
| RESEARCH ARTICLE

The Influence of Business Ethics and Accountant Ethics on Fraud: Empirical Study of Scrap Companies in Cikarang

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| ABSTRACT

This tax avoidance effort is a form of fraud. Fraud is an action that is intentionally carried out with the aim of personal or group interests so that certain parties will lose. By the translation of the Indonesian Institute of Certified Public Accountants, Fraud is an act carried out by individuals or intentionally by a responsible party or management of a third party, employee, or governance deceptive to obtain an advantage by violating the law or unfairly. Several factors encourage fraud, including economic, emotional, or value pressures. Then, there are opportunities due to weak control or abuse of authority. Then Rationalization or looking for justification for the occurrence of fraud. There are also individual factors related to a person's morale, namely Need (Need) and greed (greed) which are related to the needs and views of officials/employees related to company assets. Also, honest people can cheat with the pressure they face at work.

| KEYWORDS

Resource-based view, intellectual capital, agility

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1. Introduction

Taxes are one of the sources of state revenue. According to a quote from the official website of the DGT (Directorate General of Taxes) of the Ministry of Finance, tax is a form of mandatory contribution aimed at the state where an entity or individual owns it with a coercive nature according to law. In addition, taxes finance all state expenditures, including paying civil servant salaries and investing development, as a source of funds that can carry out policies related to price stability so that it can control inflation. And the government currently requires substantial funds to deal with the Covid-19 outbreak and finance economic recovery so that the government continues to strive to optimize state revenues from taxes.

The government implementing a countercyclical fiscal policy during this pandemic requires an optimal state revenue. In summary, in the 2021 State Budget Financial Note, it is explained that support for the business world is necessary amid the uncertainty due to the Covid-19 pandemic, where it aims to mitigate the emergence of existing economic impacts and accelerate national economic recovery. Therefore, tax reform in the field of state revenue is prepared by the government in 2021-2024, which has a purpose. First, improving governance and administration increases taxpayer compliance and optimizes state revenues by adding new tax subjects or objects. Second, reduce the business burden and encourage national economic growth through targeted incentives.

Quoted from the Ministry of Finance of the Republic of Indonesia, Sri Mulyani, as the Minister of Finance (Menkeu), stated that the 2021 State Budget implemented exceeded the 2021 State Budget target and had a positive performance. The Minister of Finance clearly explained that it had temporarily realized the achievement of tax revenues in the amount of Rp. 1,277.5 trillion or 103.9% of the 2021 State Budget target of Rp. 1,229.6 trillion. The growth of this achievement is 19.2% from last 2020 with a value of Rp. 1,072.1 trillion due to covid.

The Source of state revenue is 65.1% of taxes. However, there are obstacles to the government's efforts to optimize tax revenues, such as tax avoidance, a form of tax avoidance activity (Swingly, C and Sukarta 2015) carried out by corporations or individuals. Many companies report on tax avoidance, and even though, in this case, the company is the taxpayer with the highest contribution in terms of state tax revenue. Taxes for companies are expenses that can reduce net income so that tax payments that companies always desire are minimal (Astuti & Aryana, 2017). Because the tax burden is relatively high, several companies are trying to avoid tax to reduce the tax burden they must deposit, causing state losses.

According to the translation of The Institute of Internal Auditors ("IIA"), fraud is "An array of irregularities and illegal acts characterized by intentional deception": A series of unlawful and illegal acts that are seen with intentional fraud. Weygandt, Kimmel, and Kieso (2010) clearly describe fraud as the act of an employee who is dishonest for personal gain so that the company where he works will lose. Weygandt, Kimmel, and Kieso (2010) use the fraud triangle to describe several main factors that lead to fraud. There are very few frauds in the banking world. But the case would be so big if it happened. Of course, this is because the procedures and systems that have been made have been implemented correctly. Therefore, if fraud occurs, the perpetrator is already a professional. Even higher-ups were involved in several cases. This is because it often happens on a large scale. After all, the small ones can already be seen at the end of the day and are too easy to spot. However, if the fraud has been carried out in a congregation and made structured, it will be challenging to know the astonishing amount.

Business magazines use the word fraud, such as when discussing the engineering of financial statements, to deceive users of accounting information related to facts in the company. Regarding the Arthur Andersen Case from finance.detik.com, JK Reminds Indonesian Accountants to be involved in fraudulent financial reporting that the birth of the KPK is a response to the rise of KKN. In short, in the business world, fraud can be associated with actions that can harm many people. The word fraud can be translated by Indonesian language business and accounting literature as an act of cheating or cheating.

Cheating often occurs because wisdom and honesty are starting to disappear in a person's behavior. There was a bribery case, according to information from news.detik.com, where according to this information, the BPK was asked to re-audit the Ministry of Village's Financial Report. Apung Widada, as Deputy Secretary-General of the Indonesian Forum for Budget Transparency (FITRA), urged a re-audit of WTP opinions received by Transmigration (Kemendes PDTT), Development of Disadvantaged Regions, and the Ministry of Villages. This is related to the case of giving a commitment fee to the Supreme Audit Agency (BPK) auditor, which has been revealed. Through the receipt of written information received by Apung, there is a reason for the need for a re-audit. Apung explained that the WDP had been received by the Ministry of Village, PDTT, twice. This year the ministry also has a large village fund.

"There are at least three reasons for the need for a re-audit: The village ministry is part of the example of a village government with village funds of IDR 40 trillion this year. There are strong indications that the ministry is poor in bureaucracy and budget management, especially regarding procurement and spending on official travel. Kemendes PDTT twice in a row obtained WDP predictions," said Apung, Tuesday (30/5/2017).

According to FITRA's records, from 2014-2015, there were 11 BPK findings and 36 recommendations, and 17 have not yet been followed up. This creates a record for audits and a burden on governance. According to the above, there are many possible indications of corruption because, after the audit, it cannot follow up. The second case from energy.world.co.id is in BUMN regarding manipulating financial statements. Finance PT. Garuda (Persero), since June 2015, is expected to change its financial statements to make it look healthy. According to the results, it can be seen from the results of the copy of the conversation in the Whatsapp group. The conversation's composition shows that the BOD or the board of directors ordered the accounting department of PT. Garuda Indonesia to postpone all debt payments. The purpose of this is to make the financial statements good. The director of finance explicitly urges the identification of non-routine costs in June 2015; it is intended that it can be improved further to June or August 2015. However, this method has conditions that it does not interfere with operations significantly. Then, if there is an agreement to download debt, especially in the form of an agreement, it can be revised to be re-signed and effective in June or August. Here it is not only my payment negotiations but the effectiveness of the agreement and the transaction. This is interesting because manipulating and bribing financial statements violates professional ethics in the accounting field, and this field is the foundation of a good economy in Indonesia. In detecting and preventing, and dealing with fraud, there are parties involved: company management and accountants (forensic auditors, external auditors, or internal auditors). These parties have responsibilities, and their respective roles can be seen as a cycle, namely the Fraud Deterrence Cycle. Therefore, the application of Accountant Ethics is an essential reference in good behavior in a profession, and this is because nowadays, there are so many frauds and violations that arise due to the non-optimal application of accountant ethics.

Fraud is better prevented than treated. If we wait for fraud to occur and it has just been handled, it indicates that a particular party has experienced a loss. Still, if we manage to prevent it, the loss has not entirely shifted to the fraud perpetrator. And if fraud has

occurred, it will cost much more to recover than to prevent it early on. It can use Islamic law to reduce the tendency of fraud. This was supported by a question from the President Director of BRI, Ventje Raharjo, who stated that as long as banks adhere to banking principles, they are safer from banking crimes (Vivanews, 10 May 2011). These principles include the regulation of truth according to the law, which is universal, the focus of justice, and the direction of responsibility (Muhammad, Introduction to Accounting, 2012:11).

In addition, several organizations also view the need for business ethics education to shape business ethics. The International Federation of Accountants (IFAC) considers the importance of ethics education (O'Leary and Mohammad, undated). Other organizations that view the importance of ethics education are The National Association of State Boards of Accountancy (Fisher et al., 2005) and The Malaysia Accounting Profession (O'Leary and Mohammad, 2008). According to Hill and Jones, business ethics is the teaching that distinguishes between right and wrong. It can equip every company leader when making strategic decisions regarding complex moral issues. Business ethics aims to set boundaries for entrepreneurs and encourage ethical awareness to carry out good business and not do monkey or dirty business. This can cause losses for many parties involved. Owned business ethics can also avoid a lousy image such as cunning, messy ways, and fraud. Usually, a business with good ethics has a valid business license, does not create an unfavorable atmosphere for its rivals, does not violate applicable laws, and will not cause any loss to other businesses. Business ethics for several companies have been applied to minimize the risk of further sexual harassment or violations of the law such as bribery, abuse of position, or conflicts of interest.

The accountant's code of ethics is the behavior and norms that govern the relationship between auditors and clients, between auditors and their colleagues, and between the profession and the community. The code of ethics for Indonesian accountants is intended as a guide and rule for all members, both those who practice as auditors, work in the business environment, in government agencies, and in the world of education (Sihwajoni and Gudono, 2000).

According to the description above, the authors wish to investigate further the effect of business ethics, accountant ethics, and accounting education on the prevention of accounting fraud (fraud) in scrap companies in Cikarang. In accordance with the formulation of the problem above, the objectives of this study are: 1. To analyze the effect of accounting ethics education on the prevention of accounting fraud (fraud) in scrap companies in Cikarang 2. To analyze the effect of business ethics education on the prevention of accounting fraud (fraud) in scrap companies in Cikarang. 3. To analyze the effect of accounting education on the prevention of accounting fraud in scrap companies in Cikarang.

In the research of Andrian Ari Istiningrum (2014), according to the results of the study, there are three factors that directly affect the awareness of business people to prevent fraud: Internalization of objectivity, internalization of professional responsibility, and students' ethical perceptions. However, the Sobel test shows that students' ethical perception is an intervening variable between students' awareness of fraud prevention and objectivity internalization. Students' ethical perception is also an intervening variable between students' awareness of fraud prevention and the internalization of professional responsibilities. This means that the indirect effect is supported by statistical test results that are stronger than the direct effect. Students' ethical perceptions, thus, play an important function in linking objectivity and professional responsibility internalized by students in the learning process to build awareness to prevent fraud in the future work environment. In the research of Muhammad Hashim (2012), based on the results of his research showing the perception of business ethics in Islam and revealing secular values and secular thoughts about ethics, has presented various verses repeatedly from the Qur'an and the teachings of the Prophet. However, the western domination of our system greatly influences our core ideas, beliefs, and Islamic values regarding business and commerce. The dominance of their organism has occupied an important rule in all the major activities in our system, and we are constrained to follow it. Muslims, in particular, are trying to make a lot of profit, and they ignore what allows them not to care, what Islam forbids, and standards of business ethics. Rules for business matters as being Muslim we have to follow them for business dealings as stated by Islamic jurisprudence business will maintain its image.

2. Literature Review

2.1 Accountant Ethics

Accountant ethics is the science that describes the good and bad behavior of humans that the human mind can understand for a job that requires mastery of a particular knowledge as an accountant. Chua et al. (1994) describe that professional ethics is also related to moral behavior, which is more limited to the peculiarities of ethical patterns expected for a particular profession. A code of ethics must be owned by every job that provides services to the community, a set of moral principles that regulates professional behavior (Agoes, 1996). The accounting profession would not exist without ethics because accounting functions as a provider of information for the business decision-making process by business people.

The accountant's code of ethics is the behavior or norm that regulates the relationship between the auditor and his colleagues, the profession and the public, and the auditor and his clients. The purpose of the Indonesian accountant code of ethics is as a rule

and guide for all members, those who work in the world of education, in government agencies, work in the business environment, or practice as auditors (Sihwajoni and Gudono, 2000). The Encyclopedia of Philosophy describes ethics in three ways:

1. Inquiry into ways of life and rules of behavior.
2. A set of rules of conduct or "code of conduct",
3. The general pattern or "way of life",

Code of ethics and morality is defined in the Encyclopedia of Philosophy as terms with the following characteristics:

- 1) Beliefs about ideals, about what is good or desirable or worth pursuing self-interest,
- 2) Rules that explain what to do and what not to do
- 3) The motives that tend to make us choose the right and wrong paths and
- 4) Beliefs about human nature,

Each of the above aspects will be discussed using four main ethical theories that individuals use in making ethical decisions in a business environment: the ethics of virtue, fairness, justice, equality, deontology, and utilitarianism. The emphasis of each theory is not the same. For example, utilitarianism focuses more on how important rules are in pursuing what is desirable or good, while deontology examines the motives of ethical decision-making. Virtue ethics tends to study humans more holistically, leading to human nature. While each theory focuses on a different aspect of the code of ethics, the whole approach shares many features in common, mainly concerned with what to do and what not to do. However, according to Rawls's description, there is no theory, so we must be tolerant of shortcomings and weaknesses.

2.2 Business Ethics

Business ethics is a study that focuses on moral right or wrong. The direction of concentration of this study is on ethical standards as applied to business behavior, institutions, and policies (Manuel G. Velasquez, 2005). A brief explanation of the nature of business institutions will explain this. Society is several people with common goals and has activities organized by a system of institutions designed to achieve these goals. That men, women, and children have a real purpose. There is a common goal of establishing, sustaining, and protecting family life; producing and distributing materials on which human life is based; limiting and regulating the use of force; organizing suggestions for collective decision making; and creating and maintaining cultural values such as art, knowledge, technology, and religion. Members of society achieve this goal by establishing relatively fixed patterns of activity that we call institutions: family, economics, law, politics, and education.

According to the description of business ethics, business ethics issues cover many broad topics. To get closer to this level of diversity, it is pretty helpful if we group the three types of problems into individual, corporate and systemic. Systemic problems with business ethics are several ethical questions that exist regarding other social, legal, political, and economic systems in which businesses operate. These levels include inquiries about social practice, industrial structure, regulation, and the morality of capitalism or the laws under which American business is conducted. For example, questions related to the character of the international economic system happened to Merck. The study of formal standards and how these standards are applied to systems and organizations used by modern society to produce and distribute goods and services and are applied to people in organizations, namely business ethics. What is contained in this study is not only related to the analysis of moral values and moral norms but also tries to apply the conclusions from the analysis of businesses, activities, transactions, and various technological institutions that we call the business. In simple terms, it can explain that the chaos and scandals experienced by each institution and individual that have been discussed above include the consequences of ethical failures or ethical values, including:

1. Business ethics as ethical decision making.
2. Business ethics as personal integrity and social responsibility.
3. Ethical leadership and corporate culture
4. Rights and responsibilities in conflict.

A presentation that is transparent and not manipulated is part of business ethics, as in research. Effective internal control has a positive impact in terms of company policy to disclose information voluntarily (Nengzih, 2014: 136).

Therefore, the application of business ethics to action is a must. This implementation will build healthy relationships among the general public, customers, shareholders, and fellow co-workers. Here are some principles of business ethics for the company.

1. Principle of Justice
2. Autonomy Principle

3. The Principle of Loyalty
4. Principles of Moral Integrity
5. Honesty Principle

3. Research Methods

According to Mc Millan's description in Ibnu Hadjar (1999:102), the structure and plan of investigation used to obtain empirical evidence in answering research questions is the research design.

The researcher uses the quantitative concept method. The implementation of data analysis in quantitative research is carried out after data from all respondents is collected (Sugiyono, 2011:207). Data analysis consists of several activities, namely: (1) Data is grouped according to variables, and types of respondents, (2) tabulates data according to variables from all respondents, (3) Data for each variable studied is presented, and (4) calculates for testing the previous hypothesis already submitted.

The description of the research data can be used to add to the discussion; respondents can find out how respondents respond to the indicators of research variables through data descriptions. In order to make it easier when interpreting the variables being studied, the respondents' response scores were categorized by calculating, ie.

- Maximum Index Value = Highest Scale = 5
Highest score percentage = $(5 : 5) \times 100\% = 100\%$
- Minimum Index Value = Lowest Scale = 1
Percentage of lowest score = $(1 : 5) \times 100\% = 20\%$
- Distance Interval = [maximum value - minimum value] : number. Category
= $(100\% - 20\%) : 5 = 16\%$

So that the following criteria are obtained:

Table 1. Score Categorization Guidelines

Average Index			Category
84.1%	-	100.0%	Very Good / Very High
68.1%	-	84.0%	Good / High
52.1%	-	68.0%	Good Enough / High Enough
3.61%	-	52.0%	Not good/ Low
20.0%	-	36.0%	Very Poor / Very Low

3.1 PLS SEM Analysis Test

By looking at the theoretical framework, the researchers used data analysis techniques, namely quantitative analysis with Partial Least Square (PLS) or component-based SEM techniques.

In detail, Imam Ghozali (2015, 5) describes PLS, among others: powerful analytical methods often become soft modeling because it eliminates a number of OLS regression assumptions, such as there is no multicollinearity problem between exogenous variables and the data must be normally distributed in a multivariate manner (Wold 1982). Although PLS is used to describe the existence of a relationship between latent variables, it can also be used to confirm theory (Chin and Newsted 1999).

PLS analysis includes two sub-models, namely the structural model and the measurement model. This model shows how the manifest variable represents the latent variable to be measured, while the structural model shows the power of estimation between latent variables or constructs. (Imam Ghazali, 2015).

3.2 Structural Model Design and Measurement Model

In accordance with the theory in the previous chapters, this study examines the effect of the variables of business ethics, accountant ethics, and accounting education on fraud prevention. At this stage, the relationship between variables in the structural model will be described.

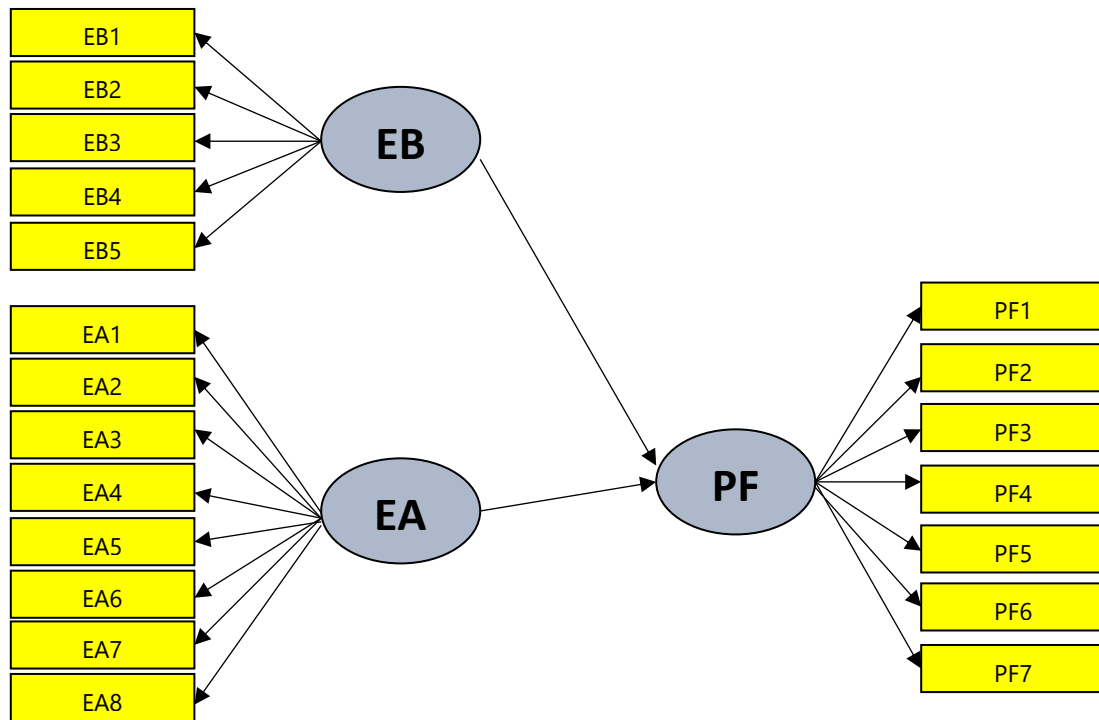


Figure 1. Structural model framework

Based on the model image above, the equation model is obtained as follows:

$$PF = \rho_{yx1} EB + \rho_{yx2} EA + \rho_{yx3} PAS$$

Information:

PF = Fraud Prevention

EB = Business ethics variable.

EA = Accountant ethics variable.

PASS = Accounting education variable.

yx1 = Coefficient of business ethics path with Fraud Prevention.

yx2 = Coefficient of accountant ethics path with Fraud Prevention

4. Results and Discussions

4.1 Characteristics of Respondents

According to the results of the questionnaire distribution, 77 questionnaires were collected, which could be further processed with the following details:

Table 2. Research Sample Data Table

Description	Scrap Company In Cikarang
Sent	80
Not return	0
Return	80
Cannot be processed	3
Can be processed	77

The results of the recapitulation of respondent data are grouped by gender, education, religion, status, and age.

4.2 Characteristics of respondents by gender

The following is a recapitulation of respondent data according to gender.

Table 3. Characteristics of respondents by gender

Gender	Amount	Percentage
Man	64	83.1%
Woman	13	16.9%
Total	77	100.0%

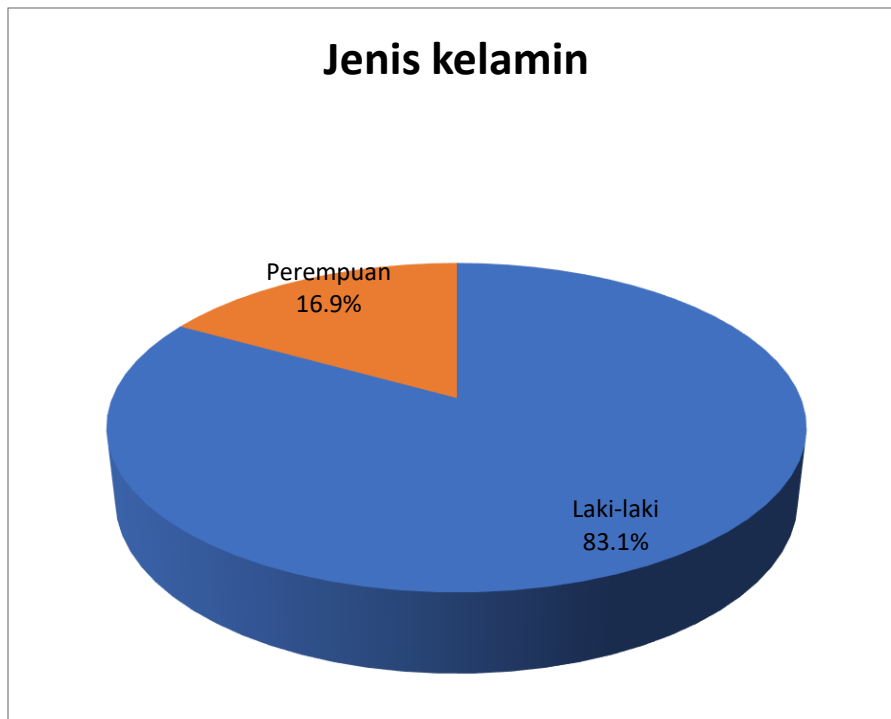


Figure 2. Characteristics of respondents by gender

According to the table and figure above, it can be seen that of the 77 respondents studied, the majority were male respondents with a percentage of 83.15 or 64 people, while female respondents were 16.9% or 13 people.

According to the picture and table above, it can be seen that of the 77 respondents studied, all of them have Islam.

4.3 Characteristics of respondents based on marital status

The following is a recapitulation of respondent data according to marital status.

Table 6. Characteristics of respondents based on marital status

Status	Amount	Percentage
Not married yet	20	26.0%
Marry	57	74.0%
Total	77	100.0%

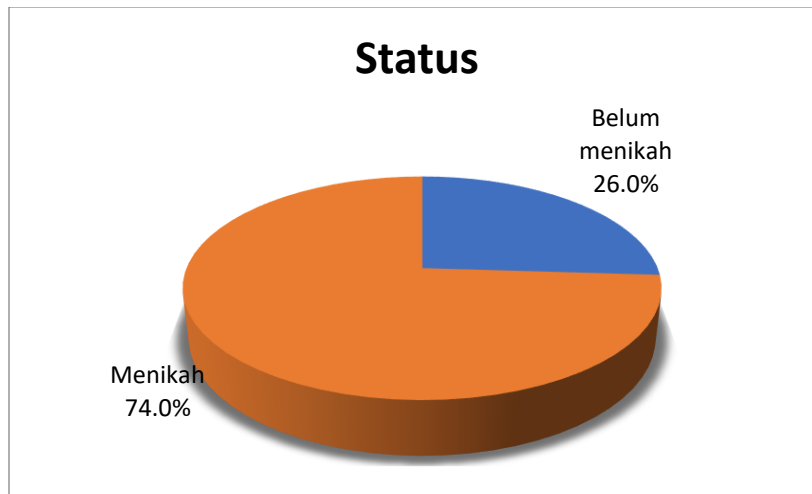


Figure 3. Characteristics of respondents based on marital status

According to the figure and table above, it can be seen that of the 77 respondents studied, 20 people (26.0%) of them said they were not married, and 57 people (74.0%) of them said they were married. This shows that the majority of respondents in this study are married.

4.4 Characteristics of respondents by age

The following is a recapitulation of respondent data according to age.

Table 7. Characteristics of respondents by age

Age	Amount	Percentage
< 25 years old	6	7.8%
26-35 years old	37	48.1%
36-45 years old	25	32.5%
> 45 years old	9	11.7%
Total	77	100.0%

According to the figure and table above, it can be seen that of the 77 respondents studied, 6 people (7.8%) of them were less than 25 years old, 37 people (48.1%) were 26-35 years old, 25 people (32.5%) aged 36-45 years and 9 people (11.7%) of whom were over 45 years old. This shows that the majority of respondents in this study are aged between 26-35 years.

5. Analysis Results

5.1 Descriptive statistics

The statistics used to analyze the data using the collected data are described without concluding what is generally accepted or generalization, namely descriptive analysis (Sugiyono 2016:147). The description of the research data can be used to add to the discussion; through the description of the respondent's response data, it can be seen how the respondent's response to each variable indicator is being studied. In order to make it easier when interpreting the variables to be studied, categorization of the respondent's response scores is carried out with calculations.

- A. Maximum Index Value = The highest scale = 5
Highest score percentage = $(5 : 5) \times 100\% = 100\%$
- B. Minimum Index Value = Lowest Scale = 1
Percentage of lowest score = $(1 : 5) \times 100\% = 20\%$
- C. Distance Interval = [maximum value - minimum value] : number. Category
= $(100\% - 20\%) : 5 = 16\%$

So that the following criteria are obtained:

Table 8 Guidelines for Score Categorization

Average Index	Category
84.1% - 100.0%	Very Good/ Very High
68.1% - 84.0%	Good/ High
52.1% - 68.0%	Good Enough/High Enough
3.61% - 52.0%	Not good/ Low
20.0%	Very Not good/ Very Low

5.2 Description of Business Ethics Variables

Business ethics is the teaching of distinguishing between right and wrong. It can equip any company leader when making strategic decisions regarding complex moral issues. The business ethics of this research is measured by 5 dimensions and consists of 14 statements. The following is the result of calculating the description of the business ethics variable.

Based on the results of the calculations above, it can be seen that the overall respondents' assessment of business ethics has a total score of 4583 or 85.0% of the ideal score, so it is included in the very good category. Meanwhile, when viewed from each dimension, respondents' assessment of the honesty dimension is higher than the other dimensions, as shown in the following figure:

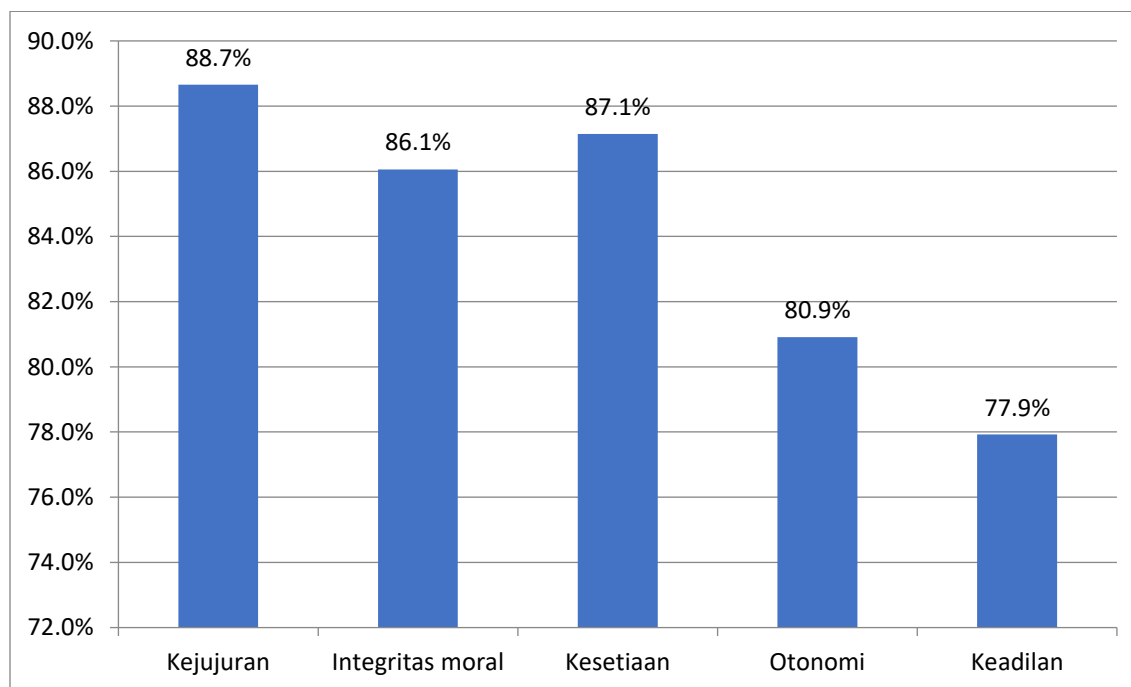


Figure 6. Score of respondents' responses to business ethics

Judging from each statement, the highest rating is found in the statement "The company serves buyers in a friendly, polite and courteous manner," with a score of 91.7% contained in the loyalty dimension. And the lowest assessment is found in the statement, "In selecting employees, the company does not distinguish religion, race, ethnicity, but is seen from the qualifications of prospective employees," with a score of 77.1%, which is in the justice dimension but is still in the good category.

5.3 Description of Accountants Ethics Variables

Accountant ethics is the study of good and bad human behavior that can be understood by the human mind for work that requires mastery of special knowledge as an accountant. In this study, accounting ethics is measured by 8 dimensions and consists of 31 statements.

Based on the results of the calculations above, it can be seen that the overall assessment of respondents on accountant ethics has a total score of 10223 or 85.7%. From the ideal score so that it is included in the very good category. In accordance with each statement, the highest rating is found in the statement "I am responsible for presenting the financial statements truthfully," with a score of 91.9%, which is in the public interest dimension. And the lowest assessment is found in the statement "I have good

communication skills, so I am able to discuss matters relating to the condition of the company," with a score of 79.7% contained in the competency dimension but still in the good category.

Meanwhile, when viewed from each dimension, the respondent's assessment of the integrity dimension is higher than the other dimensions, as shown in the following figure.

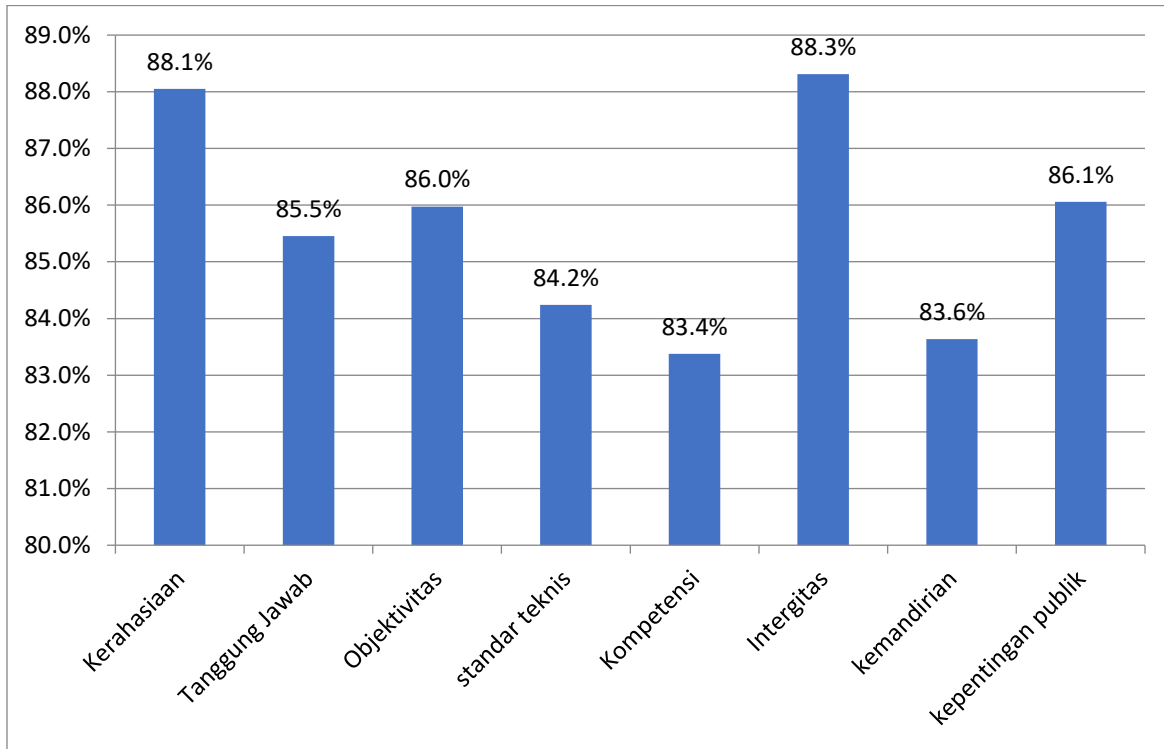


Figure 7. Score of respondents' responses to accounting ethics

5.4 Description of Fraud Prevention Variables

Fraud can be interpreted as a legal fraud by means of intentional misrepresentation of facts. In this study, the variable used is fraud prevention, measured by 5 dimensions and consists of 15 statements. The following is the result of calculating the description of the Fraud Prevention variable.

Based on the calculation results above, it can be seen that the respondent's assessment of fraud prevention as a whole has a total score of 4743 or 82.1% of the ideal score, so that it is in a good category. Judging from each statement, the highest assessment is found in the statements "The company recognizes the results of employee performance in accordance with the company's goals" and "The company enforces rules of behavior to build an honest and open culture within the company" with a score of 86.8% which is found in dimensions of a positive work environment and a clear code of ethics. And the lowest assessment is found in the statement, "The company is able to emphasize to all employees to carry out their duties as best they can to train good morals on the soul as employees," with a score of 77.1%, which is contained in the dimensions of Sanctions Against All Forms of Fraud, Easy to Understand and Adhered to, but still in the good category.

Meanwhile, when viewed from each dimension, respondents' assessment of the dimensions of a clear, easy-to-follow, and understanding code of ethics is higher than the other dimensions, as shown in the following figure.

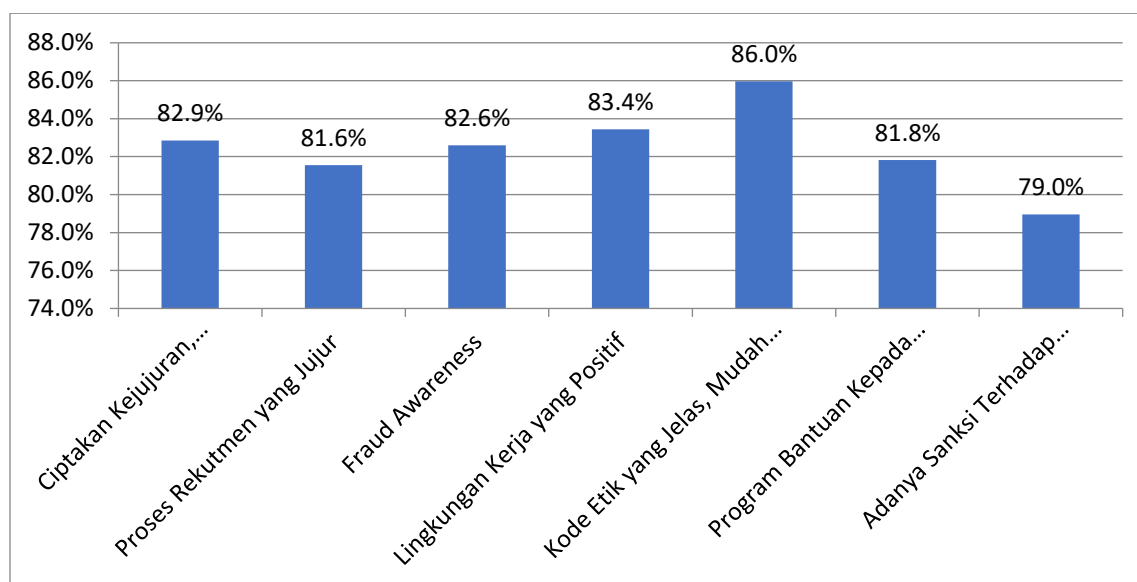


Figure 9

5.5 Multiple Regression Analysis

The use of multiple linear regression analysis (useful in answering the problems that exist in this study. Generally, regression analysis is a study related to the relationship between the dependent variable and one or more independent variables; it aims to estimate the average value of the dependent variable or population according to the known value of the independent variable (Ghozali, 2005) systematically the formula for the equation model is.

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$$

Information:

Y = Fraud prevention

a = Constant

b1 = Business ethics regression coefficient with fraud prevention.

b2 = Regression coefficient of accountant ethics with fraud prevention.

X1 = Business ethics variable.

X2 = Accountant ethics variable.

e = error

5.6 Classic assumption test

First, the classical assumption test is carried out before further analyzing the data that has been collected in order to produce a regression model that fits the BLUE (Best Linear Unbiased Estimator) criteria.

5.7 Normality test

The use of the normality test is to test whether, in the model, the distribution of the confounding or residual variables is normal. The normality test was carried out through the Kolmogorov-Smirnov test and the Lilliefors correction. This test is assisted by SPSS 25 software; the results are:

Tabel 13. Uji Normalitas
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		77
Normal Parameters ^{a,b}	Mean	,0000000
	Std. Deviation	6,79354103
Most Extreme Differences	Absolute	,059
	Positive	,051
	Negative	-,059
Test Statistic		,059
Asymp. Sig. (2-tailed)		,200 ^{c,d}

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.
- d. This is a lower bound of the true significance.

The conditions given in the normality analysis according to the Kolmogorov-Smirnov method are normal curves if the Asymp value. Sig. above 0.05 is the maximum error limit. This analysis is tested for normality, namely residuals or disturbance variables with random stochastic properties. According to the output above, it can be seen that the asymp sig residual value is 0.200 > 0.05. So the conclusion is that the residual data is normally distributed.

5.8 Multicollinearity Test

The purpose of the multicollinearity test is to test whether there is a correlation between the independent variables in the regression model. This can be known by paying attention to the VIF and tolerance values. Generally, the cut off value that is often used to show the presence of multicollinearity is the tolerance value is less than 0.10, and the VIF value is more than 10. This test is assisted by SPSS 25 software; the results are:

Table 14. Multicollinearity Test Coefficients ^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	Business Ethics (X1)	,881	1,135
	Accountant Ethics (X2)	,996	1.004

a. Dependent Variable: Fraud prevention (Y)

According to the output above, it can be seen that each independent variable is worth VIF < 10, and tolerance is worth > 0.1. This indicates that in the regression model, there is no multicollinearity.

5.9 Heteroscedasticity Test

The purpose of this test is to test whether, in the regression model, there is a difference in variance from the residuals of one observation to another. The scatterplot test in this study, assisted by SPSS 25 software, obtained the following results:

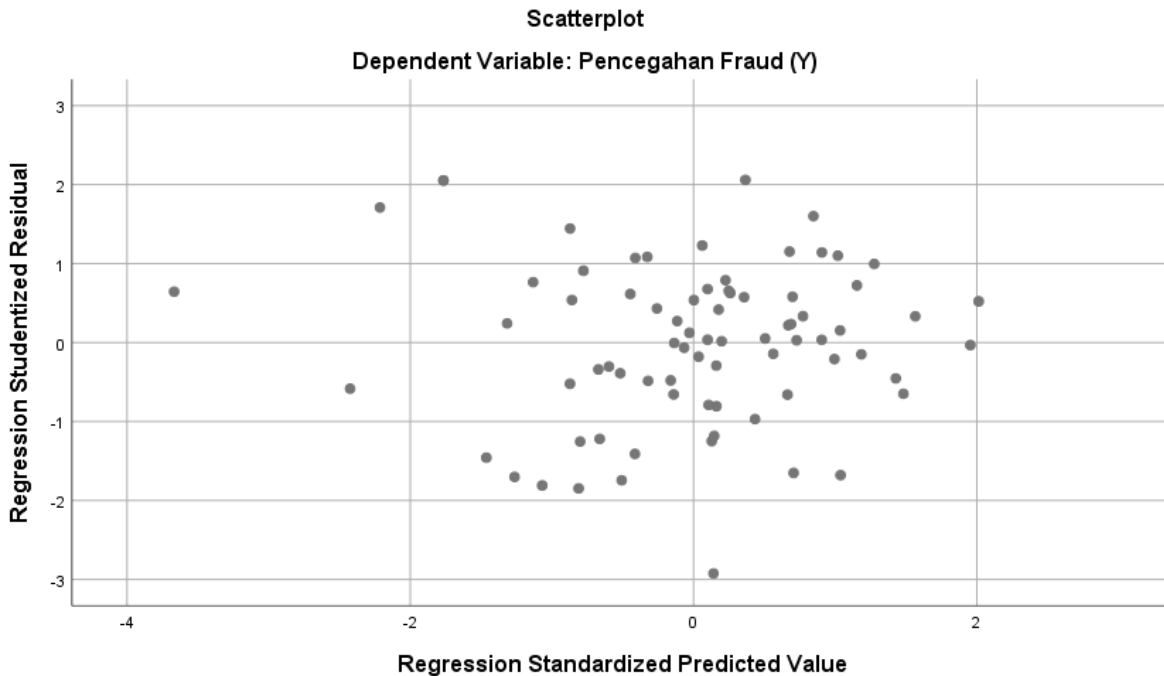


Figure 10 Heteroscedasticity Test

According to the scatterplot image above, there is no clear pattern, as well as the spread of points above and below the number 0 on the Y axis, so the conclusion is that there is no heteroscedasticity in the regression model.

5.10 Regression equation model

According to the test results with the help of SPSS 25 software, the results of the regression coefficients are:

**Table 15. Multiple Regression Analysis
Coefficients ^a**

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients Beta		
1	(Constant)	-11,356	5,946		-1,910	0,060
	Business Ethics (X1)	,180	,109	,151	1,649	,103
	Accountant Ethics (X2)	,255	0,045	,493	5,722	,000

a. Dependent Variable: Fraud prevention (Y)

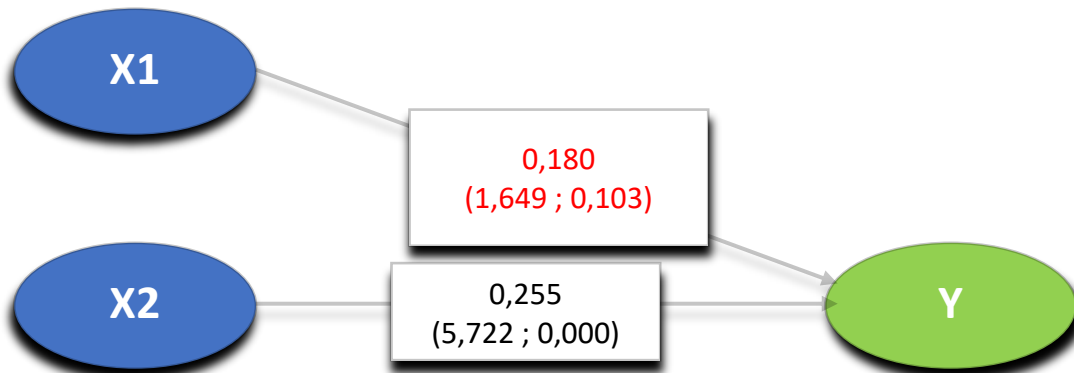
According to the output results in the table above, an equation model can be formed, namely:

$$Y = -11.356 + 0.180 X1 + 0.255 X2 + 0.585 X3$$

An illustration of the value of the regression coefficient on a number of independent variables, namely, if it is predicted that there will be an increase in the independent variable by one unit and for the value of the other independent variables it is predicted to be equal to zero or constant, so it is estimated that the value of the dependent variable can decrease or increase according to the sign of the regression coefficient of the independent variable.

The following is a visualization of the results of the path analysis based on the model equation that has been formed, along with the explanation below.

Figure 11 Multiple Regression Analysis



From the picture above, it can be explained that the constant value obtained is -11.356. Indicates that the fraud prevention variable (Y) is not influenced by the three independent variables, namely business ethics (X₁), accountant ethics (X₂), and accounting education (X₃), is zero, so the average value of fraud prevention as big as -11,356.

The sign indicated by the regression coefficient of the independent variable shows the direction of the relationship of the variables related to the intention to prevent fraud. The value of the regression coefficient for the independent variable X₁ is positive, showing that between business ethics (X₁) and fraud prevention (Y), there is a unidirectional relationship. Regression coefficient value X₁ 0.180 means that for every additional business ethics (X₁) one unit, there will be an increase in fraud prevention (Y) of 0.180.

The value of the regression coefficient of the X₂ variable is positive, indicating that between accountants' ethics (X₂) and fraud prevention (Y), there is a unidirectional relationship. The coefficient of X₂ is 0.255, which means that for each addition of accountant ethics (X₂) of one unit, there will be an increase in fraud prevention (Y) of 0.255.

The value of the regression coefficient of the independent variable X₃ is positive, indicating that between accounting education (X₃) and fraud prevention (Y), there is a unidirectional relationship. The value of the regression coefficient of the X₃ variable is 0.585, meaning that each additional accounting education (X₃) of one unit will be able to increase the prevention of fraud (Y) of 0.585.

5.11 Coefficient of determination (R-Square)

In essence, the usefulness of the R-Square is the measurement of the ability of the model in terms of describing the variation of variables. The use of these coefficients is because it can explain the goodness of the regression model on the dependent variable. The higher the coefficient value indicates the ability of the independent variable in terms of describing the dependent variable. This coefficient is between zero and one. The meaning of a small R² value is that the ability of the independent variable is very limited in explaining the variation of the dependent variable. Meanwhile, a value close to one indicates that the independent variable provides almost all the information needed to estimate the variation of the dependent variable. The following shows the results of the coefficient of determination:

Table 16. Testing the coefficient of determination (R-Square)
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,679 ^a	,462	,439	6,93173

a. Predictors: (Constant), Accounting (X₃), Accountant Ethics (X₂), Business Ethics (X₁)

b. Dependent Variable: Fraud prevention (Y)

According to the calculation results above, the value of the R square obtained is 0.462. This indicates the ability of the variables of business ethics, accountant ethics, and accounting education to explain fraud prevention by 46.2%, while 53.8% of the rest is influenced by other variables outside the study.

5.12 Hypothesis testing

The hypothesis test for the t-test is a test used to see the existence of the influence of each independent variable on the dependent variable. While the hypothesis test for the F test is the test used to determine the existence of the influence or the research variables together. The results of the recapitulation of hypothesis testing are presented below.

Table 17. Hypothesis testing

Hypothesis	Connection	coef. Regression	t count	Sig	Conclusion
T Uji test					
H1	X1 ---> Y	0.180	1,649	0.103	Rejected
H2	X2 ---> Y	0.255	5,722	0.000	Received

The following is a description of the results of hypothesis testing.

5.13 Effect of business ethics (X1) on fraud prevention (Y)

The first hypothesis testing is the influence of business ethics on fraud prevention with the hypothesis that is.

Ho: Business ethics has no significant effect on fraud prevention.

H₁: Business ethics have a significant effect on fraud prevention.

Hypothesis testing can be carried out using the method, namely the comparison of t table with t arithmetic value or sig value with a significance level in this case of 0.05. From the recapitulation table of the hypothesis test above, it can be seen that the t value of the business ethics variable for fraud prevention is 1.649, and the sig is 0.103. Meanwhile, the value of the t table at a significance level of 5% (Two tail) is 1.993. According to the results, it can be seen that the t arithmetic value of 1.649 is smaller than the t table, which is 1.993, and the sig value of 0.103 is greater than 0.05. So that the decision obtained is H1 is rejected and H0 is accepted. This indicates that there is no significant effect of business ethics on fraud prevention.

5.14 The influence of accountant ethics (X2) on fraud prevention (Y)

The second hypothesis testing is the influence of accountant ethics on fraud prevention with the hypothesis that is.

Ho: Accountant ethics has no significant effect on fraud prevention.

H₂: Accountant ethics have a significant effect on fraud prevention.

From the recapitulation table of hypothesis testing above, it can be seen that the t value of the accountant ethics variable on fraud prevention obtained is 5.722 while sig is 0.000. The value of the t table at a significance level of 5% (Two tail) is 1.993. According to the results, it can be seen that the t arithmetic value of 5.722 is greater than the t table of 1.993, and the value of sig. 0.000 where the value is smaller than 0.05. So that the results of the decision to accept H2 and reject H0 are obtained, this indicates that accountants ethics significantly influence fraud prevention.

6. Discussion

6.1 Effect of business ethics (X1) on fraud prevention (Y)

The results of the hypothesis test show that business ethics has no significant effect on fraud prevention.

This is because each company has a different corporate culture and has its own mission and goals. Meanwhile, every company has the same accounting ethics and accounting education and is regulated by government agencies or existing institutions.

6.2 The influence of accountant ethics (X2) on fraud prevention (Y)

The results of the hypothesis test, show that accountants ethics significantly affect the prevention of fraud. As seen from the value of the regression coefficient, which is positive, it shows that the better the accountant's ethics will increase the prevention of fraud; on the contrary, the lower the accountant's ethics will reduce the prevention of fraud.

6.3 Effect of accounting education (X3) on fraud prevention (Y)

The results of hypothesis testing show that accounting education has a significant effect on fraud prevention. As seen from the value of the regression coefficient, which is positive, it shows that the better the accounting education, the fraud prevention will increase, and vice versa if the lower the accounting education, the lower the fraud prevention will be.

7. Conclusion

In accordance with the results of testing the hypotheses listed in the previous chapter, the conclusions obtained include:

The results of the hypothesis test show that business ethics has no significant effect on fraud prevention. The explanation is that each company has a mission, vision, and goals, as well as different corporate cultures. However, judging by the value of the regression coefficient, which is positive, it shows that the better business ethics, the better the prevention of fraud.

The results of hypothesis testing show that accountants ethics significantly influence fraud prevention. As seen from the value of the regression coefficient, which is positive, it shows that the better the accountant's ethics will increase the prevention of fraud; on the contrary, the lower the accountant's ethics will reduce the prevention of fraud.

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