

THE EFFECT OF ORGANIZATIONAL COMMITMENT, INTERNAL CONTROL, AND RELIGIOSITY ON FRAUD PREVENTION IN OPD OF PEKANBARU CITY WITH EMPLOYEE COMPETENCE AS A MODERATING VARIABLE

Syafira Mazaya¹, Firdaus AR², Dani Pratama³

Department of Economic, Faculty of economics and business, Universitas Islam Riau
syafiramazaya@student.uir.ac.id¹, firdaus_ar@eco.uir.ac.id², danipratama@eco.uir.ac.id³

ABSTRACT

Accounting fraud has attracted a lot of media attention and has become a prominent issue in both private and state-owned organizations. This encourages researchers to find the causes of fraud and how to prevent or minimize the occurrence of fraud. This study aims to test and analyze how organizational commitment, internal control and religiosity influence fraud prevention with employee competence as a moderator. The population of this study was the Pekanbaru city regional apparatus organization with a sample of 129 selected using saturated sampling techniques or using census sampling techniques. The analysis tool in this study is Partial least Square path analysis using SEM-PLS 4. The findings of this study indicate that organizational commitment and internal control have an effect on fraud prevention, on the other hand religiosity does not affect fraud prevention in Pekanbaru city OPDs. Furthermore, the findings of this study also show that competence does not moderate the influence of organizational commitment and internal control on fraud prevention in Pekanbaru city OPDs. On the other hand, competence moderates the influence of religiosity on fraud prevention in OPDs in Pekanbaru City.

Keywords: *Organizational Commitment, Internal Control, Religiosity, Fraud Prevention, and Competence*

INTRODUCTION

Regional Apparatus Organizations (OPD) are supporting elements for regional heads in organizing government, consisting of regional secretariats, DPRD secretariats, agencies, and technical institutions. OPDs function as policy implementers, managers, and providers of public services at the local level. Their main task is to implement regulations, regional policies, and development according to their respective fields, with direct responsibility to regional heads such as governors, regents, or mayors. OPDs cover sectors such as education, health, transportation, public works, tourism, and finance, depending on regional development priorities. Accounting fraud has become a major concern in the media, both in private and state-owned organizations. Fraud is an act of deception that benefits the perpetrator and harms other parties, such as manipulation of financial reports, tax evasion, and bribery. (Mitchell, 2018). In Indonesia, cases such as financial report manipulation at PT Garuda Indonesia and PT Jiwasraya have surfaced. The Jiwasraya case, for example, involved the default on the JS Saving Plan product due to poor governance and high-risk investments. (Haryanti, 2023). Corruption in Indonesia is also quite high. KPK data shows 271 corruption cases in 2019 with state losses of Rp 8.4 trillion, involving 580 suspects, including 231 State Civil

Apparatus (Indonesia Corruption Watch, 2023). While fraud prevention is an effort or method that is done to minimize or eliminate the causes of fraud. Fraud must be prevented as early as possible, if you wait until fraud occurs and then the case is handled, the company will experience losses. (Award, 2019)

Fraud is a global phenomenon that has not escaped the Regional Apparatus Organization (OPD). According to Databox, (2022) Indonesia's Corruption Perception Index worsened throughout 2022. In Pekanbaru City itself, there were several cases of fraud, such as a regional bank losing IDR 5 billion. (OJK, 2022) and the landfilling of former MTQ land involving many parties (Riau News, 2022). Riau Province is also included in the list of the 10 most corrupt provinces in Indonesia, with 28 State Civil Apparatus (ASN) involved in corruption cases in 2019. (Katadata.co.id, 2021). Survey results ACFE, (2019) shows that fraud in Indonesia is mostly in the form of corruption (64.4%), followed by misuse of state and corporate assets (28.9%). The government has made various prevention efforts through legislation, such as Law No. 20, 2001 which regulates the eradication of corruption, and Permen PANRB No. 90 concerning the integrity zone towards a corruption-free area. In addition, digitalization of procurement of goods and services is also carried out to minimize the opportunity for fraud (Kompas.com,

2023). The Pekanbaru City Government, through Mayoral Decree Number 170 of 2022, formed the Saber Pungli Task Force to suppress fraud cases. However, fraud cases continue to occur, such as 113 findings of fictitious official travel in Pekanbaru City and 81 similar findings at the Riau Provincial Inspectorate (Halloraiu.com, 2024). Based on observations, fraud in Pekanbaru City OPD is caused by less than optimal separation of duties. Separation of duties in the procurement of goods and services is often only a formality, so that perpetrators can still commit fraud through collusion. This shows that supervision has not been running optimally.

Previous studies have discussed the causes of fraud, but studies that focus on fraud prevention in government organizations are still limited. One important factor in fraud prevention is organizational commitment. According to Davis & Harris, (2020) high organizational commitment is key to creating an ethical work environment and encouraging active participation in fraud prevention. Flowerastia et al., (2021) stated that employees with strong organizational commitment are more proactive in reporting suspicious behavior and help detect fraud early. Latan et al., (2021) adding that organizational commitment can build a culture that supports fraud prevention. Employees with strong emotional ties to the organization tend to put the organization's interests first, act with integrity, and commit to fighting fraud.

Previous research supports the importance of fraud prevention with various approaches. Rifai & Mardijuwono, (2020) found that high organizational commitment has a significant correlation with fraud prevention, especially through the emotional attachment of employees, such as auditors, to organizational goals. This is reinforced by Prenzler, (2019) which suggests that employees with strong organizational commitment care more about organizational goals and are more proactive in reporting fraudulent behavior. In addition, Mandal & Amilan, (2023) Effective internal control includes clear policies and procedures, segregation of duties, highlighting the importance of effective internal control, such as segregation of duties, ongoing monitoring, and accurate reporting systems, to reduce the risk of fraud. Research Rosli et al., (2020) also shows that tight internal controls are correlated with reduced fraud risk in an organization. Mansor et al., (2022) states that individuals with high levels of religiosity tend to be more assertive in assessing fraudulent behavior, which is reinforced by Dewi et al., (2023) who found that religiosity is significant

in preventing fraud in financial management. Employee competence is also an important variable in moderating fraud prevention. Competent employees can translate organizational commitment, internal control, and religiosity into concrete actions. (Rifai & Mardijuwono, 2020; Traxler et al., 2023). Employee competence plays an important role in supporting fraud prevention by strengthening the effects of organizational commitment, internal control, and religiosity. Competent employees are more effective in translating these three factors into real actions, as expressed by Hayati & Amalia, (2021) which shows that employee competence increases the effectiveness of internal control in preventing fraud.

This study focuses on the Influence of Organizational Commitment, Internal Control, and Religiosity on Fraud Prevention in OPD in Pekanbaru City, with Employee Competence as a Moderating Variable. The uniqueness of this study is that its object has not been studied much before. Previous studies in Pekanbaru, such as Indrapraja et al., (2021) more attention to the influence of leadership style and organizational culture on fraud in ASN. This study is also based on the fraud phenomenon in Indonesia which is still fluctuating. Transparency International (2024) noted that Indonesia's Corruption Perception Index score stagnated at 34 in 2023, but its ranking dropped to 115th position. This shows that despite progress, fraud prevention efforts have not been optimal. This study aims to evaluate whether the factors studied can be a solution to reducing the level of fraud, especially in OPDs in Pekanbaru City.

LITERATURE REVIEW

Attribution Theory

This attribution theory provides an interesting picture of human behavior. This theory pays attention to how a person actually behaves. According to attribution theory, it explains how people conclude the causes of behavior carried out by themselves or others. (Davis et al., 2017). This theory explains the processes that occur within us so that we understand our behavior and that of others.

Internal control is expected to reduce the occurrence of deviant actions by management. Management tends to take deviant actions to maximize personal gain. Attribution theory explains that a person's behavior in taking action or decision is influenced by internal forces, namely ability and external forces, namely the environmental situation in which the person is

located. With effective internal control, in reducing the tendency to commit fraud.

Information asymmetry is a condition where the insider or company manager knows better information than the outsider or the user of information other than the manager. Attribution theory explains that a person's behavior in carrying out an action or decision is influenced by internal strength, namely ability and external strength, namely the environmental situation in which the person is located. Thus, if someone decides to provide information on the same company conditions between management and outsiders, the smaller the occurrence of asymmetric information.(Weiner, 2012).

Organizational commitment is a commitment created by all individual components in running the organization's operations. This commitment can be realized if individuals in the organization carry out their rights and obligations according to their respective duties and functions in the organization.(Harvey & Martinko, 2021). Attribution theory explains that a person's behavior in carrying out an action or decision is influenced by internal forces, namely abilities and external forces, namely the environmental situation in which the person is located. Thus, the higher the employee's commitment to the organization, the more it will suppress the occurrence of fraudulent acts in the organization.

Fraud Hexagon

According to the Association of Certified Fraud Examiners(ACFE, 2024)Pressures can come from family issues, finances, or challenges at work, while opportunities arise from weaknesses in internal controls or lack of management oversight. Rationalization allows individuals to justify their actions in response to perceived situations. Companies must pay close attention that this is not a trivial matter that is easy to handle, because criminals certainly have many strategies to be able to carry out their actions. Companies must be able to identify risks that cause fraud in order to minimize losses as much as possible by improving internal controls that are running in the company, where crimes can occur by stealing assets, manipulating financial reports, cooperation between employees, and others.(Siregar & Murwaningsari, 2022).

Discussing further about fraud, initially to find out someone's actions when committing fraud, it was initially based on the fraud triangle consisting of: Pressure, Rationalization, and Opportunity. Over time, the underlying fraudulent actions have changed into a fraud diamond which has 4 main points, a fraud pentagon which has

increased to 5 points, until now a fraud hexagon has been created which consists of 6 points where the fraud hexagon model was proposed by (Vousinas, 2019)namely Stimulus (Pressure), Capability (capability), Opportunity (opportunity), Rationalization, Ego (Arrogance), Collusion

Fraud Prevention

According to (Vousinas, 2019)fraud prevention as an effort to ward off and narrow the scope of action of fraud perpetrators, and identify every activity that has a high risk of fraud. While(Permata Sari & Kurniawan Nugroho, 2020)defines fraud prevention as any effort to eliminate or minimize the causes of fraud. The purpose of fraud prevention according to(Vousinas, 2019)The purpose of fraud prevention is to prevent fraud that can harm the organization and employees. Fraud prevention aims to create a culture of honesty and high ethics within the organization, as well as identify and reduce the risk of fraud and eliminate the opportunity for fraud to occur. Fraud prevention also aims to increase awareness of the dangers of fraud and its impact on the organization and employees, and develop a consistent and effective anti-fraud strategy within the organization. According to(Tuanakotta, 2012)The characteristics of fraud prevention include 1) Proactive: Fraud prevention aims to prevent fraud before losses occur, 2) Integrated: Fraud prevention involves cooperation between various functions and departments within the organization, including management, finance, human resources, and internal audit, 3) Comprehensive: Fraud prevention involves adopting a comprehensive approach in identifying, preventing, detecting, and handling fraud, 4) Responsive: Fraud prevention must be responsive to changes in the business environment and technological developments.

Organizational Commitment

Jackson and Mathis (2006)And(Stephen & Timothy, 2018)stated that organizational goal commitment and the desire to stay with the organization. With commitment, a person will have an attitude of loyalty and also desire to achieve the goals of the organization well. Organizational commitment can also be interpreted as the degree to which a person is involved in his organization and wants to remain a member, which contains an attitude of loyalty and a person's willingness to work optimally for the organization where the person works. High commitment makes a person prioritize the organization over personal interests and try to make the organization better. Employees who feel a strong emotional attachment to the organization will prioritize the interests of the

organization over personal interests, so they will tend to act with integrity and be committed to fighting fraud. Rifai & Mardijuwono, (2020) stated that employees with high organizational commitment will be more likely to identify and report errors or irregularities that have the potential to lead to fraud. According to Lastri et al., (2022), employee competence acts as a moderating variable that influences the relationship between internal control and fraud prevention. Employees with high competence are able to be more effective in implementing internal control policies and procedures to prevent fraud in the organization. Based on the discussion, the hypothesis put forward is as follows

H1: Organizational commitment has an effect on fraud prevention.

Internal Control

According to (COSO, 2019) Internal control is a process designed and implemented by management and carried out by an entity to provide reasonable assurance regarding the achievement of organizational objectives in three main categories, namely operational effectiveness and efficiency, reliability of financial reporting, and compliance with applicable rules and regulations. Internal control involves the plans, policies, procedures, and measures implemented to ensure that organizational resources are used effectively and efficiently, relevant risks are identified and managed appropriately, and financial statements are presented accurately and reliably. In addition, internal control also helps ensure that all activities and operations of the organization are in accordance with applicable rules and policies. Internal control is applied at all levels and functions of the organization, and involves all members of the organization. Iyinen & Nkechi, (2016) emphasizes that good internal control can reduce gaps or opportunities for fraud perpetrators to operate, thus encouraging perpetrators to reassess their intentions to commit fraud. According to Kharie & Darwis, (2020) Employee competence plays an important role as a moderating variable in the influence of internal control on fraud prevention. Good internal control needs to be supported by employees who have adequate competence so that its effectiveness can increase in preventing fraud in the organization.

H2: Internal control has an effect on fraud prevention

Religiosity

According to (Hayati & Amalia, 2021), religiosity or diversity is an attitude or awareness that arises based on a person's belief or trust in a religion. So religiosity is a condition that exists within a person

that encourages them to behave according to their level of obedience to religion. Religiousness is a guide between belief in religion as a cognitive element, feelings towards religion as an effective element, and behavior towards religion as a cognitive element. So religiosity is a complex integration between religious knowledge, religious feelings, and religious actions within a person. Purnamasari & Amaliah, (2015) found in a comparative study between Muslim and non-Muslim managers in Indonesia that the level of religiosity influences ethical decision making. The results showed that Muslim managers who have a high level of religiosity tend to be more oriented towards ethical values, including in the context of fraud prevention. Purnamasari, (2022) produced findings that in efforts to prevent fraud not only by relying on external human supervision, but also need to internalize the values of religiosity for auditors who always obey the rules in working. Thus, it will reduce unethical behavior that does not obey the rules. The limitations of this study are the limited number of samples in Indonesia, only government internal auditors and generalizations cannot be made.

H3: Internal control has an effect on fraud prevention

Competence

Competence is a characteristic of a person who has the skills, knowledge and ability to carry out a job. (Lastri et al., 2022). Employee Competence is an ability possessed by an Employee and is related to a person's physical and mental abilities. (Sujana et al., 2020). Manurung & Kristanti, (2024) states that competence is a characteristic that underlies a person's achievement of high performance in his work. Employees who do not have sufficient knowledge will not work optimally and also result in wastage of materials, time, and energy.

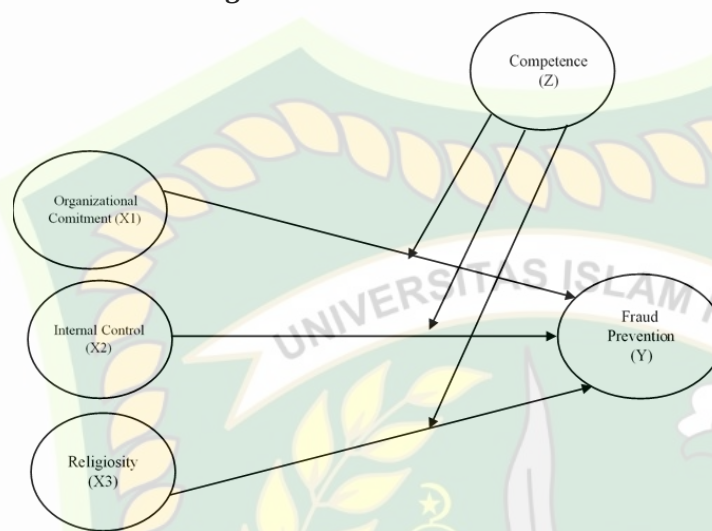
Competence is intended as a means to identify the abilities, attitudes and characteristics of an employee. will be needed in the present and the future. Competence is also intended as a means of focusing on employee development as one way to overcome the imbalance between the competencies needed as standards of employee ability. The concept of competence is expertise, knowledge, experience and motivation that demands behavior towards achieving the expected performance. (Jamaliah et al., 2018) Stating that competence is a characteristic related to the best performance in a job. According to Agung (2020), competence has five characteristics, namely motives, innate traits, self-concept, knowledge and expertise.

H4: Competence moderates the effect of organizational commitment on fraud prevention.

H5: Competence moderates the influence of internal control on fraud prevention.

H6: Competence moderates the influence of Religiosity on Fraud prevention.

Figure 1 Research Framework



RESEARCH METHODS

This research is a quantitative research using the Partial least square approach with the help of SEM-PLS. This research is located in Pekanbaru City with a sample of 129 samples from all regional apparatus organizations in Pekanbaru City. The sample was selected based on the saturated sample analysis technique or using the census sample usage technique where the entire population is a sample of. Validity measurement includes testing how well the value of an instrument developed in measuring the research instrument. The higher the value of the instrument, the better it is in representing the measurement indicators of the research instrument. (Latan & Ghozali, 2017). To measure validity, we must test the relationship between variables, what is measured is Discriminant validity and Extracted (AVE) with the expected AVE value > 0.5 (Sarstedt et al., 2020). To measure the reliability of a construct with a reflective indicator, it can be done by calculating the composite reliability value. The requirements that are usually used to assess the reliability of the construct are that the composite reliability must be greater than 0.7 for confirmatory research and a value of 0.6 - 0.7 is still acceptable for exploratory research. (Latan & Ghozali, 2017). The results in table 2 show the AVE value for each latent variable > 0.5 . Furthermore, the Cronbach alpha value is greater than 0.7, meaning that all variables in this study have met the reliability criteria. (Sekaran & Bougie, 2011). The Cronbach alpha value in this study showed a value greater than 0.8. These results indicate that the measuring instrument in this study

was good and could measure the same construct consistently so that it can be declared reliable..

RESULTS AND DISCUSSION

RESULTS

Descriptive Statistical Analysis (DSA)

Based on the data presented in Table 1, the majority of respondents in this study were female, with a total of 81 people or 62.79% of the total respondents, while males only numbered 48 people or 37.21%. In terms of educational background, most respondents had a Bachelor's degree (S1), with a total of 96 people (74.42%), followed by those with a Master's degree (S2) of 15 people (11.63%), Diploma (DIII) of 12 people (9.30%), and those with high school education of 6 people (4.65%). In terms of age, the largest age group was in the 27-35 year range, with a total of 48 people (37.21%), followed by the 35-42 year age group of 31 people (24.03%). Respondents under 27 years old numbered 24 people (18.60%), while those over 42 years old reached 26 people (20.16%). Regarding work experience, the largest group is respondents with 3-7 years of work experience, which is 62 people (48.06%). Furthermore, respondents with more than 12 years of work experience numbered 33 people (25.58%), followed by those with less than 3 years of work experience, which is 27 people (20.93%). The smallest group is respondents with 8-12 years of work experience, which is only 7 people (5.43%). Overall, the profile of respondents in this study shows a female dominance, most of whom have a Bachelor's degree, with the majority being in the productive age range of 27-35 years and having 3-

7 years of work experience. This demographic distribution provides insights relevant to the research objectives.

The quality of the measurement model is then tested using the Variance Inflation Factor (VIF) as shown in Table 2.

Table 2: Loading Factors

Construction and Item	Loading Factor	VIF
Organizational Commitment		
X1.1	0.832	3,371
X1.2	0.867	4,053
X1.3	0.826	2,996
X1.4	0.908	5,292
X1.5	0.872	3,751
X1.6	0.872	4,467
X1.7	0.831	2,787
Internal Control		
X2.1	0.809	4,352
X2.2	0.818	4,025
X2.3	0.780	3,098
X2.4	0.811	4,052
X2.5	0.837	3,413
X2.6	0.614	1,978
X2.7	0.832	3,264
X2.8	0.690	2,018
X2.9	0.757	2,832
X2.10	0.749	4,547
X2.11	0.739	4,637
Religiosity		
X3.1	0.861	3,054
X3.2	0.894	4,075
X3.3	0.932	5,427
X3.4	0.909	3,085
X3.5	0.916	3,397
Fraud Prevention		
Y1	0.760	3,872
Y2	0.833	5,846
Y3	0.767	3,987
Y4	0.691	2,430
Y5	0.724	3,630
Y6	0.758	4,364
Y7	0.761	4,899
Y8	0.765	2,864
Y9	0.759	3,169
Competence		
Competence x Internal Control	1,000	1,000
Competence x Religiosity	1,000	1,000
Competence x Organizational Culture	1,000	1,000

Source: Processed Data SEMPLS 2024

Discriminant validity assessment is also assessed by examining the Fornell-Larcker Criterion correlation ratio. Technically, the

Fornell-Larcker Criterion approach is an estimate of the true correlation between two constructs, if both were perfectly measured (i.e., if both were

perfectly reliable). This true correlation is also referred to as a disattenuated correlation. A disattenuated correlation between two constructs approaching 1 indicates a lack of discriminant validity.(Henseler et al., 2016). Based on the

presentation of the data attached in table 4, it shows that the Fornell-Larcker Criterion value for each latent variable is below 1, which means that the variables in this study have met the discriminant validity criteria:

Table 3 Fornell-Larcker Criterion

	Competence	Fraud Prevention	Internal Control	Organizational Culture	Religiosity
Competence	0.879				
Fraud Prevention	0.763	0.758			
Internal Control	0.804	0.765	0.77		
Organizational Culture	0.653	0.712	0.766	0.859	
Religiosity	0.876	0.692	0.815	0.612	0.903

Source: Processed Data SEMPLS 2024

Based on Table 3, using the Fornell and Larcker criteria method, it can be seen that the values for each construct variable are appropriate, where the square root of the AVE for each dimension (on the diagonal axis) is greater than its correlation with other dimensions.

Evaluation Model

Validity and Realibility

Validity measurement includes testing how well the value of an instrument developed in measuring the research instrument. The higher the value of the instrument, the better it is in representing the measurement indicators of the research instrument.(Latan & Ghazali, 2017). To measure validity, we must test the relationship between variables, what is measured is Discriminant validity and Extracted (AVE) with the expected AVE value > 0.5(Sarstedt et al.,

2020).To measure the reliability of a construct with a reflective indicator, it can be done by calculating the composite reliability value. The requirements that are usually used to assess the reliability of the construct are that the composite reliability must be greater than 0.7 for confirmatory research and a value of 0.6 - 0.7 is still acceptable for exploratory research.(Latan & Ghazali, 2017). The results in table 2 show the AVE value for each latent variable >0.5. Furthermore, the conbrach alpha value is greater than 0.7, meaning that all variables in this study have met the reliability criteria.(Sekaran & Bougie, 2011). The Conbrach alpha value in this study showed a value greater than 0.8. These results indicate that the measuring instrument in this study was good and could measure the same construct consistently so that it can be declared reliable.

Table 3 Results of Construct Reliability and Validity

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Competence	0.941	0.946	0.953	0.772
Fraud Prevention	0.912	0.929	0.924	0.575
Internal Control	0.930	0.935	0.941	0.592
Organizational Commitment	0.940	0.941	0.951	0.737
Religiosity	0.943	0.944	0.956	0.815

Source: Processed results using SEMPLS 2024

The analysis of the validity test results in Table 3 above indicates that the Average Variance Extracted (AVE) values are above >0.5 for all constructs in the research model. The AVE results

for the four variables above meet the criteria for convergent validity. Another method used by the researcher to assess discriminant validity is the Fornell Larcker Criterion, which compares the

square root values of the Average Variance Extracted (AVE) for each construct to be greater than the correlation values between constructs

Reliability Test

The next test is the reliability test seen from the results of the composite reliability values in Table 2. Composite reliability values above > 0.7 mean that the constructs can explain more than

50% of the variance of their indicators. All constructs in the estimated model meet the discriminant validity criteria. The lowest Composite reliability value is shown by fraud preventive. Based on Table 3, the Cronbach's alpha values for each variable are > 0.6, meaning that this study has met the reliability criteria

Evaluation of Structural Models

Table 4: Results of Determination Coefficient Test

	R-square	R-square adjusted	Q ² predict
Fraud Prevention	0.699	0.684	0.637

Source: Processed results using SEMPLS 2023

Based on table 4, it is known that the adjusted R-Square value for fraud prevention is 0.684, meaning that the change in value that occurs in fraud prevention is influenced by the variables in the independent variables, namely organizational commitment, internal control and religiosity, and the moderating variable, namely competence, which is at a strong level. This is in line with the opinion of Sarstedt 2019; Hair et al. (2021) which defines that the coefficient of determination values is expected between 0 and 1, with R² values of 0.60 (strong), 0.50 (moderate), and 0.25 (weak). Furthermore, in PLS Predict it is known that the

Q² value is 0.673, meaning that the independent variable is able to predict values at a strong level.

Hypothesis Testing

Direct Effect

Based on the data processing conducted to address the hypothesis, hypothesis testing in this research was carried out using the bootstrapping procedure. This study employs a confidence level of 95%, resulting in a precision level or margin of error (alpha) of 5% (0.05), while the t-table value is 1.979. If the t-value > 1.979, then the hypothesis is accepted. The results of the bootstrapping analysis for direct effects are as follows:

Table 5: Results of Hypothesis Testing

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Organizational Commitment -> Fraud Preventive	0.197	0.198	0.088	2,225	0.026
Internal Control -> Fraud Preventive	0.232	0.237	0.102	2,268	0.023
Religiosity -> Fraud Preventive	-0.031	-0.020	0.112	0.273	0.785
Competence x Organizational Commitment -> Fraud Preventive	-0.070	-0.083	0.080	0.878	0.380
Competence x Internal Control -> Fraud Preventive	-0.111	-0.100	0.104	1,074	0.283
Competence x Religiosity -> Fraud Preventive	0.201	0.192	0.080	2,530	0.011

Source: Processed results using SEMPLS 2023

Hypothesis Testing (H1):

Table 6 presents the results of the hypothesis testing.

In this study, it was found that organizational commitment has an effect on fraud prevention. This is proven by the p value of organizational commitment which is 0.026 < 0.05 and the calculated t value is 2.225 > 1.979 with an original sample value of 0.197, meaning that commitment has a significant effect on fraud prevention.

Hypothesis Testing (H2):

Table 6 presents the results of the hypothesis testing.

In this study, it was found that internal control has an effect on fraud prevention. This is proven by the p value of internal control which is 0.023 < 0.05 and the calculated t value is 2.258 > 1.979 with an original sample value of 0.232, meaning that internal control has a significant effect on fraud prevention.

Hypothesis Testing (H3):

Table 6 presents the results of the hypothesis testing.

In this study, it was found that religiosity has no effect on fraud prevention. This is proven by the p value for religiosity which is $0.785 > 0.05$ and the calculated t value is $0.273 < 1.979$ with an original sample value of

-0.031 means that commitment has a significant influence on fraud prevention.

Hypothesis Testing (H4):

Table 6 presents the results of the hypothesis testing.

In this study, it was found that competence does not moderate the influence of organizational commitment on fraud prevention. This is proven by the p value of $0.380 > 0.05$ and the calculated t value of $0.878 < 1.979$ with an original sample value of

-0.070 means that competence does not moderate the influence of organizational commitment on fraud prevention.

Hypothesis Testing (H5):

Table 6 presents the results of the hypothesis testing.

In this study, it was found that competence does not moderate the influence of internal control on fraud prevention. This is proven by the p value of $0.380 > 0.05$ and the calculated t value of $0.878 < 1.979$ with an original sample value of -0.011, meaning that competence does not moderate the influence of internal control on fraud prevention.

Hypothesis Testing (H5):

Table 6 presents the results of the hypothesis testing.

In this study, it was found that competence moderates the influence of religiosity on fraud prevention. This is proven by the p value of $0.011 < 0.05$ and the calculated t value of $2.530 > 1.979$ with an original sample value of 0.201, meaning that competence moderates the influence of religiosity on fraud prevention.

DISCUSSION**Organizational commitment influences fraud prevention**

The results of this study indicate that organizational commitment has an effect on fraud prevention in Pekanbaru City OPDs. Based on the average of the respondents' answers regarding organizational commitment, it is quite good even though there is still a gap in the answers with the existing theory, and these results indicate that Pekanbaru City OPD employees have sufficient commitment in the context of fraud prevention. The results of this study confirm the existing

theory, according to the theory of individuals who have High organizational commitment can be an important key in creating an ethical work environment and encouraging active participation in fraud prevention. (Aviva, 2022). The results of this study are in line with several previous studies which revealed that organizations with high levels of commitment have lower levels of fraud compared to organizations with low levels of commitment. (Rachman1 & Dyahrini, 2021; Sri Rahayu et al., 2022).

Internal control has an impact on fraud prevention

The findings of this study indicate that internal control has an effect on fraud prevention. From the recapitulation of respondents' answers, it is known that OPDs in Pekanbaru City have good internal control, although there is still a gap in respondents' answers which have a fairly good value, meaning that the value is still not optimal. According to COSO, (2019) Effective internal control includes clear policies and procedures, segregation of duties, effective monitoring, and accurate reporting systems. With strong internal control, the risk of fraud can be reduced. Existing research shows that organizations with strong internal control have lower levels of fraud compared to organizations with weak internal control. (Iyinomen & Nkechi, 2016). research by Aviva, (2022) revealed that the implementation of strict internal control policies and procedures is associated with a reduced risk of fraud within the organization.

Religiosity has no effect on fraud prevention

This study found that religiosity has no effect on fraud prevention in Pekanbaru City OPD. Pekanbaru City, which has the slogan of a civil city that is attached to Islam in line with Malay teachings, does not necessarily make it a determining factor in fraud prevention in employees in Pekanbaru City OPD. The results of the recapitulation of respondents' answers show that the value of respondents' answers that are at a fairly agreeable value are still far from the existing theory. (Mediawati & Fadhila, 2021). The results of this study are in line with existing research which according to Hayati & Amalia, (2021) religious values or religious values do not have an influence on fraud prevention in OPD Pekanbaru City. research Prasetyono et al., (2021) shows that employees' religious values have not been internalized in attitudes and behavior to prevent fraud, namely by working well and professionally and reporting fraudulent acts in the company.

Competence does not moderate the effect of organizational commitment on fraud prevention.

Competence does not moderate the influence of organizational commitment on fraud prevention in Pekanbaru City OPD. Based on the results of respondents' answers, the competence possessed by employees in Pekanbaru City OPD is still not quite in accordance with the existing theory, which still has a gap in the respondents' answers from this study. The results show that the competence of Pekanbaru City OPD employees is still at a fairly good level but not yet optimal, meaning that employees in Pekanbaru City OPD still do not have the competence that meets the required criteria. Competence is intended as a means to identify the abilities, attitudes, and traits of an employee that will be needed in the present and the future. Competence is also intended as a means to focus on employee development as one way to overcome the imbalance between the competencies needed as standards of employee abilities. The concept of competence is expertise, knowledge, experience and motivation that demands behavior towards achieving the expected performance. (Jamaliah et al., 2018). The results of this study are in line with research conducted by Lastri et al., (2022) which research results explain that there is no moderating role of competence in the influence of organizational commitment on fraud prevention.

Competence does not moderate the effect of internal control on fraud prevention.

Competence does not moderate the influence of internal control on fraud prevention in Pekanbaru City OPD. Based on the results of respondents' answers, the competence possessed by employees in Pekanbaru City OPD is still not quite in accordance with the existing theory, which still has a gap in the respondents' answers from this study. The results show that the competence of Pekanbaru City OPD employees is still at a fairly good level but not yet optimal, meaning that employees in Pekanbaru City OPD still do not have the competence that meets the required criteria. Competence is intended as a means to identify the abilities, attitudes, and traits of an employee that will be needed in the present and the future. Competence is also intended as a means to focus on employee development as one way to overcome the imbalance between the competencies needed as standards of employee abilities. The concept of competence is expertise, knowledge, experience and motivation that demands behavior towards achieving the expected performance. (Jamaliah et al., 2018). The results of

the recapitulation of the respondents' answers explain that competence is not enough to moderate the influence of internal control on fraud prevention. This study is in line with research conducted by Hayati & Amalia, (2021) where competence does not moderate the influence of internal control on fraud prevention.

Competence moderates the influence of religiosity on fraud prevention

Further findings from this study indicate that employee competence moderates the influence of religiosity on fraud prevention in Pekanbaru City OPD. Employees who instill religious values on fraud prevention and are driven by competence influence fraud prevention. Employees who have high competence tend to be better able to interpret and apply religious teachings related to ethics and integrity in daily work practices, so they can be more effective in preventing fraud. (Hayati & Amalia, 2021). The results of this study are in line with research conducted by Purnamasari, (2022) states that employee competence can influence the relationship between religiosity and fraud prevention. The results of the study show that employees who have high competence and high levels of religiosity tend to be more consistent in applying the principles of religious ethics in preventing fraud, compared to employees who have low levels of competence or religiosity.

CONCLUSION

This study reveals that organizational commitment and internal control have a significant influence on fraud prevention in Regional Apparatus Organizations (OPD) of Pekanbaru City. Employees who have high organizational commitment tend to be more proactive in supporting fraud prevention efforts, in line with their role in creating an ethical work environment. Good internal control, including clear policies, separation of duties, effective monitoring, and accurate reporting systems, has been shown to significantly reduce the risk of fraud. However, the implementation of internal control in OPD of Pekanbaru City has not been fully optimal, so improvements are needed to achieve maximum results. On the other hand, religiosity was found to have no direct influence on fraud prevention. Although Pekanbaru is known for its religious identity, the values of religiosity have not been fully internalized in the attitudes and actions of employees related to fraud prevention. However, religiosity becomes significant when combined with high employee competence. This competence allows employees to apply the principles of ethics and religious integrity in their daily work, so that it

can strengthen fraud prevention efforts. As a moderating variable, competence does not affect the relationship between organizational commitment and internal control on fraud prevention. This shows that the level of employee competence in OPD of Pekanbaru City is still at a fairly good level but not yet optimal. Improving employee competency is an urgent need to ensure that they are able to implement policies and procedures that support fraud prevention effectively. Overall, this study emphasizes the importance of synergy between organizational commitment, internal control, religiosity, and employee competency to create an environment that can prevent fraud effectively. Therefore, fraud prevention strategies in Pekanbaru City OPDs must focus on improving employee competency, strengthening internal control, and internalizing ethical values based on religiosity, accompanied by a strong commitment from all members of the organization.

Limitations of the Study

This study has several limitations that need to be considered. First, the study only focused on Regional Apparatus Organizations (OPD) in Pekanbaru City, so that the generalization of the results to a broader context, both at the regional and national levels, is limited. Furthermore, the religiosity variable did not show a significant effect on fraud prevention, possibly due to the lack of internalization of religious values in employee work behavior. This indicates the need for further study to explore other factors that can moderate this relationship. Furthermore, the role of employee competence as a moderating variable does not fully support the influence of organizational commitment and internal control on fraud prevention. These limitations indicate that the level of employee competence in OPD still needs to be improved to strengthen the implementation of fraud prevention policies effectively.

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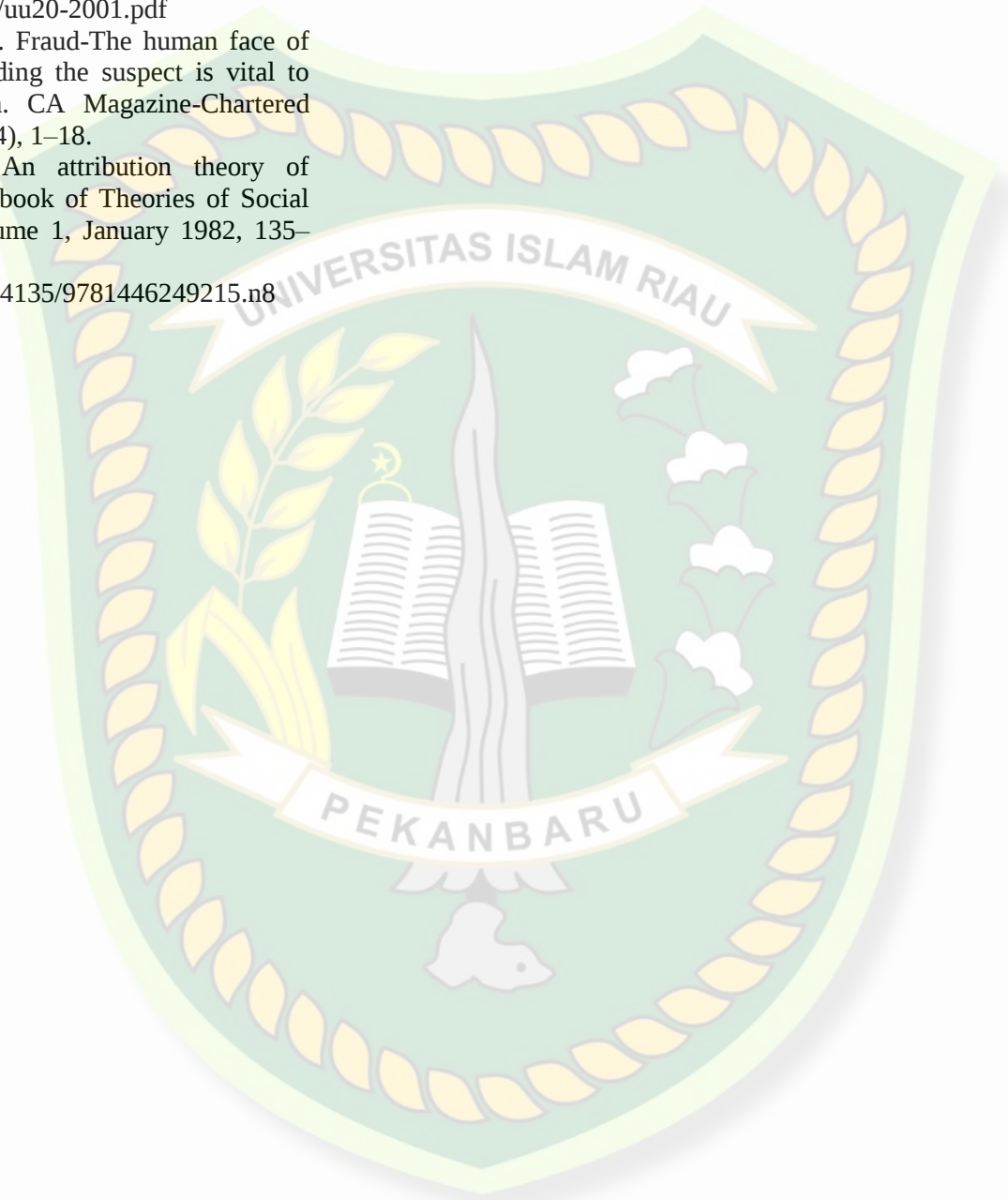
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