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REVEALING THE FACTORS OF ACCOUNTING FRAUD IN ISLAMIC BANKS: THE ROLE OF UNETHICAL BEHAVIOR AS AN INTERVENING VARIABLE

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ABSTRACT

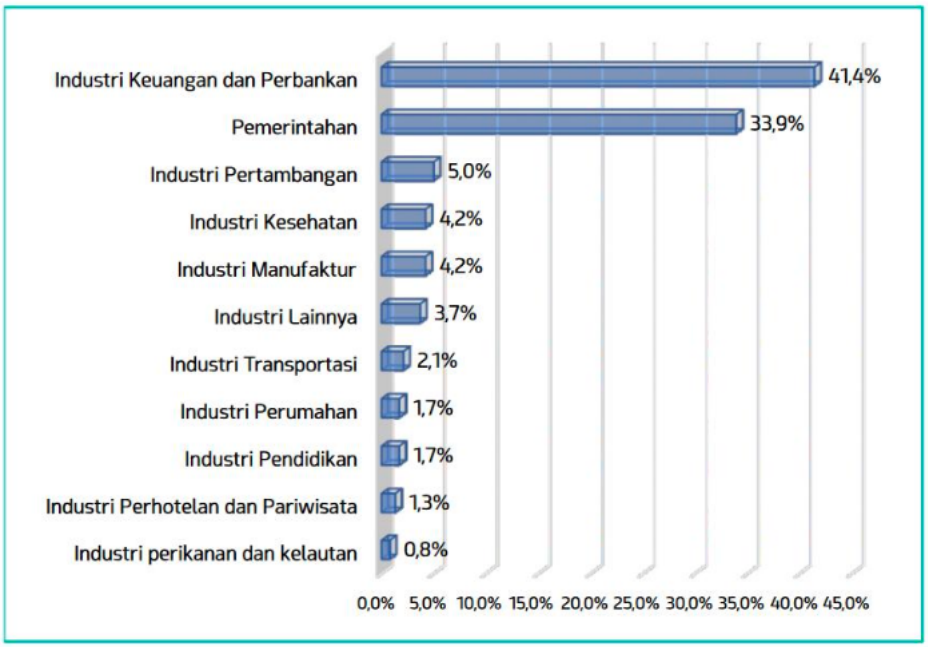
Islamic banks have undergone significant growth, particularly in Southeast Asia, the Middle East, and North Africa, in line with rising public trust in Sharia principles. However, this expansion faces challenges such as operational risks, including accounting fraud. Fraud, a major concern for the banking industry, has been prevalent in both conventional and Islamic financial institutions, threatening their credibility. This study investigates the factors influencing accounting fraud in Islamic banking, focusing on unethical behavior as an intervening variable. Using a quantitative approach with Partial Least Squares (PLS) analysis, the study examines the relationships between internal control systems, compensation, compliance with accounting rules, management morality, and accounting fraud. The sample consists of employees from Bank Syariah Indonesia (BSI) in Samarinda. The results show that unethical behavior significantly mediates the relationship between internal controls, compensation, and management morality with accounting fraud. Strong internal controls and management morality are found to have a significant negative effect on unethical behavior, which in turn reduces the likelihood of accounting fraud. These findings emphasize the importance of robust internal systems and ethical management in preventing fraud in Islamic banking.

Keywords: *Accounting Fraud*; *Unethical Behavior; Internal Control; Managerial Morality; Sharia Banking*.

INTRODUCTION

Islamic banks have experienced significant development, particularly in Southeast Asia, the Middle East, and North Africa (Belkhaoui, 2023; Ghozali et al., 2019). This growth aligns with the increasing public trust in Sharia principles. However, amidst this progress, the Islamic banking sector also faces substantial challenges in the form of operational risks, including accounting fraud (Ginena, 2014). This fact is highlighted by the results of a survey conducted by the ACFE (Association of Certified Fraud Examiners) regarding the 2019 Global Study on Occupational Fraud and Abuses, which revealed the following findings:

Figure 1. Indonesia Fraud Survey (2019)



Source: ACFE (Association of Certified Fraud Examiners)

The data above indicates that the financial and banking industries face a higher risk of fraud compared to other institutions. Accounting fraud is a serious issue that can threaten the integrity and credibility of financial institutions, including Islamic banks. In Indonesia, this phenomenon has drawn significant attention in recent years, particularly due to the increasing number of cases uncovered in the financial sector. Although Sharia principles emphasize the importance of honesty, integrity, and moral responsibility, the reality is that fraud cases still occur, even within Sharia-based financial institutions

According to news reports, in 2020, a fraud incident occurred in one of Indonesia's conventional banks, PT. Maybank Indonesia Tbk., located in South Jakarta. It was revealed that funds amounting to IDR 22,000,000,000 were embezzled from a customer’s personal account. The involvement of the Maybank Cipulir Branch Head in the misappropriation of customer funds rendered PT. Maybank Indonesia Tbk. unable to compensate for the lost funds (Polri Bongkar Modus Kepala Cabang Maybank Tilap Duit Winda Lunardi, 2020). Additionally, a fraud case at Bank Syariah Indonesia (BSI) in Sumenep resulted in state losses of IDR 60,000,000,000, which was the accumulated loss from three BSI branches. This unlawful act was perpetrated by several individuals previously associated with BNI Syariah, which has now merged into BSI (Azrul, 2023). These incidents highlight that fraud risks remain highly prevalent, posing significant threats to banking stability and public trust.

Several previous studies have shown a connection between unethical behavior and accounting fraud. For instance, the research by Permatasari et al. (2017) indicates that unethical behavior has a significant correlation with the

tendency for accounting fraud in the government sector. Similarly, Laoli (2022) study found that compliance with accounting rules and compensation plays a crucial role in mitigating fraud tendencies. However, studies in the banking sector remain limited, especially those specifically examining Islamic banking with an analytical framework that includes unethical behavior as an intervening variable.

While many studies have investigated accounting fraud and unethical behavior in the public sector and publicly traded companies, few have addressed these issues within the context of Islamic banking. The Islamic banking sector possesses unique characteristics, including strict oversight by the Sharia Supervisory Board and more complex regulations. The absence of research focusing on the factors influencing accounting fraud in Islamic banking, particularly with unethical behavior as an intervening variable, creates a gap in the academic literature that needs to be addressed. Unethical behavior significantly mediates the relationship between internal control systems, compensation, compliance with accounting rules, management morality, and accounting fraud in Islamic banking

METHODS

This study employs a quantitative approach with a Partial Least Squares (PLS) analysis model to examine the relationships between variables (Leguina, 2015). This method was selected due to its ability to analyze both direct and indirect relationships, including the influence of intervening variables. The study involves three main types of variables: endogenous variables (accounting fraud), intervening variables (unethical behavior), and exogenous variables (internal control systems, compensation, compliance with accounting rules, and management morality). Each variable is measured using a set of indicators designed to capture the relevant empirical dimensions. The population in this study consists of all employees of Bank Syariah Indonesia (BSI) in Samarinda. The sampling technique used the formula:

$$\text{Sample Size} = \text{Number of Variables} \times 10$$

With a total of six variables, the minimum sample size required is 60 respondents. The samples were taken from several BSI branches, namely BSI KC Samarinda Antasari, BSI KCP Samarinda Juanda, BSI KCP Pahlawan, and BSI KCP Bung Tomo. The sample selection was conducted purposively, aimed at obtaining respondents who are relevant to the research topic, specifically employees directly involved in operational and financial activities.

Each variable has indicators designed to capture both its theoretical and practical dimensions. The internal control system variable (X1) is measured using five indicators, including the application of authority, transaction recording, physical controls, accounting systems, and monitoring and evaluation. The compensation variable (X2) includes four indicators, such as financial compensation, recognition of success, promotions, and target achievement. The

compliance with accounting rules variable (X3) encompasses five indicators, including responsibility, integrity, and confidentiality. The management morality variable (X4) is measured through three indicators, including discipline in financial reporting. Meanwhile, the unethical behavior variable (Y1) includes four indicators, such as the abuse of authority and company resources. The accounting fraud variable (Y2) consists of five indicators, such as data manipulation and violations of accounting principles (Sugiono, 2017).

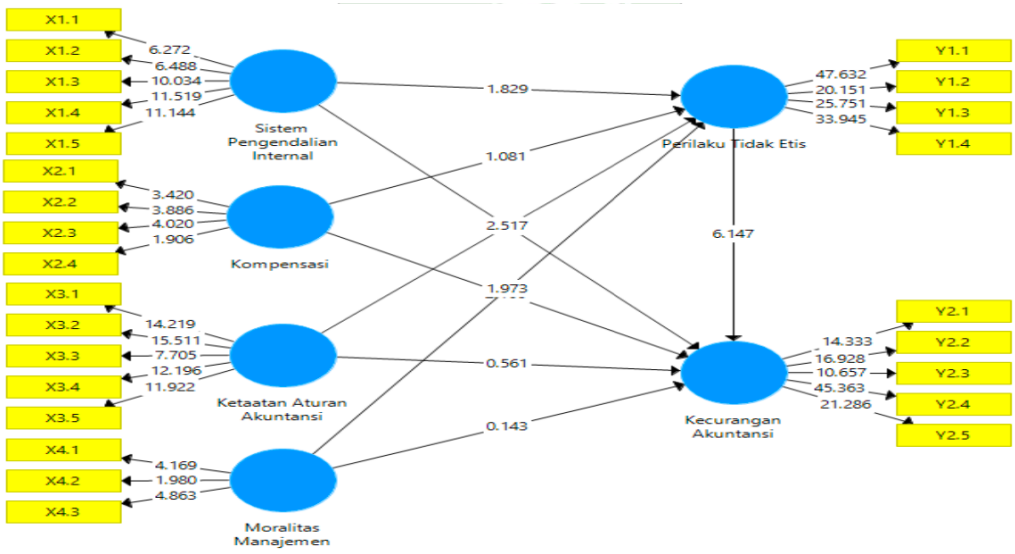
To ensure the quality of the data obtained, the questionnaire was tested for validity and reliability using Convergent Validity and Composite Reliability. Data analysis was performed using the Partial Least Squares (PLS) model, which is capable of handling data with multiple indicators and testing both direct and indirect relationships between variables. PLS enables the analysis of the mediating effect of unethical behavior in the relationship between exogenous variables (internal control systems, compensation, compliance with accounting rules, management morality) and endogenous variables (accounting fraud).

RESULTS AND DISCUSSION

Evaluation of the Measurement Model (Outer Model)

The PLS evaluation model is conducted by assessing both the outer model and the inner model. The outer model, also referred to as the measurement model evaluation, is used to assess the validity and reliability of the model. The outer model with reflective indicators is evaluated through convergent and discriminant validity of the indicators that form the latent construct, as well as composite reliability and Cronbach's alpha for the indicator blocks (Cheah et al., 2018). Below are the results of the modeling between the variables.

Figure 2. Measurement Model



Convergent Validity Test

The convergent validity test for reflective indicators using SmartPLS 3.0 can be assessed based on the loading factor for each construct indicator. The rule of thumb typically used to evaluate convergent validity is that the loading factor should be greater than 0.7, and the Average Variance Extracted (AVE) value should exceed 0.5 (Yusoff et al., 2020). Validity testing is conducted to determine how accurately a measurement tool performs its measurement function (Matondang, 2009). The modeling table (convergent validity test and discriminant validity test) from the research results, processed using SmartPLS 3.0, is presented in the table.

Table 1. Convergent Validity Test

Variable		Indicator	Validity Convergent Validity Loading Factor	AVE
(X1) Internal Control System	X1.1	The Application of Authority and Responsibility	**0,857**	0,187
	X1.2	Transaction Recording	0,799	
	X1.3	Physical Controls	0,930	
	X1.4	Accounting System	0,966	
	X1.5	Monitoring and Evaluation	0,957	
(X2) Compensation	X2.1	Financial Compensation	0,842	0,665
	X2.2	Company Recognition for Success in Job Performance	0,932	
	X2.3	Promotion	0,843	
	X2.4	Achievement of Targets	0,608	
(X3) Compliance with Accounting Rules	X.3.1	Responsibility for Implementation	0,957	0,836
	X.3.2	Public Interest	0,966	
	X.3.3	Integrity	0,824	
	X.3.4	Objectivity	0,927	
	X.3.5	Confidentiality	0,892	
(X4) Management Morality	X4.1	Discipline in Financial Reporting	0,892	0,669
	X4.2	Relevance to Responsible Autonomy.	0,617	
	X4.3	Preparing Reports Accurately	0,912	
(Y1) Unethical Behavior	Y1.1	Management behavior that abuses positions	0,921	0,819
	Y1.2	Management behavior that misuses organizational resources	0,884	
	Y1.3	Management behavior that abuses power	0,900	
	Y1.4	Management behavior that remains passive	0,914	

(Y2) Accounting Fraud	Y.2.1	Falsification and manipulation of accounting records	0,832	0,732
	Y.2.2	Misstatement and/or omission of transaction events from financial report information	0,849	
	Y.2.3	Deliberate misapplication of accounting principles	0,767	
	Y.2.4	Misstatement in financial reports due to theft (misuse/embezzlement) of assets	0,933	
	Y.2.5	Misstatement in financial reports due to inappropriate behavior	0,888	

Source: Data processing results (2024)

Based on the results of the convergent validity test presented in the table above, the valid indicators for the variables of internal control systems, compensation, compliance with accounting rules, managerial morality, unethical behavior, and accounting fraud are all indicators with a loading factor value greater than 0.6.

Convergent validity can also be assessed through the Average Variance Extracted (AVE). AVE is considered valid if each item's value is ≥ 0.5. It is evident that the AVE values for each construct indicate that all variables have values ≥ 0.5, with the internal control system at 0.732, compensation at 0.836, compliance with accounting rules at 0.665, managerial morality at 0.669, unethical behavior at 0.819, and accounting fraud at 0.817. Therefore, it is concluded that all these variables are valid.

Discriminant Validity Test

The subsequent test is the discriminant validity assessment, which involves comparing the square root of the AVE values with the correlation coefficients between constructs. Discriminant validity requires that the square root of the AVE exceeds the correlation coefficients between constructs (Kamis et al., 2020). Discriminant validity adheres to the principle that measures of different constructs (manifest variables) should not exhibit high correlations. The approach to testing discriminant validity for reflective indicators involves examining the cross-loading values, which must be greater than 0.7 for each variable

Another method used to assess discriminant validity is by comparing the square root of the AVE for each construct with the correlation values between constructs in the model. Good discriminant validity is indicated when the square root of the AVE for each construct is greater than the correlations between constructs in the model (Ab Hamid et al., 2017). Discriminant validity is conducted to ensure that each concept within the latent model is distinct from other variables.

Table 2. Discriminant Validity Test

	Y2	X3	X2	X4	Y1	Y2
Accounting Fraud	0,856					
Compliance with Accounting Rules	-0,193	0,915				
Compensation	0,345	0,057	0,815			
Managerial Morality	0,188	0,167	0,235	0.818		
Unethical Behavior	0,668	-0,424	0,191	0,212	0,905	
Internal Control System	-0,141	0,205	0,026	-0,054	-0,336	0,904

Source: Data processing results (2024)

The criteria established by Evi & Rachbini (2023) state that if all diagonal values, representing the square root of the AVE, are higher than the correlation values between variables, discriminant validity is deemed acceptable, and further analysis can be conducted. The table above demonstrates that the square root of the AVE values is greater than the correlations between constructs, as follows: internal control system (0.904 > -0.336; -0.054; 0.026; 0.205; -0.141); compensation (0.815 > 0.639; 0.235; 0.167; -0.424; 0.205; 0.057; 0.345); compliance with accounting rules (0.915 > 0.057; 0.167; -0.424; 0.205; -0.193); managerial morality (0.818 > 0.212; -0.054; 0.235; 0.167; 0.188); unethical behavior (0.905 > -0.336; 0.212; 0.191; -0.424; 0.668); and accounting fraud (0.856 > -0.193; 0.345; 0.188; 0.668; -0.141).

It can be concluded that each item overall exhibits a stronger correlation with the variable it measures, thereby meeting the criteria for discriminant validity. Based on the results of the convergent validity test and discriminant validity test conducted, it can be stated that all statement items for the variables in this study are valid. The next step, to ensure no issues remain, is to conduct the final stage of testing in the outer model by assessing the unidimensionality of the model using the indicators of Composite Reliability and Cronbach's Alpha.

Reliability Test

Reliability testing is conducted to demonstrate the accuracy, consistency, and precision of an instrument in measuring a construct. In PLS-SEM using the SmartPLS 3.0 program, reliability of a construct with reflective indicators can be assessed in two ways: using Cronbach's Alpha and Composite Reliability. However, the use of Cronbach's Alpha to test the reliability of a construct tends to yield lower values, making Composite Reliability a more recommended approach. The commonly used rule of thumb for assessing construct reliability is that the Composite Reliability value should exceed 0.7 (Azrul, 2023).

Table 3. Reliability Test

	Cronbach's Alpha	Composite Reliability
Internal control system	0,943	0,957
Compensation	0,864	0,886
Adherence to accounting rules	0,950	0,962
Management morality	0,768	0,855
Unethical behavior	0,926	0,948
Accounting fraud	0,907	0,931

Source: Data processing results (2024)

The use of Cronbach's Alpha to test the reliability of a construct tends to yield lower values, making Composite Reliability a more recommended approach (Shrestha, 2021). In the table above, the composite reliability values for all constructs have met the requirement of >0.7, with values for the internal control system (0.957), compensation (0.886), adherence to accounting rules (0.962), management morality (0.855), unethical behavior (0.948), and accounting fraud (0.931). Therefore, it can be concluded that all constructs demonstrate good validity and reliability.

Structural Model Evaluation (Inner Model)

The evaluation of the Inner Model can be performed by examining the R^2 and Q^2 values as follows:

Coefficient of Determination

The R-squared value can be used to assess the effect of specific independent variables on the dependent variable. The coefficient of determination evaluates the extent to which exogenous factors can explain endogenous factors, with criteria: weak (<0.25), moderate (0.25-0.5), strong (0.5-0.75), and very strong (>0.75) (Sarstedt et al., 2017). This R-squared value also serves as a goodness-of-fit test for the inner model in PLS-SEM. Meanwhile, the Adjusted R-squared is the R-squared value that has been corrected for standard error. The Adjusted R-squared provides a stronger indication compared to R-squared in assessing the ability of an exogenous construct to explain an endogenous construct.

Table 4. R-Square and Adjusted R-Square Values

Variable	R-square	Description	Adjusted R-Square	Description
Unethical Behavior	0,341	Moderate	0,293	Moderate
Accounting Fraud	0,504	Strong	0,458	Moderate

Source: Data processing results (2024)

It can be concluded that the R-Square value reflects the simultaneous or collective influence of the internal control system, compensation, adherence to accounting rules, and management morality on unethical behavior, with a value of 0.341 and an adjusted R-Square value of 0.293. This indicates that all exogenous constructs (internal control system, compensation, adherence to accounting rules, and management morality) simultaneously influence unethical behavior at a moderate level, with a value of 0.293 (29.3%). Since the adjusted R-Square value is less than 0.5 (50%), the influence of all exogenous constructs (internal control system, compensation, adherence to accounting rules, and management morality) on unethical behavior is categorized as moderate.

The R-Square value reflects the simultaneous or collective influence of the internal control system, compensation, adherence to accounting rules, and management morality on accounting fraud, with a value of 0.504 and an adjusted R-Square value of 0.458. This indicates that all exogenous constructs (internal control system, compensation, adherence to accounting rules, and management morality) simultaneously influence accounting fraud by 0.458 (45.8%). Since the adjusted R-Square value is less than 0.5 (50%), it is considered to have a moderate influence

Predictive Relevance

Predictive relevance (Q^2) represents the combination of cross-validation and the accuracy function, reflecting the prediction of observed variables and the estimation of construct parameters.

Q2 = 1 - (1- $R1^2$) (1- R^2) ..... (1- Rp^2) ….

Q2 =1 - (1-0,341) (1-0,504)

Q2 = 0,673136

The results of the calculations above show that the Q^2 value is 0.673136, which means that Q^2 is greater than 0, indicating that the model has predictive relevance. Therefore, it can be concluded that the predictive relevance requirement is met, and the model is suitable for hypothesis testing.

Research Hypothesis Testing

Standardized path coefficients are used to explain the magnitude of the influence (rather than to predict) of independent variables on other variables considered as dependent variables. Sudaryono (2011) explains that, specifically for path analysis programs in regression analysis, the path coefficients are indicated by the output termed as coefficients.

As the path coefficient values approach +1, the relationship between the two constructs becomes stronger. A relationship approaching -1 indicates a negative

correlation (Evi & Rachbini, 2023). The results of the path coefficients and significance tests in this study are shown in Table 5.

Table 5. Path Coefficients and Significance Test

No	Variable	Coefficient	t	p	Description
1	Internal Control System→Unethical Behavior	-0,241	2,273	0,009	Significant negative indirect effect
2	Compensation →Unethical Behavior	0,167	0,953	0,176	Insignificant indirect effect
3	KAdherence to Accounting Rules →Unethical Behavior	0,075	0,606	0,273	Insignificant indirect effect
4	Management Morality→Unethical Behavior	0,230	2,384	0,009	Significant indirect effect
5	Internal Control System→Accounting Fraud	0,067	0,520	0,302	Insignificant direct effect
6	Compensation →Accounting Fraud	0,212	1,941	0,027	Significant direct effect
7	Adherence to Accounting Rules→Accounting Fraud	-0,423	2,896	0,002	Significant negative indirect effect
8	Management Morality→Accounting Fraud	-0,016	0,147	0,441	Insignificant negative direct effect
9	Unethical Behavior→Accounting Fraud	0,685	5,674	0,000	Significant direct effect

Source: Data processing results (2024)

The test of the effect of the internal control system on accounting fraud through unethical behavior shows a path coefficient of (-0.241), which is less than 0, indicating a negative relationship. The t-statistic value is 2.273, greater than 1.96, and the p-value is 0.012, which is less than 0.05, meaning the relationship is statistically significant. These results meet the criteria for accepting H1, as the relationship is significant. Therefore, it can be concluded that the first hypothesis,

which suggests that the internal control system negatively influences unethical behavior, is accepted.

The test of the effect of compensation on accounting fraud through unethical behavior shows a path coefficient of 0.167, which is greater than 0, indicating a positive relationship. The t-statistic value is 0.935, less than 1.96, and the p-value is 0.176, which is greater than 0.05, meaning the relationship is not significant. These results do not meet the criteria for accepting H2, as the relationship is not significant. Therefore, it can be concluded that the second hypothesis, which suggests that compensation negatively influences unethical behavior, is rejected.

The test of the effect of adherence to accounting rules on unethical behavior shows a path coefficient of 0.075, which is greater than 0, indicating a positive relationship. The t-statistic value is 0.606, less than 1.96, and the p-value is 0.273, which is greater than 0.05, meaning the relationship is positively insignificant. These results do not meet the criteria for accepting H3, as the relationship is positively insignificant. Therefore, it can be concluded that the third hypothesis, which suggests that adherence to accounting rules negatively influences unethical behavior, is rejected.

The test of management morality on accounting fraud through unethical behavior shows a path coefficient of 0.230, which is greater than 0, indicating a positive relationship. The t-statistic value is 2.384, greater than 1.96, and the p-value is 0.009, which is less than 0.05, meaning the relationship is positively significant. These results meet the criteria for accepting H4, as the relationship is positively significant. Therefore, it can be concluded that the fourth hypothesis, which suggests that management morality negatively influences unethical behavior, is rejected.

The test of the internal control system on accounting fraud shows a path coefficient of 0.067, which is greater than 0, indicating a positive relationship. The t-statistic value is 0.520, less than 1.96, and the p-value is 0.302, which is greater than 0.05, meaning the relationship is positively insignificant. These results do not meet the criteria for accepting H5, as the relationship is positively insignificant. Therefore, it can be concluded that the fifth hypothesis, which suggests that the internal control system negatively influences accounting fraud, is rejected.

The test of the effect of compensation on accounting fraud shows a path coefficient of 0.212, which is greater than 0, indicating a positive relationship. The t-statistic value is 1.941, less than 1.96, and the p-value is 0.027, which is less than 0.05, indicating a positive significant relationship. These results meet the criteria for accepting H6, as the relationship is positively significant. Therefore, it can be concluded that the sixth hypothesis, which suggests that compensation negatively influences accounting fraud, is rejected.

The test of the effect of adherence to accounting rules on accounting fraud shows a path coefficient of -0.432, which is less than 0, indicating a negative relationship. The t-statistic value is 2.896, greater than 1.96, and the p-value is 0.002, which is less than 0.05, indicating a significant negative relationship. These results meet the criteria for accepting H7, as the relationship is significantly negative. Therefore, it can be concluded that the seventh hypothesis, which suggests that adherence to accounting rules negatively influences accounting fraud, is accepted.

The test of the effect of management morality on accounting fraud shows a path coefficient of -0.016, which is less than 0, indicating a negative relationship. The t-statistic value is 0.147, less than 1.96, and the p-value is 0.441, which is greater than 0.05, indicating an insignificant negative relationship. These results do not meet the criteria for accepting H8, as the relationship is negatively insignificant. Therefore, it can be concluded that the eighth hypothesis, which suggests that management morality negatively influences accounting fraud, is rejected.

The test of the effect of unethical behavior on accounting fraud shows a path coefficient of 0.685, which is greater than 0, indicating a positive relationship. The t-statistic value is 5.674, greater than 1.96, and the p-value is 0.000, which is less than 0.05, indicating a positive significant relationship. These results meet the criteria for accepting H9, as the relationship is positively significant. Therefore, it can be concluded that the ninth hypothesis, which suggests that unethical behavior positively influences accounting fraud through unethical behavior, is accepted.

Dominance of Indicators on Their Variables

First, the internal control system variable (X1) is measured using five indicators: authority and responsibility implementation (X1.1), transaction recording (X1.2), physical control (X1.3), accounting system (X1.4), and monitoring and evaluation (X1.5). Among these indicators, the one with the highest loading factor is the accounting system (X1.4) at 0.966, followed by monitoring and evaluation (X1.5) at 0.957, physical control (X1.3) at 0.930, authority and responsibility implementation (X1.1) at 0.857, and transaction recording (X1.2) at 0.799. Thus, it can be concluded that the accounting system (X1.4) has the most dominant loading factor, meaning that to improve the internal control system variable (X1), greater attention should be given to the accounting system.

Second, the compensation variable (X2) is measured by four indicators: financial compensation (X2.1), company recognition of performance success (X2.2), promotion (X2.3), and achievement of targets (X2.4). The indicator with the highest loading factor is company recognition of performance success (X2.2) at 0.932, followed by promotion (X2.3) at 0.843, financial compensation (X2.1) at 0.842, and achievement of targets (X2.4) at 0.608. Therefore, it can be concluded that company recognition of performance success (X2.2) has the most dominant

loading factor, indicating that if the compensation variable (X2) is to be improved, more attention should be given to recognizing performance success.

Third, the accounting rule compliance variable (X3) is measured with five indicators: execution responsibility (X3.1), public interest (X3.2), integrity (X3.3), objectivity (X3.4), and confidentiality (X3.5). The indicator with the highest loading factor is public interest (X3.2) at 0.966, followed by execution responsibility (X3.1) at 0.957, objectivity (X3.4) at 0.927, confidentiality (X3.5) at 0.892, and integrity (X3.3) at 0.824. Thus, it can be concluded that public interest (X3.2) has the most dominant loading factor, meaning that if the accounting rule compliance variable (X3) is to be improved, more focus should be on public interest.

Fourth, the management morality variable (X4) is measured by three indicators: discipline in financial reporting (X4.1), attachment to responsible autonomy (X4.2), and accurate reporting (X4.3). The indicator with the highest loading factor is accurate reporting (X4.3) at 0.912, followed by discipline in financial reporting (X4.1) at 0.892, and attachment to responsible autonomy (X4.2) at 0.617. Therefore, it can be concluded that accurate reporting (X4.3) has the most dominant loading factor, meaning that to improve the management morality variable (X4), more attention should be given to accurate reporting.

Fifth, the unethical behavior variable (Y1) is measured by four indicators: management abuse of position (Y1.1), management abuse of organizational resources (Y1.2), management abuse of power (Y1.3), and management doing nothing (Y1.4). The indicator with the highest loading factor is management abuse of position (Y1.1) at 0.921, followed by management doing nothing (Y1.4) at 0.914, management abuse of power (Y1.3) at 0.900, and management abuse of organizational resources (Y1.2) at 0.884. Thus, it can be concluded that management abuse of position (Y1.1) has the most dominant loading factor, meaning that to improve the unethical behavior variable (Y1), more attention should be given to management abuse of position.

Sixth, the accounting fraud variable (Y2) is measured by five indicators: falsification and manipulation of accounting records (Y2.1), misrepresentation or omission of transaction events in financial statements (Y2.2), deliberate misapplication of accounting principles (Y2.3), misrepresentation of financial statements due to theft (misuse/fraud) of assets (Y2.4), and misrepresentation of financial statements due to improper behavior (Y2.5). The indicator with the highest loading factor is misrepresentation of financial statements due to theft (misuse/fraud) of assets (Y2.4) at 0.933, followed by misrepresentation of financial statements due to improper behavior (Y2.5) at 0.888, misrepresentation or omission of transaction events in financial statements (Y2.2) at 0.849, falsification and manipulation of accounting records (Y2.1) at 0.832, and deliberate misapplication of accounting principles (Y2.3) at 0.767. Therefore, it can be concluded that misrepresentation of financial statements due to theft (misuse/fraud) of assets

(Y2.4) has the most dominant loading factor, meaning that to improve the accounting fraud variable (Y2), more attention should be given to misrepresentation of financial statements caused by theft (misuse/fraud) of assets.

The Influence of Relationships Between Variables

The Influence of Internal Control Systems on Unethical Behavior

Based on the results of the first hypothesis test, it can be observed that the relationship between the internal control system and unethical behavior is negative and significant. With a path coefficient of -0.241, the relationship is negative. The t-statistic value of 2.273 is greater than 1.96, and the probability (P) value of 0.009 is less than 0.05, which indicates that the relationship is significantly negative. This suggests that a good internal control system has a negative and significant impact on unethical behavior, indicating that effective internal controls can help reduce the risk of unethical behavior at Bank Syariah Indonesia in Samarinda.

The findings reveal that the internal control system variable (X1), measured through five indicators—authority and responsibility implementation, transaction recording, physical control, accounting system, and monitoring and evaluation—can reduce the unethical behavior variable (Y1). This is reflected in the highest loading factor of the internal control system (X1), which is the accounting system, and the highest loading factor of unethical behavior (Y1), which is management's abuse of position. This finding indicates that the availability of a good accounting system can improve the effectiveness of the internal control system, and it has also been proven to reduce the risk of management abusing its position at Bank Syariah Indonesia in Samarinda. The results of this study also support previous research that states unethical behavior can act as an intermediary in the indirect relationship between internal control systems and accounting fraud (Fadhilah et al., 2021; Permatasari et al., 2017; Romadaniati et al., 2020).

The Influence of Compensation on Unethical Behavior

Based on the results of the second hypothesis test, as shown in Table 5.5, it reveals that the influence of compensation on unethical behavior is not significant. With a path coefficient of 0.167, which is greater than 0, the relationship is positive. The t-statistic value of 0.935 is smaller than 1.96, and the probability (P) value of 0.176 is greater than 0.05, indicating that the relationship is not significant. This shows that compensation has a positive, yet insignificant, influence on unethical behavior, meaning that appropriate compensation at Bank Syariah Indonesia in Samarinda does not significantly affect unethical behavior.

The findings reveal that the compensation variable (X2), measured through four indicators—financial compensation, company recognition of job performance, promotion, and target achievement—does not contribute to unethical behavior (Y1). This is reflected in the highest loading factor for compensation (X2), which

is company recognition of job performance, and the highest loading factor for unethical behavior (Y1), which is management's abuse of position. This finding suggests that company recognition of job performance does not diminish management's abuse of position at Bank Syariah Indonesia in Samarinda. These findings also support previous research by Shintadevi (2015), which found that compensation does not significantly affect unethical behavior. Panjaitan & Muslih (2019) also found that providing appropriate compensation does not reduce unethical behavior in either employees or management.

The Influence of Compliance with Accounting Rules on Ethical Behavior

Based on the results of the third hypothesis test, as shown in Table 5.5, it reveals that compliance with accounting rules has an insignificant effect on unethical behavior. With a path coefficient of 0.075, which is greater than 0, the relationship is positive. The t-statistic value of 0.606 is smaller than 1.96, and the probability (P) value of 0.273 is greater than 0.05, indicating that the relationship is positive but not significant. This suggests that compliance with accounting rules has a positive but insignificant impact on unethical behavior, implying that good adherence to accounting rules does not significantly influence unethical behavior at Bank Syariah Indonesia in Samarinda.

The findings reveal that the compliance with accounting rules variable (X3), measured through five indicators—implementation responsibility, public interest, integrity, objectivity, and confidentiality—has a limited effect on unethical behavior (Y1). This is reflected in the highest loading factor for compliance with accounting rules (X3), which is public interest, and the highest loading factor for unethical behavior (Y1), which is management's abuse of position. This suggests that public interest in presenting accurate financial information is not sufficient to reduce the risk of management abusing their position at Bank Syariah Indonesia in Samarinda. These findings also support research by Shintadevi (2015), which found that compliance with accounting rules has a positive but insignificant effect on unethical behavior.

The Influence of Management Morality on Unethical Behavior

Based on the results of the fourth hypothesis test, as shown in Table 5.5, it reveals that management morality has a significant influence on unethical behavior. With a path coefficient of 0.230, which is greater than 0, the relationship is positive. The t-statistic value of 2.384 is greater than 1.96, and the probability (P) value of 0.009 is smaller than 0.05, indicating a positive and significant relationship. This shows that management morality has a positive and significant influence on unethical behavior.

The findings reveal that the management morality variable (X4), measured through three indicators—discipline in financial reporting, commitment to responsible autonomy, and accurate reporting—does not significantly reduce

unethical behavior (Y1). This is reflected in the highest loading factor for management morality (X4), which is accurate reporting, and the highest loading factor for unethical behavior (Y1), which is management's abuse of position. This suggests that accurate reporting, although part of management morality, is insufficient to reduce management's abuse of position at Bank Syariah Indonesia in Samarinda. These findings align with Rahmi & Sovia (2017), who found that management morality positively influences unethical behavior, but they contradict Olivia et al. (2022), who stated that management morality negatively influences unethical behavior.

The Influence of Internal Control Systems on Accounting Fraud

Based on the results of the fifth hypothesis test, as shown in Table 5.5, it reveals that the influence of internal control systems on accounting fraud is insignificant. With a path coefficient of 0.067, which is greater than 0, the relationship is positive. The t-statistic value of 0.520 is smaller than 1.96, and the probability (P) value of 0.302 is greater than 0.05, indicating a positive but insignificant relationship. This shows that internal control systems have a positive but insignificant influence on accounting fraud, suggesting that an appropriate internal control system at Bank Syariah Indonesia in Samarinda does not significantly affect accounting fraud.

The findings reveal that the internal control system variable (X1), measured through five indicators—authority and responsibility, transaction recording, physical control, accounting system, and monitoring and evaluation—has a limited effect on accounting fraud (Y2). This is reflected in the highest loading factor for the internal control system (X1), which is the accounting system, and the highest loading factor for accounting fraud (Y2), which is misrepresentation of financial statements due to asset theft (misappropriation/fraud). This suggests that the internal control system is not effective in reducing the risk of accounting fraud at Bank Syariah Indonesia in Samarinda. These findings also support the research of Sunaryo et al. (2019), which found that internal control systems do not affect accounting fraud tendencies.

The Influence of Compensation on Accounting Fraud

Based on the results of the sixth hypothesis test, as shown in Table 5.5, it reveals that the influence of compensation on accounting fraud is significant. With a path coefficient of 0.212, which is greater than 0, the relationship is positive. The t-statistic value of 1.941 is greater than 1.96, and the probability (P) value of 0.027 is smaller than 0.05, indicating a positive and significant relationship. This shows that compensation has a positive and significant influence on accounting fraud, suggesting that appropriate compensation at Bank Syariah Indonesia in Samarinda significantly affects accounting fraud.

The findings reveal that the compensation variable (X2), measured through four indicators—financial compensation, company recognition of job performance, promotion, and target achievement—contributes to increased accounting fraud (Y2). This is reflected in the highest loading factor for compensation (X2), which is company recognition of job performance, and the highest loading factor for accounting fraud (Y2), which is misrepresentation of financial statements due to asset theft (misappropriation/fraud). This suggests that company recognition of job performance significantly influences the misrepresentation of financial statements due to theft or fraud. These findings align with research by Fadhilah et al. (2021), which found that compensation significantly influences accounting fraud.

The Influence of Compliance with Accounting Rules on Accounting Fraud

Based on the results of the seventh hypothesis test, as shown in Table 5.5, it reveals that compliance with accounting rules has a significant negative influence on accounting fraud. With a path coefficient of -0.432, which is less than 0, the relationship is negative. The t-statistic value of 2.896 is greater than 1.96, and the probability (P) value of 0.002 is smaller than 0.05, indicating a negative and significant relationship. This shows that compliance with accounting rules has a negative and significant impact on accounting fraud, suggesting that compliance with accounting rules can influence accounting fraud at Bank Syariah Indonesia in Samarinda.

The findings reveal that the compliance with accounting rules variable (X3), measured through five indicators—implementation responsibility, public interest, integrity, objectivity, and confidentiality—reduces the likelihood of accounting fraud (Y2). This is reflected in the highest loading factor for compliance with accounting rules (X3), which is public interest, and the highest loading factor for accounting fraud (Y2), which is misrepresentation of financial statements due to asset theft (misappropriation/fraud). This suggests that public interest in presenting accurate financial information enhances compliance with accounting rules and reduces the risk of accounting fraud at Bank Syariah Indonesia in Samarinda. These findings also align with research by Ab Hamid et al. (2017) dan Arief et al. (2022), which found that compliance with accounting rules negatively influences accounting fraud.

The Influence of Management Morality on Accounting Fraud

Based on the results of the eighth hypothesis test, as shown in Table 5.5, it reveals that the influence of management morality on accounting fraud is not significant. With a path coefficient of -0.016, which is less than 0, the relationship is negative. The t-statistic value of 2.384 is greater than 1.96, and the probability (P) value of 0.441 is greater than 0.05, indicating that the relationship is negative but not significant. This suggests that management morality has a negative but insignificant effect on accounting fraud.

The findings reveal that the management morality variable (X4), measured through three indicators—discipline in financial reporting, commitment to responsible autonomy, and accurate reporting—does not significantly reduce accounting fraud (Y2). This is reflected in the highest loading factor for management morality (X4), which is accurate reporting, and the highest loading factor for unethical behavior (Y1), which is accounting fraud due to misrepresentation of financial statements caused by theft (misappropriation/fraud). This suggests that making accurate reports, although part of management morality, is insufficient to reduce accounting fraud at Bank Syariah Indonesia in Samarinda. These findings support the research of Olivia et al. (2022), which found that management morality does not significantly affect accounting fraud, as individuals may act fraudulently due to pressure from others or from leadership.

The Influence of Unethical Behavior on Accounting Fraud

Based on the results of the ninth hypothesis test, as shown in Table 5.5, it reveals that unethical behavior (Y1) has a significant influence on accounting fraud (Y2) at Bank Syariah Indonesia in Samarinda. With a path coefficient of 0.685, which is greater than 0, the relationship is positive. The t-statistic value of 5.674 is greater than 1.96, and the probability (P) value of 0.000 is smaller than 0.05, indicating a positive and significant relationship. This shows that unethical behavior has a positive and significant influence on accounting fraud, meaning that increased unethical behavior will lead to increased accounting fraud at Bank Syariah Indonesia in Samarinda.

The findings reveal that unethical behavior (Y1), measured through four indicators—management's abuse of position, management's misuse of organizational resources, management's abuse of power, and management's inaction—contributes to increased accounting fraud (Y2). This is reflected in the highest loading factor for unethical behavior (Y1), which is management's abuse of position, and the highest loading factor for accounting fraud (Y2), which is misrepresentation of financial statements due to theft (misappropriation/fraud). This suggests that management's abuse of position contributes to unethical behavior and, in turn, leads to accounting fraud. As employees or management engage in unethical behaviors, the likelihood of accounting fraud increases. Unethical behavior involves actions that should not be taken but are deliberately done to achieve specific objectives, such as misusing authority for personal gain. Thus, as unethical behavior rises, so does the tendency for accounting fraud. These findings also support research by Arief et al. (2022) Kusumastuti & Meiranto (2012) dan Rahma et al. (2018), who found that unethical behavior influences accounting fraud tendencies.

CONCLUSION

This study reveals that unethical behavior significantly mediates the impact of various factors on accounting fraud at Bank Syariah Indonesia in Samarinda.

Internal control systems have been shown to have a significant negative effect on unethical behavior, while management morality exhibits a significant positive influence. Additionally, compliance with accounting rules has a significant negative impact on accounting fraud, whereas compensation has a significant positive effect. These findings highlight the importance of strong internal controls and enhanced management morality in preventing unethical behavior that could potentially lead to accounting fraud.

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