

Fraud Prevention Effectiveness: The Moderating Roles of Cultural Values and Organizational Commitment

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ABSTRACT. This study examines the effectiveness of fraud prevention in village fund management in North Sumatra Province, focusing on how cultural values and organizational commitment moderate the relationship among bureaucratic competence, internal control systems, and fraud prevention outcomes. Using Partial Least Squares–Structural Equation Modeling (PLS-SEM), data were collected from 162 village officials across purposively selected villages with the largest fund allocations. Results reveal that bureaucratic competence and internal control systems alone do not directly enhance fraud prevention effectiveness. However, cultural values significantly strengthen both relationships, while organizational commitment moderates only the internal control–fraud prevention link. These findings demonstrate that technical capacity and formal controls require a supportive organizational culture and staff commitment to function effectively. The study contributes to theory by highlighting fraud prevention’s contingent nature in public sector contexts. Practically, it suggests that local governments should integrate cultural development and commitment-building strategies alongside procedural and technical capacity enhancements in the village fund management.

1. Introduction

Fiscal decentralization in Indonesia has shifted responsibility for public financial management to lower levels of government, including villages. Within the framework of public sector governance, villages are no longer positioned solely as objects of development, but as subjects with the authority to manage financial resources independently in accordance with the legislative provisions [1]. This change requires increased accountability in village financial management as part of strengthening overall public accountability .

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Village funds are the main instrument in supporting development based on local needs. Since they were first allocated, the value of village funds has continued to increase significantly, reaching Rp71 trillion in 2024 for more than 75,000 villages in Indonesia. In North Sumatra Province, the allocation of village funds in the same year was recorded at Rp4.72 trillion with a relatively high budget realization rate of over 95 percent [2]. The high budget realization rate indicates strong fund absorption capacity, but it also increase the risk of irregularities if not balanced by an effective control system.

Various empirical findings indicate that village fund management remains vulnerable to fraudulent practices. Indonesia Corruption Watch data records hundreds of corruption cases at the village level since 2015 with increasing state losses, while the Corruption Eradication Commission reports more than 900 cases of village fund corruption through 2024. These patterns of irregularities generally occur at the stages of activity planning, budget implementation, procurement of goods and services, and reporting and accountability. This situation shows that the main problem lies not only in the amount of funds allocated, but also in the effectiveness of fraud prevention mechanisms throughout the entire village financial management cycle.

In public sector literature, fraud is understood as a deliberate act of misconduct that misleads or harms others through violations of applicable regulations, whether committed by internal or external perpetrators [3], [4]. Fraud not only results in financial losses, but also undermines public trust in the government and disrupts the effectiveness of public services [5]. Therefore, fraud prevention needs to be understood as a systemic effort that involves strengthening the apparatus's capacity and the quality of organizational governance.

Empirical research shows that factors affecting the effectiveness of fraud prevention in the public sector still produce inconsistent findings. On the variable of civil servant competence, a number of studies have found a significant influence on fraud prevention, indicating that the technical abilities, knowledge, and skills of civil servants play an important role in minimizing potential irregularities [6], [7], [8], [9], [10]. However, several studies have also reported different findings, showing that staff competence does not always have a significant impact on fraud prevention, especially when organizational factors and conditions are not optimally supportive [2], [11], [12].

The inconsistency of empirical results is also evident in the internal control system variable. A number of studies confirm that an effective internal control system can reduce the likelihood of fraud through mechanisms of supervision, separation of functions, and compliance with procedures [9], [13], [14]. However, other studies have found that the existence of an internal control system is not necessarily effective in preventing fraud if its implementation is merely a formality or is not supported by adequate organizational conditions [15], [16], [17].

These differences indicate that the relationship between staff competence and internal control systems with fraud prevention cannot be generalized uniformly across all organizations, so that its effectiveness is highly dependent on the conditions of the organization and the work environment in which the staff perform their duties. Therefore, studies on fraud prevention should not only focus on staff competence and internal control systems as direct determining factors. Attention must also be paid to organizational conditions that can influence the extent to which these two factors work effectively. In this case, organizational culture and commitment are important variables to examine as they have the potential to explain differences in the effectiveness of fraud prevention in village fund management.

Within the framework of Institutional Theory, the effectiveness of organizational practices and formal mechanisms is determined not only by the design of rules and procedures, but also by institutional pressures, norms, and values that develop within the organizational environment [18]. Rules and internal control systems can function differently between organizations because they are influenced by the level of acceptance and legitimacy among implementers. In line with this, Cultural Value Theory explains that the cultural values embraced by individuals and organizations shape the way officials understand, interpret, and implement rules, thereby potentially strengthening or weakening the effectiveness of the policies and control systems that are applied [19]. Meanwhile, the Theory of Planned Behavior asserts that individual behavior is influenced by subjective norms and perceptions of control over behavior, which in organizations are reflected through work culture and the level of commitment to organizational goals [20]. Based on these three theoretical perspectives, cultural values and organizational commitment are conceptually relevant as factors that can influence the strength of the relationship between the competence of the apparatus and internal control systems and the effectiveness of fraud prevention.

Considering this background, this study focuses on testing the effectiveness of fraud prevention in village fund management by placing the competence of officials and internal control systems as the main determinants, as well as cultural values and organizational commitment as contextual factors that influence the strength of these relationships. This study was conducted on village fund management officials in districts/cities in North Sumatra Province, with the hope of providing a more comprehensive empirical understanding of fraud prevention mechanisms in village financial management. Thus, the results of this study are expected to not only enrich the public sector literature, but also provide a basis for consideration in the formulation of policies and the strengthening of more accountable and sustainable village fund management practices.

Hypothesis Development

Competence of Officials and Effectiveness of Fraud Prevention

The competence of officials reflects their abilities, skills, and knowledge in carrying out public financial management tasks. Competent officials have a better understanding of regulations, administrative procedures, and financial accountability mechanisms, enabling them to better identify and minimize potential irregularities in village fund management [6], [7], [8], [9].

A number of empirical studies show that the competence of officials contributes positively to the effectiveness of fraud prevention because officials who understand the rules and risks tend to be more compliant and careful in exercising their authority [7], [10]. However, inconsistent findings in previous studies indicate that the influence of competence is not always universal, but is influenced by organizational conditions and characteristics. Based on this description, the hypothesis proposed is:

H1: The competence of officials has a positive effect on the effectiveness of fraud prevention.

Internal Control Systems and Fraud Prevention Effectiveness

Internal control systems are a set of policies and procedures designed to provide reasonable assurance that organizational objectives will be achieved, including reliable financial reporting, regulatory compliance, and operational effectiveness [21]. In village fund management, internal control systems include separation of duties, oversight mechanisms, and clear and structured accountability procedures [7], [13], [22].

Previous studies have shown that an effective internal control system can reduce the likelihood of fraud by limiting the scope for officials to commit irregularities and increasing accountability at every stage of budget management [7], [9], [10]. Thus, internal control is seen as an important mechanism in preventing fraud in the public sector. Based on this argument, the hypothesis proposed is:

H2: Internal control systems have a positive effect on the effectiveness of fraud prevention.

The Role of Cultural Value Moderation

Organizational cultural values reflect the norms, beliefs, and practices that shape the behavior of officials in carrying out their duties. From the perspective of Cultural Value Theory [19], cultural values influence how individuals understand, accept, and apply organizational rules. In addition, Institutional Theory asserts that the effectiveness of formal mechanisms is greatly influenced by the values and norms that develop within the institutional environment [18].

Cultural values that support integrity and compliance are believed to strengthen the influence of staff competence on the effectiveness of fraud prevention, because competent staff will make more optimal use of their abilities when the organizational environment supports accountable behavior. Similarly, strong cultural values can increase the effectiveness of internal

control systems by improving staff compliance with procedures and oversight mechanisms [23]. Based on this argument, the hypotheses proposed are:

H3: Cultural values strengthen the influence of staff competence on the effectiveness of fraud prevention.

H4: Cultural values strengthen the influence of internal control systems on the effectiveness of fraud prevention.

The Role of Organizational Commitment Moderation

Organizational commitment reflects the level of attachment of officials to the goals, values, and rules of the organization. Officials with high organizational commitment tend to show stronger compliance with applicable policies and procedures and have a greater orientation towards the interests of the organization and the public [24], [25].

Within the framework of Institutional Theory, organizational commitment functions as a mechanism for internalizing organizational norms and rules into individual behavior [18]. Strong commitment is believed to strengthen the influence of staff competence on fraud prevention because staff are not only technically capable but also have an internal drive to use their competence responsibly. In addition, organizational commitment can increase the effectiveness of internal control systems because highly committed officials tend to carry out control procedures consistently and not merely as a formality [7]. Based on this description, the hypothesis proposed is:

H5: Organizational commitment strengthens the influence of official competence on the effectiveness of fraud prevention.

H6: Organizational commitment strengthens the influence of internal control systems on the effectiveness of fraud prevention.

2. Research Method

This study uses a quantitative approach with an associative causal design. This approach is used to test the relationship between research variables and explain the influence of apparatus competence and internal control systems on the effectiveness of fraud prevention, taking into account cultural values and organizational commitment as moderating variables. An associative causal design was chosen because this study focuses on testing causal relationships among constructs within a predefined conceptual framework.

The population in this study was village officials directly involved in the management of village funds in districts/cities in North Sumatra Province. The sample was selected using purposive sampling, with the criteria for respondents being village officials who have the authority and responsibility for planning, implementing, and accounting for village finances. Based on these criteria, this study involved officials from 27 districts/cities receiving village

funds, with three villages in each district/city and two village fund management officials in each village. Thus, the number of respondents in this study was 162. This number was considered adequate for Partial Least Squares-Structural Equation Modeling (PLS-SEM) analysis [26], especially for research models involving moderating variables.

The research data was obtained from primary data collected through the distribution of structured questionnaires to respondents. The research instrument was developed based on variable indicators adapted from previous studies and adjusted to the characteristics of village fund management. Each statement in the questionnaire was measured using a five-point Likert scale, with a rating range from 1 (strongly disagree) to 5 (strongly agree), in order to capture respondents' perceptions more objectively and measurably.

Table 1. Operational Definitions and Measurement of Research Variables

Research Variables	Operational Definitions	Indicators
Aparatus Competence (X1)	The basic characteristics of the apparatus that reflect the ability, skills, and knowledge to carry out tasks effectively.	Motives; Traits; Self-Concept; Knowledge; Skills
Internal Control System (X2)	An integral process of actions and activities carried out continuously by management and all employees to provide reasonable assurance that the organization's objectives will be achieved.	Control Environment; Risk Assessment; Control Activities; Information and Communication; Monitoring
Cultural Values (Z1)	Principles, norms, and beliefs held by a group/community that shape the way they think, act, and interact; serve as guidelines for what is good and bad, right and wrong.	Identity; Integrity; Communication and Collaboration; Innovation; Hierarchical Structure; Stability
Organizational Commitment (Z2)	An attitude that reflects the attachment of officials to the organization, as seen in their willingness to maintain membership and carry out the values and goals of the organization.	Affective Commitment; Continuous Commitment; Normative Commitment
Fraud Prevention Effectiveness (Y)	Systematic efforts to prevent fraud through strengthening various mechanisms such as supervision, limiting opportunities for irregularities, and increasing accountability in village fund management.	Strengthening the Legal Framework; Transparent Procedures; Document Evaluation; Delegation of Authority; Inspection; Independent Audit

Data Analysis Techniques

The collected data were analyzed using the Partial Least Squares–Structural Equation Modeling (PLS-SEM) approach with SmartPLS software. The PLS-SEM approach was chosen because this study is predictive in nature and does not require a strictly normal distribution of data.

The stages of data analysis in this study included evaluating the outer and inner models. Evaluation of the outer model was conducted to assess the validity and reliability of the research constructs. Convergent validity was assessed using factor loadings and Average Variance Extracted (AVE), with criteria of factor loadings ≥ 0.70 and AVE ≥ 0.50 . Discriminant validity was evaluated using cross loading values and Fornell–Larcker criteria, while construct reliability was assessed through Cronbach's Alpha and Composite Reliability values, which were expected to be greater than 0.70.

Furthermore, an inner model evaluation was conducted to test the relationship between latent variables in accordance with the research hypothesis. The strength of the structural model was assessed using the coefficient of determination (R^2) to evaluate the ability of independent variables to explain the dependent variable. The significance of direct and moderating effects was tested using a bootstrapping procedure based on t-statistics and p-values. The relationship between variables was considered significant if the t-statistics value was greater than 1.96 at a 5 percent significance level or the p-values were less than 0.05.

3. Results

Before testing the structural relationship among variables, this study first evaluated the measurement model to ensure that the constructs used met the criteria for reliability and validity. Reliability between indicators was assessed using factor loadings to ensure each indicator adequately represented the construct being measured. Furthermore, convergent validity was evaluated by calculating Average Variance Extracted (AVE) to assess the extent to which each construct explained the variance of its indicators. In addition, internal consistency reliability was measured using Composite Reliability (CR) values to ensure the consistency of each construct's measurement. The results of the measurement model evaluation are presented in Table 1 below.

Table 2. Measurement Model

Construct	Indicator	Loading	Cronbach's Alpha	Composite Reliability	AVE
		> 0,7	> 0,7	> 0,7	> 0,5
Apparatus Competence (X1)	X1.1	0.804	0.902	0.922	0.628
	X1.2	0.809			
	X1.3	0.747			
	X1.4	0.780			
	X1.5	0.803			
	X1.6	0.810			
	X1.7	0.791			
Internal Control System (X2)	X2.1	0.766	0.893	0.915	0.574
	X2.2	0.808			
	X2.3	0.843			
	X2.4	0.764			
	X2.5	0.808			
	X2.6	0.814			
	X2.7	0.785			
Cultural Values (Z1)	Z1.1	0.776	0.912	0.929	0.619
	Z1.2	0.805			
	Z1.3	0.818			
	Z1.4	0.774			
	Z1.5	0.837			
	Z1.6	0.757			
	Z1.7	0.761			
	Z1.8	0.765			
Organizational Commitment (Z2)	Z2.1	0.766	0.888	0.913	0.637
	Z2.2	0.808			
	Z2.3	0.843			
	Z2.4	0.764			
	Z2.5	0.808			
	Z2.6	0.814			
Fraud Prevention Effectiveness (Y)	Y.1	0.728	0.939	0.946	0.603
	Y.2	0.759			
	Y.3	0.734			
	Y.4	0.743			
	Y.5	0.796			
	Y.6	0.752			
	Y.7	0.777			
	Y.8	0.772			
	Y.9	0.815			
	Y.10	0.822			
	Y.11	0.815			
	Y.12	0.763			

Source: Processed data (2025)

Based on the results of the measurement model testing in Table 1, it can be concluded that all constructs in this study have met the recommended reliability and validity criteria. The factor loadings for each indicator are above the minimum required threshold (> 0.7), indicating that all indicators are capable of adequately representing the constructs being measured. This indicates that each statement item has a sufficiently strong contribution to forming its respective latent variable.

Furthermore, the convergent validity test results indicate that all constructs have Average Variance Extracted (AVE) values exceeding the threshold of 0.50. This finding indicates that each construct is able to explain more than half of the variance in its constituent indicators, thereby fulfilling convergent validity in the measurement model. Thus, the indicators used in this study empirically demonstrate a high level of suitability in measuring the intended concept.

Regarding internal consistency reliability, the Composite Reliability for all constructs is also above the recommended threshold. This indicates that the indicators within each construct exhibit high internal consistency and yield stable measurements. With the fulfillment of these reliability and validity criteria, the measurement model in this study is considered feasible and can be used as a basis for continuing the analysis in the structural model to test the relationship between variables in accordance with the research hypothesis.

Hypothesis Testing

Hypothesis testing in this study was conducted using the Partial Least Squares–Structural Equation Modeling (PLS-SEM) approach with bootstrapping procedures to obtain path coefficients, t-statistics, and p-values. The significance of the relationship between variables was tested at a significance level of 5 percent, where a relationship was considered significant if the t-statistics value was greater than 1.96 or the p-values were less than 0.05. The results of the hypothesis testing can be seen in Table 2 below:

Table 2. Hypothesis Testing

Hypothesis	Relationship	Path Coefficient	T-Statistics	P Values
H1	AC → FPE	0.039	0.517	0.606
H2	ICS → FPE	0.071	1.205	0.229
H3	AC × CV → FPE	-0.127	2.068	0.039*
H4	ICS × CV → FPE	0.176	2.278	0.023*
H5	AC × OC → FPE	0.034	0.421	0.674
H6	ICS × OC → FPE	-0.171	2.261	0.024*
R Square			0.692	
R Square Adjusted			0.684	

* indicates statistical significance at the 5% level ($p < 0.05$).

Source: Processed data (2025)

Based on the results of hypothesis testing in Table 2, apparatus competence shows a path coefficient of 0.039 with a t-statistics value of 0.517 and p-values of 0.606, indicating that the effect of apparatus competence on the effectiveness of fraud prevention is not statistically significant. Similar findings are also shown by the internal control system with a path coefficient of 0.071, a t-statistics value of 1.205, and a p-value of 0.229, so that the hypothesis of the direct effect of the internal control system on the effectiveness of fraud prevention is not supported.

Conversely, the results of the moderation effect test show that cultural values play a significant role in strengthening the relationship between independent variables and fraud prevention effectiveness. The interaction between bureaucratic competence and cultural values has a path coefficient of -0.127 with a t-statistic value of 2.068 and a p-value of 0.039, while the interaction between internal control systems and cultural values shows a path coefficient of 0.176, a t-statistic value of 2.278, and a p-value of 0.023. These results indicate that the role of bureaucratic competence and internal control systems in preventing fraud is greatly influenced by the cultural values that develop within village organizations.

Furthermore, the role of organizational commitment as a moderating variable shows varying results. The interaction between bureaucratic competence and organizational commitment has a path coefficient of 0.034 with a t-statistics value of 0.421 and p-values of 0.674, indicating that organizational commitment does not strengthen the influence of bureaucratic competence on the effectiveness of fraud prevention. However, the interaction between internal control systems and organizational commitment shows a path coefficient of -0.171 , a t-statistics value of 2.261, and a p-value of 0.024, which is statistically significant. This finding indicates that organizational commitment plays an important role in determining the effectiveness of internal control systems in preventing fraud.

The coefficient of determination (R Square) value of 0.692 shows that the research model is able to explain 69.2% of the variation in fraud prevention effectiveness, while the Adjusted R Square value of 0.684 indicates that the explanatory power of the model remains high after taking into account the complexity of the model. Thus, these results confirm that the combination of technical and contextual factors in the research model has a strong explanatory power for the effectiveness of fraud prevention in village fund management.

4. Discussion

The Influence of Civil Servant Competence on the Effectiveness of Fraud Prevention

The results of the study indicate that civil servant competence does not have a significant effect on the effectiveness of fraud prevention. These findings indicate that the technical abilities, administrative knowledge, and managerial skills of village civil servants do not directly guarantee increased effectiveness in fraud prevention in the management of village funds.

Administratively competent officials do not always exhibit consistent behavior in preventing irregularities.

This finding is in line with several previous studies showing that official competency does not always have a significant impact on fraud prevention [2], [11], [12]. From an Institutional Theory perspective, this condition can be explained by the gap between individual capabilities and organizational practices, where competence only functions at the administrative level without being internalized into fraud control behavior. Thus, improving the competence of officials alone is not sufficient as a primary fraud prevention strategy without strong organizational support.

The Effect of Internal Control Systems on the Effectiveness of Fraud Prevention

The results of hypothesis testing show that internal control systems do not have a significant effect on the effectiveness of fraud prevention. These findings indicate that the existence of formal control mechanisms, such as supervisory procedures and separation of functions, is not necessarily effective in preventing fraud if their implementation is merely a formality.

These results support previous research findings that internal control systems often do not function optimally in practice, especially when they are not supported by a conducive organizational environment [15], [16], [17]. Within the framework of Institutional Theory, internal control systems can lose their control power if they are only understood as administrative obligations without legitimacy and commitment from the implementers. Therefore, internal control systems cannot be positioned as a stand-alone instrument in fraud prevention.

The Role of Cultural Values in Moderation

The results of the study indicate that cultural values play a significant role in moderating the relationship between bureaucratic competence and the effectiveness of fraud prevention, as well as between internal control systems and the effectiveness of fraud prevention. These findings confirm that the effectiveness of technical and structural factors is highly dependent on the cultural values that have developed within the village organization.

From the perspective of Cultural Value Theory, cultural values shape the way officials understand rules, responsibilities, and the consequences of each action [19]. Official competence and internal control systems will be more effective in preventing fraud when implemented in a cultural environment that upholds integrity, compliance, and accountability. Conversely, in a weak organizational culture, these two factors have the potential to function only procedurally. These findings show that cultural values act as a social mechanism that bridges the gap between formal rules and the actual behavior of officials.

The Role of Organizational Commitment Moderation

The results show that organizational commitment does not moderate the relationship between staff competence and fraud prevention effectiveness. This finding indicates that staff loyalty and attachment to the organization does not necessarily optimize the use of competence in preventing fraud. Staff competence still requires a clear value framework and system in order to be directed effectively.

Conversely, organizational commitment was found to moderate the relationship between internal control systems and fraud prevention effectiveness. This finding shows that internal control systems will be more effective if employees have a high level of commitment to the organization and public goals. Within the framework of the Theory of Planned Behavior, organizational commitment reflects subjective norms and perceived behavioral control that encourage officials to consistently follow the rules [20]. Thus, organizational commitment plays an important role in ensuring that internal control systems are not only implemented formally, but also function effectively as a fraud prevention mechanism.

These results affirm that fraud prevention in village fund management is not universal, but rather highly dependent on the conditions and characteristics of the organization where officials carry out their duties. Technical and structural factors, such as the competence of officials and internal control systems, may not necessarily work effectively if they are not supported by strong organizational cultural values and a high level of commitment among officials to public goals and responsibilities. Therefore, efforts to strengthen fraud prevention should not only focus on improving formal procedures and mechanisms, but also need to be directed at creating an organizational environment that instills values of integrity, strengthens collective commitment, and encourages ethical and accountable behavior among officials on an ongoing basis.

5. Contribution

This study makes an important contribution to the literature on public sector governance by showing that the effectiveness of fraud prevention in village fund management cannot be explained solely by universal technical and structural factors. The findings reveal that the competence of officials and internal control systems do not have a significant direct influence on the effectiveness of fraud prevention, challenging the normative view that has long placed these two factors as the main determinants of fraud prevention. Furthermore, this study enriches theoretical development by emphasizing the role of cultural values and organizational commitment as contingency mechanisms that determine the extent to which the competence of officials and internal control systems can function effectively. By integrating Institutional Theory, Cultural Value Theory, and Theory of Planned Behavior, this study broadens the understanding that the effectiveness of public governance is greatly influenced by the dynamics of values, norms,

and commitments that develop within organizations. The main theoretical contribution of this study lies in its assertion that fraud prevention is a contextual phenomenon that depends on organizational conditions, rather than simply being the result of rule design and increased technical capacity of officials.

From a practical perspective, the research results have important implications for village governments and relevant stakeholders that fraud prevention strategies should not be limited to improving the technical competence of officials or strengthening procedural internal control systems. The research findings show that without the support of strong organizational cultural values and the commitment of officials to public goals, these efforts have the potential to be merely formalities and ineffective in curbing fraudulent practices. Therefore, village and local governments need to integrate a technocratic approach with a value-based approach, by strengthening an organizational culture that upholds integrity, transparency, and accountability, as well as building the commitment of officials to responsible public financial management. In addition, internal control systems need to be designed and implemented not only as administrative instruments, but also as part of organizational practices supported by normative compliance and collective awareness among officials.

This study also contributes to policy by offering the perspective that fraud prevention in village fund management needs to be directed towards synergy between structural reform and institutional strengthening. Policymakers and supervisory agencies are expected to not only emphasize procedural compliance, but also encourage the creation of an organizational environment conducive to ethical behavior through policies that foster a work culture, integrity-based incentive systems, and strengthening organizational commitment. With this approach, fraud prevention efforts can have a more sustainable and adaptive foundation in response to the dynamics of village organizations.

6. Conclusion

This study concludes that the effectiveness of fraud prevention in village fund management cannot be adequately explained through technical and structural approaches alone. The competence of officials and internal control systems, which have been regarded as the main instruments of public financial management, does not show a significant direct influence on the effectiveness of fraud prevention. These findings indicate that the existence of technical capabilities and formal mechanisms does not necessarily prevent fraud if they are not accompanied by supportive organizational conditions.

The study's results confirm that contextual factors play a more decisive role. Cultural values have been proven to strengthen the influence of bureaucratic competence and internal control systems on the effectiveness of fraud prevention. An organizational environment that upholds the values of integrity, compliance with norms, and public accountability is able to direct

the utilization of competence and the application of internal control systems towards more ethical and accountable behavior. Thus, cultural values serve as a normative foundation that bridges formal rules with the operational practice of village fund management. In addition, organizational commitment has been shown to strengthen the effectiveness of internal control systems, but not to optimize the influence of apparatus competence. These findings indicate that the commitment of officials is more relevant in ensuring consistency and compliance with formal control mechanisms than in maximizing individual technical capabilities. Internal control systems will work more effectively when implemented by officials who are committed to and responsible for the organization's objectives.

This study also confirms that fraud prevention in village fund management is not a universal, with effectiveness determined by the synergy between formal mechanisms and value factors that shape official behavior. Therefore, strengthening fraud prevention needs to be directed towards improving procedures, increasing technical capacity, and creating an organizational environment that consistently instills the values of integrity, accountability, and commitment to public financial management.

Conflicts of Interest: The authors declare that there are no conflicts of interest regarding the publication of this paper.

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