educational donation for non-personnel purposes given to schools from non-physical special allocation funds according to the number of students enrolled. BOS funds are used only to finance education operations. However, there is a lot of abuse in practice by manipulating the finances of the use of bos funds. Indonesian corruption watch has released corruption related to the education budget that occurred in the period 2005-2016 approximately 425 cases. The fraud caused the state to suffer losses of up to 1.3 trillion IDR and bribes of 55 billion IDR [2]. As happened in Bogor, the implementation of the SD exam by appointing a contractor in the procurement of test papers on the recommendation of the Bogor City K3S. State losses incurred amounted to 17,189,919,828 IDR [3] and MKKS SMP Lampung Tengah Regency has deducted 2,500.00 IDR per student from 81 public Junior High Schools received reaching 31,250,000,000.00 IDR [4].

The Minister of Education and Culture requires schools to *upload* a recapitulation report on BOS management through the <https://bos.kemdikbud.go.id> website so that it is expected to reduce fraud in the management of BOS funds. BOS funds phase I was disbursed on February 14, 2020, and phase II on May 13, 2020 [5]. According to the Ministry of Education and Culture of the Republic of Indonesia, there are 6.29% of schools that have not submitted a report on the use of phase I BOS funds or 13,601

schools [6]. Meanwhile, as of June 12, 2020, there are 2,792 schools out of 7,104 schools in Lampung Province that have not uploaded *the* recapitulation report of regular BOS spending phase I through the <https://bos.kemdikbud.go.id/> website.

Late submission of financial statements may indicate manipulation of financial statements [7], this is possible due to the report conditioning process that is not by BOS fund management SOP. This may indicate fraud in the management of BOS funds. Financial statement fraud is a presentation that does not follow generally accepted accounting principles intentionally or omissions [8]. Willful negligence can influence the relevant parties in making decisions. The act of increasing the number of students, falsifying notes, and using budgets not referring to technical instructions for the use of BOS funds are actions that indicate fraud in the management of BOS funds.

In this study, the author uses the fraud diamond approach to detect whether there is fraud in the management of BOS funds within the education office of Lampung Province by using variables of competence, organizational culture, and quality of accounting information systems as mediating variables. According to Siregar and Hamdani [9], Sasongko et al. [10], Rahmatika et al. [11], Nanda et al. [12], Elviani et al. [13], and Supri et al. [14] Cheating is not influenced by competence. The results were different from Abdullahi and Mansor [15], and Triyanto [16] who stated competence or ability that influenced fraud. The same thing was also stated by Purwatmiasih et al. [17]. That the most decisive factor in cheating is ability.

Research by Dhany et al. [18] stated that organizational culture had a significant effect on fraud. This is supported by Nuraeni [19] who stated that organizational culture has a positive and significant effect on *fraud*. But in contrast to Siregar and Hamdani [9] and Nainggolan et al. [20] which state that *fraud* is influenced by organizational culture in a negative direction.

2. THEORETICAL REVIEW AND METHODOLOGY

2.1 Theoretical Review

2.1.1 Agency theory

A theory that provides an overview of the relationship between the mandated party and the mandate giver. As explained by Jensen and Meckling (1976). In this study, the Minister of Education and Culture acts as the *principal*, and the headmaster is *an agent* who is bound by the contract stated in the Decree of the Minister of Education and Culture regarding Schools Receiving Regular BOS Funds. Conflicts of interest arise because of differences in interests between the *principal* and the agent. From the principal side, they want to get a goal for the advancement of education by assisting with education costs through *agents*, namely schools that are represented to the principal. On the other hand, *agents have an interest in improving their welfare so that they can trigger agency problems that cause agents to try to fulfill the principal's wishes while getting welfare.*

2.1.2 Detecting fraud

Detecting fraud is the process of finding indications of the tendency to cheat, based on indicators of the causes of fraud. Fraud is behavior that is intentionally dishonest or deliberately presents material facts that are false. Lying, deceiving, telling untruths deliberately, and doing unfair to others for personal gain [21]. Cheating is an attempt to gain a dishonest advantage from another party [22].

2.1.3 The fraud diamond

This theory explains the motivations that cause people to cheat as Wolfe and Hermanson proposed in 2004. *The fraud diamond is a development of the fraud triangle theory proposed by Cressey (1950). The triangle fraud theory states pressure, opportunity, and rationalization or justification are the three causes of fraud.* In 2004 Wolfe and Hermanson added the ability to cause fraud to become known as *Fraud Diamond Theory*. They stated that *fraud will occur because of the right management ability in doing every detail of fraud.*

Fraud according to fraud diamond is caused by factors:

Pressure: Every perpetrator of fraud must face pressure to commit fraud. Dishonorable behavior is carried out by the perpetrator due to pressure or motivation [23]. Acts of corruption are often committed by people who experience financial pressure. The trigger for corruption is the bad habits of the perpetrators themselves such as gambling, drugs, lack of performance rewards, and low salaries. High financial pressure, results in a high tendency to commit corruption [1].

The occurrence of financial statement fraud is due to certain institutional environments, individual capabilities, and opportunities [24]. Events that have occurred in a person's personal life can result in financial and other stresses that become a motivation for cheating [21]. Pressure is the impulse that arises in a person because there are factors that persuade him to meet his needs [25]. In an organizational context, pressure can come from the leader's order to commit unethical actions (compliance pressure) [26]. The possibility of cheating occurs not only because someone feels pressured, but also because there are opportunities for someone who is not under pressure.

Opportunity: Opportunity is a fraudulent activity that arises from a weak system that can be exploited by the right people [27]. Opportunity is a situation in which the perpetrator can act and hide dishonest actions to obtain personal benefit [22]. *Fraud will not occur without opportunity, even though the individual has high pressure to commit fraud [26].*

Weak internal control systems, inadequate management supervision, lack of sanctions, and unclear procedures trigger opportunities [11,28,29]. The opportunities that exist in each organization greatly influence an individual's decision to commit fraud [23]. Cheating is always perpetrated by people who have knowledge and opportunity [21]. Fraud is carried out by perpetrators because they understand the weaknesses of the internal control system in the company and make it an opportunity [1].

Rationalization: Rationalization is convincing oneself that the act of cheating is worth the risk [27]. Rationalization is an endorsement made by a person who cheated on his fraudulent actions. Rationalization gives rise to a person's intention to commit an act of cheating [30]. Rationalization allows the fraudster to see his illegal actions as acceptable [23,26]. Rationalization is needed by fraudsters to build an honest and trustworthy

image [31]. To meet the interests of individuals, rationalization is carried out to cover the perception of fraud to be carried out so that individuals can avoid the risk of fraud [32].

Most fraudsters assume that they are not cheating but act as they should [1]. Rationalization can be done with conscious or unconscious conditions because it is in a system that forces someone to cheat. This causes a collision in the conscience of the perpetrator. A wide variety of reasons can be used as rationalizations, including the reason that fraudsters use the proceeds of their fraud for social purposes [21].

Capability: A person's position or position can give rise to the capacity to create or use opportunities that do not exist in other individuals [23]. Ability is the effort and role of a person to act fraudulently in the organizational environment. Capacity is the primary determinant in cheating the other three elements (pressure, opportunity, and rationalization) [27]. *Fraud* is carried out by people who have the appropriate ability to do every detail of fraud. Opportunity is an open door of cheating, then driven by *pressure* and *rationalization* to pass through, but those who can do it are people who have *the capability*. A *capability* that can turn opportunities, pressure, and rationalization of fraud into reality. *Capability* is the most decisive factor in fraud [17]. It is the ability that turns cheating into reality [27]. This ability is an individual trait that motivates one to look for opportunities and use them to commit cheating. Good skills are needed to identify opportunities to make the right cheating tactics. Leaders in an organization occupy the highest position in an organization so have the ability to commit fraud [26,30]. Three conditions allow a person to do with his ability: cheating. Fraud that often occurs is asset theft, hiding fraud, and obtaining personal benefits by converting theft [33,34].

2.1.4 Quality of accounting information systems

The quality of accounting information systems according to Azhar Susanto in [35] is a combination of all elements and subelements that are interrelated in forming an accounting information system to produce quality information.

Accounting information systems have the following functions: data collection and storage; The resources, activities, and personnel of the

organization, generate information from the processed data, and control and maintain the assets and data of the organization.

The combination of connected components produces quality accounting information [36]. The main characteristics of quality information are: relevant, reliable, complete, timely, verifiable, and accessible. Accounting information systems are used to obtain information quickly, precisely, and accurately in managing BOS funds.

2.1.5 Competency

Competence in this study is related to the individual competence of the principal. Individuals who have been declared "competent" in carrying out their duties if they meet the minimum criteria required to perform a particular job [37].

Two notions of competence [37]; First, it indicates adequacy which means a person who is declared competent if he has a set of attributes that correspond to the task to be performed. Second, as an alternative definition of capability, competence is the knowledge and/or skills that a person has in a particular field of performance.

The competencies required for a teacher to become a principal are knowledge, attitudes, and skills on the dimensions of personality, managerial, entrepreneurship, supervision, and social competence [38].

2.1.6 Organizational culture

"Organizational culture is a long-standing habit in organizations and still applies for generations today [1]." Organizational culture is norms, values, assumptions, beliefs, habits made in an organization and approved by all members of the organization as guidelines or references in the organization in carrying out its activities both intended for employees and for the benefit of others" [2]. There are values and assumptions shared in organizational culture [39]. Managerial initiatives influence the cultural context to influence the image and day-to-day inertia between members of the organization and audiences outside the organization. Cultural symbols become an important source for building the image of the organization [4].

The organizational culture of the school influences the behavior and attitude of each member of the school organization. A good work culture is formed from a good organizational

culture, good quality work is formed from a good work culture and vice versa. A bad organizational culture will lead to a tendency to carry out corrupt activities[1]. Organizational culture is one of the factors in the design of accounting information systems [40].

2.1.7 School operational assistance

Regular School Operational Assistance is a Central Government program to provide funding for operational costs for schools sourced from non-physical special allocation funds. Its utilization is the full responsibility of the school. Activities related to the management of BOS funds include recording income and financing as well as reporting on their use. In other terms is accountable, transparent bookkeeping that is systematic so that it is easy to supervise. "The principles of using "BOS funds" should be done in terms of flexibility, effectiveness, efficiency, accountability, and transparency [33].

2.2 Hypotheses Development

2.2.1 The effect of competency to detect bos fund management fraud with the fraud diamond approach

Competence is the ability to turn opportunities into reality [15]. Ability is the most determining factor in the occurrence of fraud [17]. This indicates that the person who is capable of cheating is the one with the ability. Financial statement fraud is influenced by competence [16]. Fraudsters are mostly institutional insiders who have access and are knowledgeable, have the necessary skills and resources, understand organizational systems, and can hide their fraud [22]. To commit fraud requires more intellectual capacity that will be used to detect existing opportunities, and generate creativity to exploit weaknesses in the internal control system [27]. Fraud is carried out by employees by penetrating the internal control of the organization, developing techniques to be carried out to commit embezzlement, and being able to control social situations that can benefit them personally by influencing other parties to cooperate with them [11]. Abilities that lead perpetrators to cheat [26]. Ability is defined the same as competence. High competence can indicate fraud in the management of BOS funds. Then the first hypothesis can be formulated as follows:

H1 Competency has a positive and significant effect on detecting fraud in BOS

fund management with the diamond fraud approach.

2.2.2 The influence of organizational culture to detect fraud in BOS fund management with the diamond fraud approach

Organizational culture is "Norms, values, assumptions, beliefs, habits made in an organization and approved by all members of the organization as guidelines or references in the organization in carrying out their activities both intended for employees and the benefit of others" [2]. Organizational culture has a significant effect on fraud [18]. This means that the better the organizational culture, the greater the indication of fraud. This indicates that fraud can be detected from the culture of the organization. Organizational culture influences fraud [34] therefore organizational culture has a positive and significant effect on fraud detection [19]. Researchers argue that organizational culture is habit that have been formed for a long time in an organization. The courage to innovate and take risks makes the principal take all efforts for school progress, one of which is by procuring goods/services. Procurement of goods/services is very prone to fraud [18]. This indicates that organizational culture is influential in facilitating the procurement of goods and services. So that organizational culture tends to be able to detect fraud in the management of BOS funds.

From the above, the second hypothesis can be formulated as follows:

H2 Organizational Culture has a positive and significant effect on detecting fraud in BOS fund management with the diamond fraud approach.

2.2.3 The effect of accounting information system quality to detect fraud in BOS fund management with the diamond fraud approach

There are five main components in accounting information systems; system users, the sequence of commands and procedures used, data processing software, information technology infrastructure used, and security measurement systems and internal control of data storage Accountant Information Systems. The quality of accounting information systems is a combination of all elements and subelements that are interrelated in forming an accounting information

system to produce quality information [35]. In quality accounting information systems there is ease of access to information [22]. With the ease of accessing information, it will be easy to carry out the verification process so that it can produce good quality information systems. "The application of accounting information systems has a positive effect on the trend of accounting fraud. This is due to the low competence of employees, resulting in a lack of knowledge and understanding of the use of accounting and bookkeeping systems" [36]. Therefore, accounting information systems tend to affect accounting fraud. The low quality of accounting information systems in a company can cause fraud [37]. The author argues that in a system there can be intentional or unintentional mistakes due to lack of knowledge and understanding of the use of accounting and bookkeeping systems. Intentional mistakes are usually due to the manipulation of transaction records and proof of transactions for personal or group interests. In addition, the author also argues that the management of BOS funds is the responsibility of the school. Not all schools provide access to stakeholders to know the use of BOS funds, so there is no transparency. And not all BOS fund managers, in this case, the BOS treasurer has knowledge and understanding of accounting information systems. This may indicate fraud in the management of BOS funds. Based on the above, the third hypothesis is formulated as follows:

H3 Quality of Accounting Information System has a positive and significant effect on detecting fraud in BOS fund management with the diamond fraud approach.

2.2.4 The effect of competency to detect fraud in BOS fund management through the fraud diamond approach with the quality of accounting information systems as a mediating variable

Accounting information systems are highly dependent on the competence of their users [38,39]. "User competence is a unique characteristic resulting from an individual's knowledge, expertise, skills, and motivations that relate to the success of an individual's performance demonstrated through that individual's way of thinking and behaving" [38]. Competence affects the quality of accounting information systems [39]. The quality of

accounting information systems is influenced by competence in a positive direction [38,39]. The author argues that the influence of competence on the quality of information systems will indicate fraud. This is supported by the statement that competence can cause fraud [15]. High competence is vulnerable to being used to manipulate financial statements so that it will produce reports that are not by the technical instructions for the use of BOS funds. Thus, competence with the quality of accounting information systems tends to indicate fraud in the management of BOS funds. Based on the explanation above, the fourth hypothesis can be formulated as follows:

H4 Competency has a positive and significant effect on detecting fraud in BOS fund management with the fraud diamond approach with the quality of accounting information systems as mediating variables.

2.2.5 The influence of organizational culture to detect fraud in BOS fund management through the fraud diamond approach with quality accounting information system as a mediating variable

One of the "shaping" factors of accounting information systems is organizational culture [22]. Improving the quality of accounting information systems can be done by paying attention to organizational factors, especially organizational culture factors. This factor becomes vital not only when creating and developing information systems, but when implemented [40]. "Organizational culture affects accounting information systems. With organizational culture, accounting information systems will produce quality information and satisfaction for information users [41]. One of the criteria of organizational culture according to Robbins and Judge [3] is stability indicated by reporting performance results. While in quality accounting information systems there is ease to access information[22]. With the ease of accessing information, it will be easy to carry out the verification process so that it can produce quality accounting information. The author argues that not all schools receiving BOS funds are transparent in the use of BOS funds and provide access to stakeholders to know the use of BOS funds. This is due to the assumption that the management of BOS funds is a school secret

that cannot be made public. Therefore, it is difficult to verify the use of BOS funds. This may indicate fraud in the management of BOS funds. From the above, the fifth hypothesis can be formulated as follows:

H5 Organizational culture with the quality of accounting information systems as a mediating variable has a positive and significant effect on detecting fraud in BOS fund management with the fraud diamond approach.

2.3 Frame of Mind

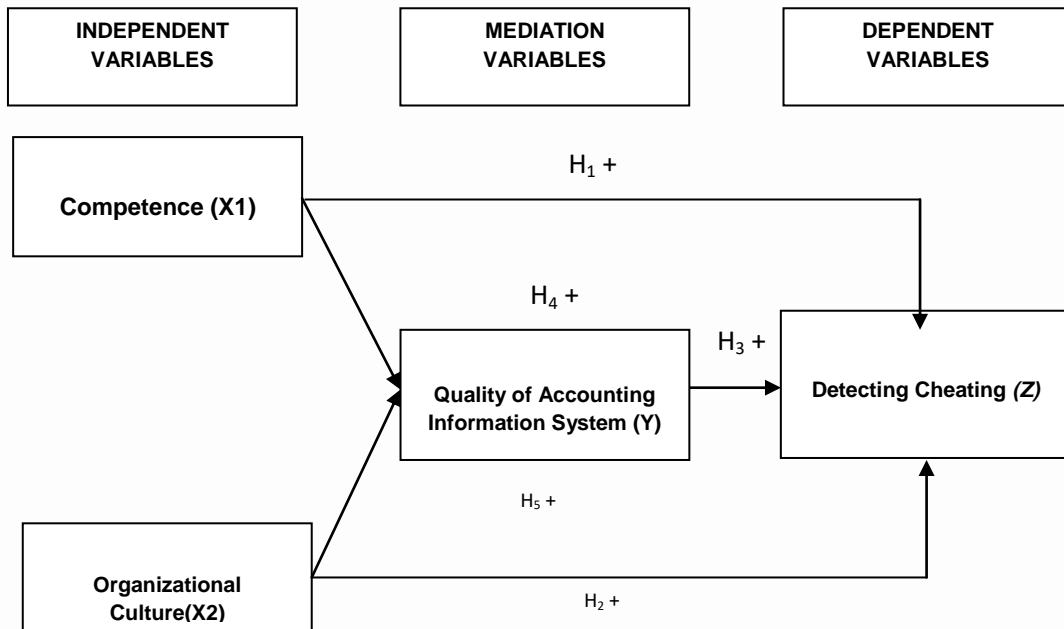


Fig. 1. Frame of mind
Source: Data processed, 2020

2.4 Research Method

This research is quantitative. The population in this study is school institutions in Lampung Province that have not uploaded a report on the use of BOS funds for the first period of 2020 as of June 12, 2020, on the <https://bos.kemdikbud.go.id/> website totaling 2,792 schools. To calculate the required sample size, use the Solvin Formula. The total population is 2,792 schools, assuming a 5% error allowance, then the minimum sample required is 350 schools. Determination of the number of samples for each district/city using *disproportionate stratified random sampling*. The respondents in this study were teachers who did not have additional duties as BOS treasurers and members of the BOS Team. Data is obtained through direct distribution using Microsoft Forms. Before data collection, a questionnaire trial was

conducted on 33 teachers outside the study population on February 2, 2021.

The distribution of questionnaires was carried out in collaboration with the Indonesian Supervisory Association (APSI) Lampung which was distributed through the Education Office of Central Lampung and East Lampung Districts from February 6, 2021, to March 10, 2021. Sampling in Metro City are socialized through Teacher Working Groups (KKG), Subject Teacher Deliberation (MGMP), and author relations.

2.5 Variable Measurement

The variable measurement uses dimensions developed by previous researchers and has been adjusted to the object of research. Here are the variables and measuring tools used Table 1.

Table 1. Variables and measuring tools

No	Variable/reference	Dimension	Indicator	No Questions	Testing
1.	Competence (X1) Regulation of the Minister of National Education Number 13 of 2007	Personality	Noble character (X1.1)	1	Likert 1-5
		Social	Be open (X1.2)	2	Likert 1-5
			Social sensitivity (X1.3)	3	Likert 1-5
		Managerial	Work together (X1.4)	4	Likert 1-5
			RKS/RAKS (X1.5)	5	Likert 1-5
		Supervision	Financial accountability(X1.6)	6	Likert 1-5
			Planning academic supervision (X1.7)	7	Likert 1-5
		Entrepreneurship	Carry out academic supervision (X1.8)	8	Likert 1-5
			School development (X1.9)	9	Likert 1-5
		Entrepreneurial instinct (X1.10)	10	Likert 1-5	
2.	Organizational Culture (X2) (Nurliyani et al., 2020)	Innovation and risk-taking	Motivation of leaders to innovate (X2.1)	11	Likert 1-5
		Attention to things Detailed	The courage to take risks(X2.2)	12	Likert 1-5
			Planning for each activity(X2.3)	13	Likert 1-5
		Peopleorientation	Utilization of existing resources (X2.4)	14	Likert 1-5
		Team orientation Agricivitas	Clear work instructions (X2.5)	15	Likert 1-5
			Strong leadership commitment (X2.6)	16	Likert 1-5
		Stability	Rules of conduct at school (X2.7)	17	Likert 1-5
			Achievement of performance targets (X2.8)	18	Likert 1-5
		Performance results reporting (X2.9)	19	Likert 1-5	
3	Quality of Accounting Information Systems (Y) Romney andSteinnbart (2015)	Relevant	Application usage	20-21	Likert 1-5
			Information System (Y.1)		
			BOS usage report according to technical instructions (Y.2)	22	Likert 1-5
		Use of party services third(Y.3)	23	Likert 1-5	
		Reliable	Reports on the use of BOS funds are made in accordance with their use (Y.4)	24	Likert 1-5
Complete and precise Time	Accuracy of reports on the use of BOS funds (Y.5)	25	Likert 1-5		

No	Variable/reference	Dimension	Indicator	No Questions	Testing
		Understandable	Readability of BOS fund usage report (Y.6)	26	Likert 1-5
		Verifiable	The use of BOS funds refers to technical instructions (Y.7)	27	Likert 1-5
			Report verification by the BOS Fund Team (Y.8)	28	Likert 1-5
		Accessible	Easy access to BOS fund information (Y.9)	29	Likert 1-5
4.	FRAUD DIAMOND (Z) ACFE (Singleton and Singleton, 2010)	Financial statement fraud	Mark up fees (Z.1)	30	Likert 1-5
			Completeness of attachments to supporting documents (Z.2)	31	Likert 1-5
			Use of fake notes (Z.3)	32	Likert 1-5
		Misuse of assets	Use of school assets by leaders or staff/teachers (Z.4)	33	Likert 1-5
		Corruption	Double receipt (Z.5)	34	Likert 1-5
	Kassem & Higson, 2012)		Distribution of the remaining budget (Z.6)	35	Likert 1-5
		Pressure	Lifestyle(Z.7)	36	Likert 1-5
			Extra expenses (Z.7)	37	Likert 1-5
			Pressure from outside the school (Z.9)	38	Likert 1-5
	Lokanan & Sharma, 2018)	Opportunity	Ineffective monitoring (Z.10)	39	Likert 1-5
			Industry Type/school level (Z.11)	40	Likert 1-5
	(Romney & Steinbart, 2015)	Rationalization	Justification (Z.12)	41	Likert 1-5
			Attitude (Z.13)	42	Likert 1-5
			Personal Integrity (Z.14)	43	Likert 1-5
	Wolfe & Hermanson, 2004)	Capability	Position (Z.15)	44	Likert 1-5
			Intelligence (Z.16)	45	Likert 1-5
			Ego and self-belief (Z.17)	46	Likert 1-5
			The ability to impose the will (Z.18)	47	Likert 1-5
			The ability to lie (Z.19)	48	Likert 1-5
			Stress management (Z.20)	49	Likert 1-5

Source: Data processed, 2020

3. RESULTS AND DISCUSSION

3.1 Results

After distributing the questionnaire, data were obtained as in Table 2.

From Table 2 it can be seen that the response of the analysis unit to the questionnaire is low. This shows that the transparency of the analysis unit or school in Lampung Province is indicated to be relatively low

3.2 Characteristics of Respondents

The profile of the respondents is shown in Table 3. Of the 973 respondents, it is indicated to have high competence and experience. This can be seen from the largest percentage of education, namely S1/D4 by 93% or 903 respondents with an average working period of 15 years. That is, respondents are considered to have high knowledge and competence to fill out research questionnaires.

3.3 Discussion

The data obtained is then processed and tested for validity and reliability. Fig. 2 shows the results of hypothesis testing.

There are two influences produced in this study, namely direct influence and indirect influence. As shown in Table 4 and Table 5.

3.3.1 The effect of competency to detect bos fund management fraud with the *fraud diamond* approach

Based on the test results shown in Fig. 2, it is known that competence has a Statistical T value of $0.025 < 1.96$ (t-table). Supported by Table 4 that the higher the competence, the lower the detection of BOS fund management problems. This means that H1 is not accepted. Competency does not have a positive and significant effect

indicating a tendency for fraudulent management of BOS funds.

The results of this study do not support Abdullahi and Mansor[15], Triyanto[16], and Purwatmiasih et al. [17] but support the research results of Siregar and Hamdani [9], Sasongko et al. [10], Rahmatika et al. [11], Nanda et al. [12], and Elviani et al.[13].

3.3.2 The influence of organizational culture to detect fraud in bos fund management with the *fraud diamond* approach

Based on the test results as shown in Fig. 2 shows that the T Statistics value of $1.270 < 1.96$ indicates that H2 is not accepted. Organizational culture does not positively and significantly detect fraud in the management of BOS funds. Meanwhile, based on Table 4 it is known that the more higher the organizational culture, the higher the detection of ignorance.

Based on hypothesis testing, it is known that an excellent organizational culture does not positively and significantly detect fraud in the management of BOS funds. This can be interpreted that with a good organizational culture, there is no tendency to commit fraud in the management of BOS funds due to good planning in the use of BOS funds. The results of this study do not support research conducted by Dhany et al. [18], and Nuraeni [19] which state that organizational culture has a significant effect on fraud. This study supports the research of Nainggolan et al [20] as well as Siregar and Hamdani [9] which states that organizational culture does not influence the occurrence of fraud.

The results of this study also do not support *Agency Theory*. The BOS team does not use the difference in interests that exist between the *principal in this case the Minister of Education and Culture and the Agent in this case the principal for personal or group interests so that there is no tendency to fraudulent management of BOS funds.*

Table 2. Data distribution

Information	Sum	Percentage
Questionnaires distributed to units of analysis	1.366	100%
Analysis unit data is not returned	558	40%
Incoming analysis unit data	404	30%
Analysis unit data that is declared not to meet the criteria	37	3%
Incoming unit analysis data that can be processed and analyzed	367	27%

Source: Processed Primary Data, 2021"

Table 3. Respondent profile

“Demographics	Amount	Prosentase
Gender:		
Man	302	31%
Woman	671	69%
Average usia (years)	41	
Education:		
D2/D3	40	4%
S1/D4	904	93%
S2	29	3%
Average length of service (years)	15	
Teacher status:		
PNS/ASN (Civil Servants/State Civil Servants)	576	59%
GTT (Non-Permanent Teachers)	232	24%
GTY (Foundation Permanent Teacher)	165	17%
Origin of the institution:		
State	837	86%
Private	136	14%

Source: Primary Data processed, 2021

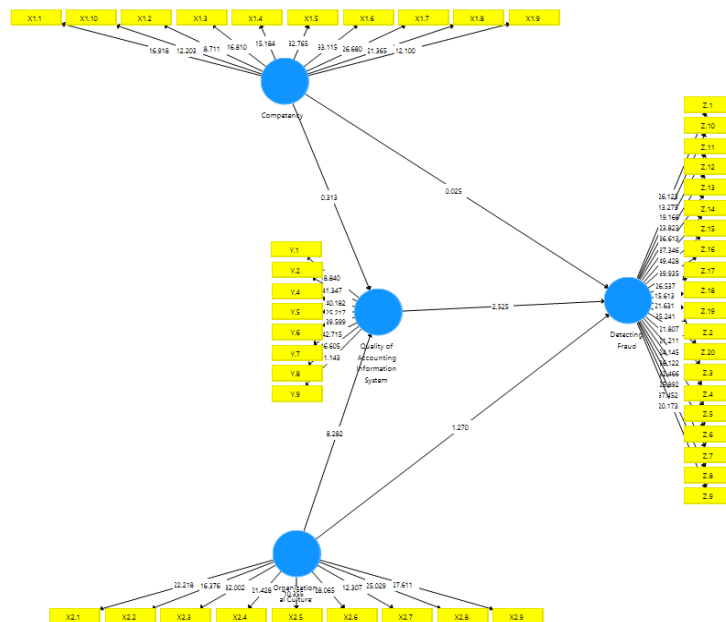


Fig. 2. Results of hypothesis testing

Table 4. Direct impact

	Original Sample (O)	T Statistics (O/STDEV)	P Values	Result
Competency -> Detecting Fraud	-0,002	0,025	0,980	Insignificant
Competency -> Quality of Accounting Information System	0,034	0,313	0,755	Insignificant
Organizational Culture -> Detecting Fraud	0,149	1,270	0,205	Insignificant
Organizational Culture -> Quality of Accounting Information System	0,692	8,282	0,000	Significant
Quality of Accounting Information System -> Detecting Fraud	0,261	2,525	0,012	Significant

Source: Output Smart PLS 2021

Table 5. Indirect impact

	Koefisief Jalur (O)	T Statistics (O/STDEV)	P Values	Result
Organizational Culture -> Quality of Accounting Information System -> Detecting Fraud	0,181	2,396	0,017	Significant
Competency -> Quality of Accounting Information System -> Detecting Fraud	0,009	0,294	0,769	Insignificant

Source: Output Smart PLS 2021

3.3.3 The effect of accounting information system quality to detect bos fund management fraud with the fraud diamond approach

Based on Table 4, it is known that the higher the quality of the accounting information system, the higher the detection of fraud and vice versa. Fig. 2 shows the results of hypothesis testing showing that the value of *T-Statistics* $2.525 > 1.96$ and *P-Values* $0.009 < 0.05$, therefore H3 is accepted. The quality of the accounting information system positively and significantly detects fraud in the management of BOS funds.

This study supports research conducted by Animah[36] which states that accounting information systems affect fraud, which means that the quality of accounting information systems can detect the tendency of fraud in BOS fund management, but the results of this study do not support Setyaningsih and Nengzih[37] which states that with the quality of a good accounting information system, there will be no fraud. In addition, this study supports agency theory, poor quality of accounting information systems causes information asymmetry, so the **agent**, in this case, is the school BOS Team to carry out actions that prioritize personal or group interests so that a tendency to fraud in the management of BOS funds is detected.

3.3.4 The effect of competency with the quality of accounting information systems as a mediating variable to detect fraud in bos fund management with the diamond fraud approach

Based on Fig. 2, it can be seen that the direct relationship between competence and the quality of the accounting information system does not have a significant effect. This indicates that competence does not affect the quality of accounting information systems. Meanwhile, the relationship between the quality of accounting information systems and detecting fraud in BOS

fund management has a significant effect. This means that the better the quality of the accounting information system can detect fraud in the management of BOS funds.

Based on Table 5 shows that showing an indirect relationship between competency variables and variables detecting fraud with the quality of accounting information systems as mediating variables have *P-Values* of $0.769 > 0.05$ and are supported by *T-Statistics* values of $0.294 < 1.96$ in a positive direction, therefore H3 is not accepted. Thus, the quality of accounting information systems is positive and significantly unable to mediate the relationship between competence and detecting fraud in BOS fund management. This indicates that good accountability with poor report verification will not detect the tendency of fraud in BOS fund management. Good competence with weak-quality accounting information systems does not detect the tendency of fraud in BOS fund management.

The results of this study do not support *Agency Theory*, because with high competence and weak quality accounting information systems are not used by *agents*, in this case, the school BOS Fund Team to commit selfish or group actions so that there is no tendency to fraud in BOS fund management.

3.3.5 The influence of organizational culture with the quality of accounting information systems as a mediating variable to detect bos fund management fraud

Based on Table 5, it is known that the indirect relationship between organizational culture and fraud detection with the quality of accounting information systems as a mediating variable has a significant effect. Therefore H5 is accepted. This means that the higher the organizational culture and the quality of the accounting information system, the more it detects fraud. A

quality accounting information system is able to mediate organizational culture by detecting fraud.

This study concludes that organizational culture with the quality of accounting information systems as a mediating variable has a positive and significant effect on fraud detection in managing BOS funds. This shows that poor accountability with poor report verification will detect a tendency to fraudulent management of BOS funds.

This research supports *Agency Theory*. With a good organizational culture and good quality of accounting information, it is used by agents to take actions for personal or group interests so there is a tendency to fraudulently manage BOS funds.

4. CONCLUSION

The conclusions that the author can make based on the description are competence, organizational culture, and competence with the quality of accounting information systems as mediating variables that do not detect the tendency of fraud in BOS fund management with the diamond fraud approach. Meanwhile, the quality of accounting information systems and organizational culture with the quality of accounting information systems as mediating variables can detect the tendency of fraud in BOS fund management with the diamond fraud approach in a positive direction.

The quality of the accounting information system has a positive and significant effect on detecting the tendency of fraud in BOS fund management with a fraud diamond approach. The most decisive indicator is the verification of reports by the BOS Fund Team. Every use and report on the use of BOS funds must go through a verification process by the BOS Team in schools, districts/cities, and provinces to avoid misuse of BOS funds and make reports of BOS funds that are not by the technical guidelines for BOS funds. Therefore, the District and Provincial Education and Culture Office must emphasize to the principals of schools receiving BOS funds as the person in charge of BOS the importance of a report verification process that is carried out properly and with integrity so that there is no tendency to fraud in the management of BOS funds. The quality of accounting information systems can detect quickly the tendency of fraud in BOS fund management but there is no mechanism to overcome it. Therefore, the

government must ensure that schools receiving BOS funds have internal auditors by making it a condition for the disbursement of BOS funds. Conducting an internal audit of the use of BOS funds, it will overcome fraud in the management of BOS funds.

Organizational culture has a positive and significant effect on detecting fraud in BOS fund management with a diamond fraud approach with the quality of accounting information systems as mediating variables. The most decisive factor is the planning of each activity and verification of reports, therefore schools must ensure that every implementation of activities using funds sourced from BOS must be well planned by referring to RKS/RKAS. All financial statement documents using BOS funds must always be verified properly and with full integrity so that there is no tendency to fraud in the management of BOS funds.

The next research should focus on the competence of school principals with managerial dimensions, using proxies of competence in managing school/madrasah finances by accountable, transparent, and efficient principles, as well as adding proactive fraud audit variables.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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