

The Role of Islamic Work Ethics in Moderating Influence Love of Money and Machiavellian Nature to Fraud Accounting in Management of Village Funds

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ARTICLE INFORMATION

Article History:

Received September 25, 2023

Revised Mei 16, 2024

Accepted June 3, 2024

DOI:

[10.21532/apfjournal.v9i1.319](https://doi.org/10.21532/apfjournal.v9i1.319)



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ABSTRACT

The number of fraud cases in Indonesia has been increasing annually, and it has started to spread to the countryside. This turns into an irony as the hamlet continues to grow and evolve into a sophisticated community. The goal is to investigate how a love of money and other Machiavellian traits affect the tendency for fraud accounting when using village funds, as well as how the Islamic work ethic influences the interaction between the village apparatus and the community in Wonokerto District. The SEM-PLS technique is being used in this quantitative study. Primary data were employed, and 66 persons made up the sample size through the use of purposive sampling procedures in conjunction with the questionnaire method of data collecting. According to the findings, the inclination of accounting fraud was significantly influenced by both love of money and Machiavellian tendencies, and the Islamic work ethic was found to be ineffective in mitigating this effect.

Keyword: Love of Money, Machiavellian Characteristics, Accounting Fraud, Islamic Work Ethic

1. INTRODUCTION

Accounting fraud in Indonesia is getting higher with the decentralization of state financial management down to the regional level (Rodiah et al., 2019). According to ICW (Indonesia Corruption Watch) monitoring regarding corrupt practices the use of village funds has increased every year. In Indonesia, the term corruption

is represented as fraudulent practices carried out by government officials and apparatus. ICW shows that corruption cases handled in 2016 to 2019, reached 181 cases of corruption in the village fund budget that have been running. From the actor's point of view, the most common actor is the village head. There are at least 141 village heads involved in village

How to Cite:

Parawansa K. I., & Winarto, W. W. A. (2023). The Role of Islamic Work Ethics in Moderating Influence Love of Money and Machiavellian Nature to Fraud Accounting in Management of Village Funds. *Asia Pacific Fraud Journal*, 9(1), 65-79. <http://doi.org/10.21532/apfjournal.v9i1.319>.

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Association of Certified Fraud Examiners (ACFE)

Indonesia Chapter

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Table 1. **Number of Corruption Cases in the Village Fund**

Year	Number of Cases	State Loss Value
2015	17	47.56 Billion
2016	41	9.12 Billion
2017	96	30.11 Billion
2018	27	40.6 Billion
2019	46	32.3 Billion

Source: Indonesia Corruption Watch (2020)

fund corruption cases. In addition, ICW identified the potential for corruption by 41 village officials. Village fund corruption cases resulted in state losses amounting to billions of rupiah (Table 1).

Pekalongan Regency is a part of the central government that receives village funds to be distributed to villages according to applicable regulations. The problem of village fund corruption has also penetrated into Pekalongan Regency, some of which, namely in 2017, namely the former Kedes in Sidorejo, Tirto, Pekalongan, committed corruption in village funds amounting to 170 million (infoplus.id, 2020). A similar case also occurred in 2018. The village head of Wonosido, Lebakbarang District, embezzled village fund money for the 2018 fiscal year, as a result of his actions the state suffered a loss of IDR 293 million (Bernardi, 2022). This situation indicates that the level of fraud in the management of village funds so far is still relatively high and worrying.

The term fraud is defined as a person's behavior in making mistakes that are made consciously with the aim of obtaining personal benefits. Fraud is an act of delinquency or illegal acts similar to fraud. Examples of fraud in the field of accounting in terms of report misstatement are financial statement misstatements or intentional omissions of calculations or information to deceive financial statement users (Erdawati et al., 2022). Errors in financial statement misstatements found in the government sector make data and information published by the government inaccurate or inappropriate, so that it can be detrimental to users of financial

statements in evaluating performance and making decisions (Dennyningrat & Saputra, 2018).

Many factors can instigate an individual's ethical perception of committing a fraudulent act. Someone will commit acts of fraud caused by the urge to get what he wants (Giovano et al., 2020). Money is one of the factors, because money is an important aspect to meet the needs of everyday life. Therefore, people are willing to legalize all means to earn excess money regardless of the impact that will occur (Fathia & Indriani, 2022). A person's love of money is often viewed negatively, this is because some people see money as being able to give whatever they want. A person's attitude can be influenced by the love of money behavior, because some people who have limited money will tend to commit unethical or fraudulent actions, this is due to human nature which is greedy and greedy and does not feel satisfied with what they have (Ayunda & Helmayunita, 2022). As in the word of Allah QS. Al-Farj 15-20 which explains that someone who loves the wealth he has but with an excessive sense of love will find it hard if it is used for virtue, but if it is used to pursue worldly affairs he does not care about halal and haram. Tang et al (2008) also said that money can have positive and negative impacts. The positive impact is that it can give enthusiasm in improving performance, but the negative impact that someone can have is cheating to get extra money or bonuses. This is in line with the hexagon fraud theory which explains that pressure can make a person act inappropriately because of pressure

that comes from internal or external factors. Financial pressure can be in the form of greed, life indoctrinated by other people, having lots of loans, economic difficulties, or sudden needs (Ayunda & Helmayunita, 2022). Such pressure can encourage someone to commit fraud (cheating). Based on the facts that occur, it shows that a person's love of money can have an impact on the ethical behavior of an individual. According to research conducted by Giovano et al. (2020) states that the love of money has a fairly strong significance in the tendency of accounting fraud. However, research conducted by Santosa et al (2020) shows that the love of money has a negative effect on the tendency of accounting fraud. In contrast to research by Dewi et al. (2020), Suryandari & Lisdi (2021) and Ayunda & Helmayunita (2022) where the results of their research prove that the love of money can lead a person to tend to commit fraud in the use of village funds.

Another factor that can cause a person to behave unethically is Machiavellian. Machiavellian nature is defined as a view of the existence of interpersonal relationships, so that he can suggest that others are willing to follow his will in achieving personal gain. This perception will foster character that can underlie behavior when dealing with other people (Zirman & Basri, 2014). This attitude puts him in a safe and comfortable position because he is selfish without caring about other people. Individuals who have this Machiavellian attitude tend to have an unethical perspective so they act unreasonably, which makes the individual have a bad character (Nisa, 2020). Research conducted by Erdawati et al. (2022) and Suryandari & Lisdi (2021) says that Machiavellianism has a significant influence on accounting fraud trends. According to Erdawati (2022) Machiavellian nature tends to justify deceitful behavior for its own benefit by ignoring morals or ethics. This research is supported by the findings conducted by Nurjanah & Purnamasari (2022) and Vacumi & Helmawati (2022) which

state that the Machiavellian variable has a significant positive influence on the tendency of accounting fraud. However, different research results were proven by Farhan et al. (2019) which resulted in Machiavellian having no effect on fraud.

The Islamic work ethic views the purpose of work not only to get work done, but work to promote a balance of personal development and social interaction (Kurniawan et al., 2021). The Islamic work ethic is related to morals or the good and bad of a behavior, so that the work ethic has strong energy in making work more optimal, more focused, and honest in doing its work. One of the factors to minimize a person's tendency to commit accounting fraud is to create an Islamic work ethic in a person.

2. LITERATURE REVIEW AND HYPOTHESIS

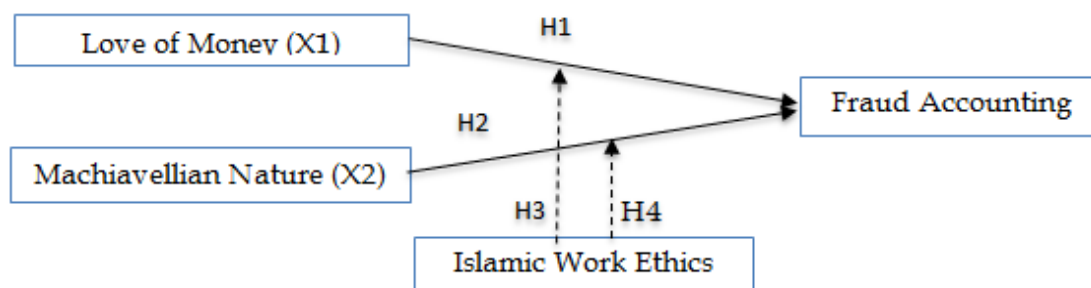
Fraud Hexagon Theory

This theory was introduced by Vousinas in 2019. This fraud model comes from an expansion of the triangle fraud theory by Cressey (1953), the diamond fraud theory by Wolfie & Hermanson (2004), and the pentagon fraud theory developed by Crowe Howart (2011). The hexagon fraud theory states that the factors underlying a person committing fraud are pressure, opportunity, rationalization and capability/capacity, arrogance and collusion.

Fraud Accounting

Fraud is a general term created by humans that includes various meanings and is carried out through representations to harm other people in order to gain profit (Albrecht, 2014). According to The Association of Certified Fraud Examiner (ACFE), Fraud is the abuse of power or authority that a person has intentionally utilizing all the resources of private entities or government entities to benefit himself by concealing the truth such as for example deception, cunning or deception.

There are two known types of errors in accounting, namely errors and fraud. The difference between the two is only due

Figure 1. **Research Model**

Source: Data Processed

to the presence or absence of an element of intent. Fraud is more difficult to detect than mistakes because those who commit fraud (employees or management) will try to cover up the fraud (Giovano et al., 2020). Based on this explanation, the tendency for accounting fraud to be interpreted as actions, methods, cunning, disguises, and concealment that should not be carried out intentionally, namely in presenting financial reports with the aim of achieving personal gain and determining other parties as the aggrieved party.

Love of Money and Fraud Accounting

Tang (1992) introduced the concept of love of money, where this concept is used to measure one's feelings subjectively towards money. Love of money is defined as the stage of a person's love for money, how important a person places money in his life. Money is one of the most important aspects of everyday life. The level of a person's love for money is different, depending on the needs they have, besides that it can also be influenced by other factors such as age, gender, educational strata, socioeconomic status, and ethnic background (Mulyani, 2015).

Most people have a way of thinking that is difficult to understand when it comes to learning how to keep, earn and save money this shows that money has an important role for human activity, then money becomes everything. Individuals with a high love of money attitude will continue to believe that an important factor in one's success and wealth is determined by money, so that a person can be

motivated to carry out any behavior for the sake of money. Based on this perception, it can trick someone into doing anything, as long as they can get money to meet their needs (Ayunda & Helmayunita, 2022).

H1: Love of money significant effect on fraud accounting use of village funds.

Machiavellian Nature and Fraud Accounting

Machiavellian nature was introduced by Niccolo Machiavellian (1469-1527) a political philosopher from Italy. The name Machiavellian, then associated with something bad by justifying the way to get the desired goal. Machiavellian nature is the behavior of someone who prioritizes himself so that he is in a safe and comfortable position (Nisa, 2020). Machiavellian is generally associated with individuals who like to manipulate others in order to obtain greater rewards than those who are not involved in manipulation. Individuals with this personality will have fewer relationships with other people, because they do not care about morality, low commitment to ideology, as a result it is easier to manipulate for personal gain (Andayani et al., 2022).

Machiavellian nature is a factor that can cause a person to behave unethically. Individuals with high Machiavellian traits will care little about morals such as honesty, justice, and always act with their own minds to win. (Nisa, 2020) explains that this Machiavellian trait tends to justify their attitude of dishonesty for their own benefit. People who are dishonest are called liars.

H2: Machiavellian nature significant effect on fraud accounting use of village funds.

Islamic Work Ethic, Love of Money, Machiavellian Nature and Fraud Accounting

Ethos according to Tasmara (1995) comes from the Greek language (ethos) which means attitude, personality, character and something that is believed to be the value of work. From the word ethos, the word ethics is also known which is similar to the notion of morality or values related to morals, so that this ethos contains a strong spirit to do something optimally and strive to achieve the best quality work. This attitude is usually owned not only by individuals, but also by community groups. According to Syah (2021) Islamic work ethic is defined as an attitude at work that is based on religious values, besides that they try their best at work, compete

fairly, give the best dedication to the quality of their work, carry out work obligations as well as possible, work in harmony with colleagues and not discriminatory in treating colleagues, and earn income in accordance with what has been done.

A good company or institution is owned if its employees have a responsible attitude at work (Kurniawan et al., 2021). The Islamic work ethic considers the purpose of work not only to complete work but to advance the welfare of society and as a reaffirmation of faith. This is important because it is not only beneficial for individuals who adhere to its principles, but the Islamic work ethic also influences the work environment as a whole.

H3: Islamic work ethic moderates love of money against the fraud accounting use of village funds.

H4: The Islamic work ethic moderates machiavellian nature against the fraud accounting use of village funds.

Table 2. Research Variables

Variable	Indicator
Love of Money (X1)	Kindness
	Evil (Evil)
	Achievements
	Self-esteem (Respect)
	Management of Money (Budget)
	Freedom/Power
	Tang (1992)
Nature Machiavellian (X2)	affection
	Low ideological commitment
	Selfish
	Manipulative
	Aggressive
Islamic Work Ethic (Z)	Sari & Isroah (2014)
	Effort
	Competition
	Transparency
Accounting Fraud (Y)	Morally
	Kadiyono, A. L., & Firmansyah, A. M. (2020)
	Asset misappropriation (distortion of assets)
	Fraudulent statement (statement/report that is deceptive or smells wrong)
	Corruption
	Tuanakotta, 2014

Source: Data Processed 2023

3. METHODS

This study uses the type of data collection directly from the field through the attached questionnaire. This type of field research is needed so that the results obtained can be accepted or influence the tendency of fraud accounting. This study uses a quantitative research approach, because the data in this study are numbers to analyze a research that you want to know. Quantitative research is research that develops and uses data in the form of numbers or numbers. The application used is SmartPLS 3.0 to analyze data.

The population is a group of data that has certain characteristics that can be used to make conclusions (Sanusi, 2014). The population in this study were village government apparatus in Wonokerto District, Pekalongan Regency, totaling 98 people. The sample in this study were village apparatus in every village in Wonokerto District, Pekalongan Regency. The method used in sampling using purposive sampling is a random sampling methodology with certain considerations (Sugiyono, 2014). The reason for using this technique is because not all of the samples have the appropriate criteria to be studied. So that the sample in this study amounted

to 66 people consisting of village heads, secretaries, heads of government, heads of people's welfare, heads of planning, heads of finance. The definition of variables in this study is described in table 2.

The analytical method used is Structural Equation Modeling (SEM) based on Partial Least Square (PLS) using the SmarPLS 3 software. The reason for choosing the Partial Least Square (PLS) method is due to the consideration that in this study using 4 latent variables formed with reflection indicators. In the reflection model, it assumes that the construct or latent variable affects the indicator, where the direction of the quality relationship is from construct to indicator or manifest, so confirmation of the relationship between latent variables is needed (Ghozali, 2012).

4. RESULTS AND DISCUSSION

The population used in this study is village officials in Wonokerto District. Meanwhile, the sample used was 66 village officials using a purposive sampling method. The instrument used in this research was a questionnaire which was distributed directly to the respondents at each village hall where the research was conducted. Questionnaires were distributed from

Table 3. Respondents' Description

Information	Frequency	Percentage
Gender		
Man	43	65%
Woman	23	32%
Age		
< 30 years	7	11%
30 - 40 years	23	35%
> 40 years	36	55%
Education		
Senior high school	46	70%
Diploma 3	4	6%
Bachelor	14	21%
Other	2	3%
Length of work		
15 years	10	15%
5 - 10 years	20	30%
> 10 years	36	55%

Source: Data Processed 2023

January 26 to February 15, 2023. The total number of questionnaires distributed in this study was 66 questionnaires. Of the 66 (100%) questionnaires distributed to respondents, all returned with a total of 66 (100%) questionnaires. So the data that can be processed is 66 (100%).

Based on table 3 it can be seen the profile or description of the characteristics of the respondents which include gender, last education, and years of service of the respondents. If traced from the gender of male respondents more than female, namely 43 men (65%) while only 23 women (35%). Based on the age of the respondents, the majority of employees were aged > 40 years, namely 36 people (55%) of the total respondents. Judging from their latest education, the majority of village officials in the Wonokerto sub-district graduated from high school/vocational school, with a total of 46 people (70%). From the table of years of service, the majority of respondents have worked for more than 10 years, namely 36 people (36%). This shows that the respondents already have sufficient experience, because they have joined the organization for quite a long time, namely more than 10 years, so

that the respondents are well acquainted with the environmental conditions of the organization.

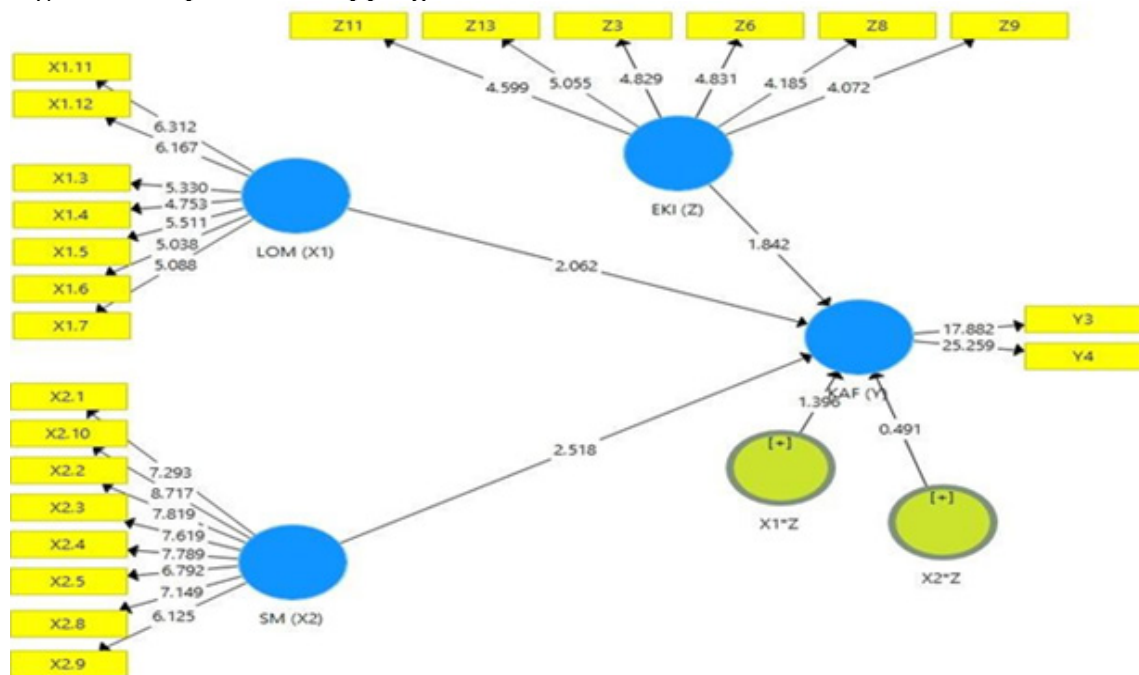
Testing the AVE Outer Model and Composite Reliability

Testing this model is useful to see the validity and reliability of a variable. The purpose of this test is to evaluate several indicators in the variable. Tests that must be carried out on the outer model with SmartPLS consist of 3, including Convergent Validity, Discriminate validity, and Composite reliability. Can be seen in figure 2.

In discriminant validity apart from looking at the cross loading value, the AVE value must also be considered. If the AVE value > 0.05 then the variable is considered capable or valid to continue the testing process. Below the results of the AVE value for each variable are shown in table 4.

Cronbach’s alpha standard is seen to test the lower limit of the variable reliability value, while measuring the real value of variable reliability by looking at the composite reliability value. A variable reliability is declared reliable or capable

Figure 2. Output Bootstrapping



Source: Data Processed 2023

if its composite reliability value is > 0.70 . The value of the composite reliability test produced in this study is shown in table 5.

Structural Model Testing (Inner Model)

The dependent variable's coefficient of determination is represented by the R-Square value. If the R-Square value is 0.67, it is considered strong; if it is 0.33, it is considered moderate; and if it is 0.19, it is considered weak. The structural model test findings yielded an R-Square value of 0.220, or 22%, for the accounting fraud tendency variable in this study. These findings suggest that a love of money, Machiavellian characteristics, and Islamic work ethics can only partially explain the amount of goodness in the model creation of accounting fraud tendencies (22% and 78% explained by other variables not addressed in this study).

Hypothesis Testing

This test uses the Estimate for Path Coefficient (EPC). EPC is the estimated value of the magnitude of the correlation or the influence of the latent construct to show the significant level of hypothesis

testing. The significant value is obtained from bootstrapping which then produces the T-statistic value. To see the level of significance in the hypothesis test, which is seen from the t-statistic value, it must be above 1.96 (> 1.96), then the hypothesis is accepted. The path coefficient results are shown in table 5.

Based on the table 6, it is known that the hypothesis test of the Path Coefficient is shown to determine the relationship to the hypothesis made in this study. The table 6 shows the original sample column, which is to find out the direction of the relationship between the independent variable and the dependent variable, where the value can be positive or negative. The sample mean is the average sample obtained from data processing. The standard deviation is the standard error. The t-statistic is the significant value of the relationship between variables in this study based on the hypothesis made by the researcher according to the research context. The following are the results of the decision and its influence on the hypothesis testing can be seen in table 7.

Table 4. AVE values

Variable	AVE
Moderating Effect 1 (X1*Z)	1,000
Moderating Effect 1 (X2*Z)	1,000
Love of Money (X1)	0,648
Machiavellian Nature (X2)	0,693
Accounting Fraud (Y)	0,827
Islamic Work Ethic (Z)	0,683

Source : Data Processed 2023

Table 5. Value of Cronbach's Alpha and Comsite Reliability

Variable	Cronbach's Alpha	Committed Reliability	Results
Moderating Effect 1 (X1*Z)	1,000	1,000	Reliable
Moderating Effect 1 (X2*Z)	1,000	1,000	Reliable
Love of Money (X1)	0,910	0,928	Reliable
Machiavellian Nature (X2)	0,938	0,948	Reliable
Accounting Fraud (Y)	0,793	0,905	Reliable
Islamic Work Ethic (Z)	0,910	0,928	Reliable

Source : Data Processed 2023

Table 6. Hypothesis Test Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
X1 -> Y	0,226	0,273	0,109	2,062	0,040
X2 -> Y	0,243	0,277	0,096	2,518	0,012
X1*Z -> Y	-0,139	-0,143	0,100	1,396	0,163
X2*Z -> Y	-0,068	-0,047	0,138	0,491	0,624

Source : Data Processed 2023

Table 7. Hypothesis Decision Results

	T Statistics (O/STDEV)	Significant P Value	P Values	Hypothesis Decision	Conclusion
X1-> Y	2,062	>1.96	0,040	Support	Influential
X2 -> Y	2,518	>1.96	0,012	Support	Influential
X1*Z -> Y	1,396	<1.96	0,163	Not Support	No effect
X2*Z -> Y	0,491	<1.96	0,624	Not Support	No effect

Source : Data Processed 2023

DISCUSSION

The T-statistic love of money has an impact on the tendency of accounting fraud by $2.062 > t\text{-table } 1.96$ and P-values $0.040 < 0.05$, according to the results of processed field data. The first hypothesis is accepted based on this value, indicating that the love of money variable has a strong impact on the inclination of accounting fraud. This demonstrates that the greater an individual's fondness for money, the greater their propensity to engage in village fund fraud.

If someone is driven or encouraged to commit fraud, such as by a desire of money, they are more likely to do so (Pradnyana et al., 2022). A person's love of money might have an impact on their ethical behavior. A person with an excessive amount of money love, which is a bad thing, becomes greedy because he is never pleased with what he does and would do anything to obtain money, even if it involves committing fraud.

Individuals or organizations commit acts of fraud in fact to get money. This is because money is an important aspect of everyday life. Someone who loves money excessively and thinks everything is obtained based on money is the love of money (Prabowo, 2018). Individuals who

have a high love of money, make that person try to do everything possible so that their needs are met even though it is not in accordance with ethics. Therefore, someone with an excessive level of love for money can commit deviations by legalizing any means so that their financial needs can be met. Thus causing individuals/groups to commit accounting fraud.

Love of money behavior can also have an impact on individual behavior in overcoming problems that arise in someone who has financial limitations or problems in the work environment so that a person tends to make various efforts to achieve his goals. In connection with the hexagon fraud theory that individuals who are under financial pressure will cause people to be compelled to commit fraud, financial pressures such as greed, living under the will of others, lots of debt, losses in business, or sudden needs. A person's greed is closely related to the love of money. According to (Nopeanti & Hariadi, 2019) Someone who has a high love of money has the notion that money is something important and is a symbol of success and achievement, this will encourage him to tend to commit evil acts including acts of fraud.

Fraudulent conduct can also be influenced by the factor of opportunity in addition to pressure. A person is more likely to commit fraud the more opportunities they have, provided they are accompanied by a wide range of liberties (Putra & Rahayu, 2019). The village head is the ultimate leader in the village administration. The local finance department will undoubtedly be given full authority to oversee the village's financial affairs by the village chief. In order for this to be utilized for immoral activities like managing village funds fraudulently. The findings of this study corroborate those of Dewi & Komang (2020), Erdawati (2022), and Giovano (2020), who found that the propensity for accounting fraud is significantly influenced by a person's love of money. This study, however, contradicts Suryandani & Lisdi's (2021) finding that village fund management fraud is unaffected by a person's love of money.

P-value of $0.012 < 0.05$ and a T-statistic value of $2.518 > t\text{-table } 1.96$ are the findings of the second hypothesis test. This suggests that the second hypothesis is true, as the Machiavellian variable has a major impact on the propensity of accounting fraud to utilize village finances. Machiavellian nature is one of the intrinsic elements that originate from within an individual. Within the purview of the Wonokerto District village administration, the village apparatus believes that the existence of people with macho tendencies is one of the factors that leads to fraud in the use of community money. According to Farhan et al. (2019), machiavellian behavior is characterized by a system in which an individual who does not manipulate is neither rewarded nor receives rewards from another manipulator. Machiavellian people have the ability to falsify reports in order to their own advantage and the advantage of the group they are with.

The hexagon fraud theory which explains the conditions in which a person is inclined to commit unethical acts such as fraud, namely the element of

rationalization. Machiavellian traits tend to justify (rationalize) lies for personal gain without regard to morals or ethics. Someone tends to be compelled to commit fraud if Machiavellian traits are instilled in him so that the individual will manipulate the reports he is working on. On the other hand, it can influence its partners to follow their wishes to commit acts of fraud in order to achieve the expected benefits. Besides like to rationalize unethical behavior. The behavior of individuals who can describe Machiavellian is selfish. Because he will not care about anything as long as his wish is achieved and tends not to care about the impact that will occur in the surrounding environment. Someone who already has a selfish, arrogant and arrogant attitude, feels himself capable of carrying out fraudulent actions, without being found out by other people so that he will not be penalized is reflecting arrogant behavior, which is one of the elements of the fraud hexagon (Suryandani & Pratama, 2021). The results of this study support the research of Nurjanah and Purnamasari (2020) which says the higher a person's Machiavellian character, the more likely that person is to carry out acts of fraud. Machiavellian traits tend to reflect an attitude that leads to most actions for self-benefit without having to think about the pros and cons of the behavior being carried out. This research is also consistent with research conducted by Suryandani and Valentin (2021), which states that Machiavellian traits have a significant effect on fraud. According to Suryandani and Valentin, Machiavellian character is a trait that ignores ethics, integrity, moral demands, and disregards conscience. Thus the Machiavellian nature is one of the triggering factors for fraud in the use of village funds originating from within the individual.

The results of the third hypothesis show that the Islamic work ethic (Z) is not able to moderate the love of money (X1) on the tendency of accounting fraud with a T-statistic of $1.396 < t\text{-table } 1.96$ and a P-value of $0.163 < 0.05$. From these results

it is known the third hypothesis was rejected, because the Islamic work ethic variable was unable to moderate the love of money relationship to accounting fraud tendencies. Village officials in Wonokerto District have different perceptions of work ethic and behavior. The size of money for life needs is related to one's living habits or one can say one's lifestyle. Islamic work ethic is one factor that comes from one's internal. Love of money on the tendency of accounting fraud to use village funds is not able to be moderated by an Islamic work ethic. This can be said, even if someone who has an Islamic work ethic is in a difficult condition or feels pressured due to economic factors or fulfills a lifestyle that is not in accordance with his financial capabilities, he will commit unethical actions. So this can be a trigger factor for someone to commit fraud. Especially when coupled with circumstances that can open up opportunities for individuals to carry out fraudulent actions. This finding does not agree with that carried out by Ismail Khan (2020) which states that Islamic work ethics plays an important role in strengthening perceptions and assessments of fraud and can lead to better quality work. However, it should be noted that a good work ethic must come from within a person.

The results of the fourth hypothesis show that the Islamic work ethic is not able to moderate the Machiavellian nature of the tendency of accounting fraud with a T-statistic of $0.491 < t\text{-table } 1.96$ and a P-value of $0.624 < 0.05$. From these results it is known that the third hypothesis is rejected, because of the work ethic Islam is unable to moderate the relationship between Machiavellian nature and the tendency of accounting fraud.

The results of the analysis show that the ability of an Islamic work ethic does not affect the influence of Machiavellian traits on fraud, this is because Machiavellian traits have a negative tendency, namely showing unethical ways by manipulating others to achieve the expected goals. The choice to commit fraud in the use of

village funds is within the control of each individual. Thus, the work ethic which is part of the values of religious teachings has also not been able to control individual perceptions of not committing fraud. Apparatuses who have a Machiavellian view do anything to get their wishes fulfilled even though they are against ethics. This can be related to another element of the hexagon theory, namely arrogance or commonly interpreted as an attitude that reflects the behavior of arrogance and selfishness of someone who feels innocent for the act of fraud he has committed (Rahman & Nurbaiti, 2019).

5. CONCLUSION

From the discussion, it can be concluded that love of money has a significant influence on the tendency of accounting fraud in the use of village funds. Machiavellian nature has a significant influence on the tendency of accounting fraud in the use of village funds. The Islamic work ethic is not able to moderate the love of money towards the tendency of accounting fraud in the use of village funds. Furthermore that the Islamic work ethic is not able to moderate the Machiavellian nature of the tendency for accounting fraud in the use of village funds.

The implications of this research include fraud that is formed in the government sector, namely corruption that is influenced by excessive love of money, financial pressure, system weaknesses, and rationalization so that these findings will become material for interpretation with a wider scope related to the fraud hexagon theory. The results of this study are used as input for all parties with an interest in village development so that it is more advanced without any acts of fraud in it. Village officials in carrying out their duties are expected to be able to avoid excessive attitudes towards money, by increasing an Islamic work ethic within themselves to avoid fraudulent actions that harm many parties including themselves. Communities and village officials need to be able to work together with the aim of

building a village and ensuring the use of village finances is on target with no fraud occurring.

Research that has been carried out and completed in a coherent manner, of course, still has many limitations, such as using a questionnaire instrument that is distributed directly to respondents, and respondents are only in one area for further research to increase the number of research subjects and a wider scope.

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Appendix 1. Questionnaire

Love of Money

- a. Money is a very important factor for the lives of all of us
- b. I feel that saving is very important
- c. Money is the root of all evil
- d. Money undermines ethical norms
- e. Money symbolizes a person's achievements
- f. Money is a symbol of success
- g. Money makes me respected in a community
- h. Money can make me have many friends
- i. I use money very carefully
- j. I pay all bills immediately to avoid penalties and interest
- k. Money gives me the opportunity to be what I want to be
- l. Money gives me power and freedom

Machiavellian Nature

- a. I don't care about stories about my partner's difficulties at work, because I also have work that is just as important
- b. I was busy with my own work, without paying attention to the circumstances around me
- c. Be silent without commenting if my partner/leader gives an opinion that is different from my opinion
- d. My commitment to conveying my opinion to the leadership will change at any time if the leadership does not agree with it
- e. I keep doing my work, even though my partner doesn't agree with the work I take
- f. I ignored my partner's request for help, because I was focused on my own work.
- g. I will not manipulate the data in the village financial report while carrying out my duties.
- h. I will hide my mistakes at work, for the sake of my management's trust in my work image.
- i. I will appear diligent in working in front of my boss, even though I am not actually working at that time
- j. I will complete the work as quickly as possible, in order to get praise from the leadership

Islamic Work Ethic

- a. Laziness is a bad habit at work
- b. Good work is one that can benefit yourself and others
- c. Justice and generosity in the workplace are necessary conditions for achieving social welfare
- d. Producing more than enough goods to meet the needs of others contributes to the well-being of society as a whole
- e. One must do the job to the best of one's ability
- f. Work is a means of encouraging personal growth and the development of social relationships
- g. Life is meaningless without work
- h. More free time is good for society
- i. In work, human relations must be prioritized
- j. Work allows a person to control his environment
- k. Working creatively is a source of happiness and achievement at work
- l. Everyone who works tends to be more advanced in life
- m. Work provides an opportunity for someone to be independent
- n. One has to work hard to fulfill the responsibility

Fraud Accounting

- a. It is normal in my agency for budget users to include other needs that are not appropriate in spending on office building equipment
- b. It is not a problem for my agency if the office equipment and supplies purchased do not comply with the specifications that must be purchased
- c. It is a natural thing for my agency, if for a certain purpose, the costs are recorded to be greater than it should be
- d. It is normal for budget users to include other needs that do not fit into office building equipment spending
- e. It is not a problem if in my agency there are expenditures without supporting documents
- f. It is not a problem for my agency if the remaining budget is distributed to employees as a bonus.