

THE EFFECT OF INTERNAL LOCUS OF CONTROL, VILLAGE APPARATUS COMPETENCE, AND SELF-EFFICACY ON THE PREVENTION OF VILLAGE FUND FRAUD

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Abstract

The prevention of Village Fund fraud has become a crucial issue due to the increasing allocation of Village Funds and the high number of irregularities in their management. Fraud prevention efforts can be carried out by strengthening internal factors and the competence of village officials. This study aims to empirically examine the effect of internal locus of control, village apparatus competence, and self-efficacy on the prevention of Village Fund fraud. The research was conducted in Badung Regency, Bali Province, involving village officials from 46 villages using a purposive sampling technique, including village heads, secretaries, and treasurers who had served for at least one year. The collected data were analyzed using multiple linear regression analysis. The results indicate that internal locus of control, village apparatus competence, and self-efficacy have a positive and significant effect on the prevention of Village Fund fraud. This implies that improvements in internal locus of control, village apparatus competence, and self-efficacy can enhance fraud prevention in Village Fund management.

Keywords: Internal Locus of Control, Competence, Self-Efficacy, Fraud

INTRODUCTION

Transparent and accountable Village Fund management has become a primary focus in efforts to prevent Village Fund fraud in Indonesia. Fraud prevention in Village Funds refers to a series of actions designed to reduce the likelihood of fraud occurring in village financial management and to minimize losses when fraud occurs (Rustiarini & Sunarsih, 2017). Based on Law Number 6 of 2014 concerning Villages, village governments are granted the authority to independently manage financial resources, including the utilization of Village Funds sourced from the State Budget and Regional Transfers and Village Funds (TKDD). In the 2023 fiscal year, the national allocation of Village Funds reached IDR 70 trillion (Ministry of Finance, 2023), reflecting the substantial responsibility entrusted to village governments in financial management.

Village Funds have a significant impact on the Indonesian economy as they contribute to improving public services in villages, alleviating poverty, advancing the village economy, reducing development disparities among villages, and strengthening village communities as subjects of development. This program has significantly transformed the status of villages in Indonesia, with the number of developed villages increasing from 3,608 to 23,063 villages, and independent villages rising dramatically from only 174 villages to 17,203 villages (TVOneNews.com).

The substantial allocation of Village Funds also increases the risk of fraud, such as budget misuse, fictitious reporting, and corrupt practices, which may hinder program effectiveness and harm village communities as the primary beneficiaries. Therefore, fraud prevention in Village Fund management is highly crucial to ensure that Village Funds are utilized according to their intended objectives in improving welfare and promoting sustainable village economic growth.

Irregularities in Village Fund management not only harm state finances but also obstruct the achievement of village development targets. This is consistent with the argument of Supadmi and Ningrat (2018), who stated that organizational financial performance is highly influenced by the accuracy of revenue and expenditure management. If budget governance is disrupted by fraudulent practices, government financial performance cannot be optimally achieved.

Based on monitoring by SAKTI Bali, throughout the 2016–2020 period, there were 50 corruption cases recorded in Bali Province involving 98 suspects, with total state losses amounting to IDR 63.65 billion. These cases were distributed across all regencies/cities, with Badung Regency recording the highest number of cases, totaling 10 cases, followed by Buleleng Regency (8 cases) and Gianyar Regency (6 cases). The dominant corruption schemes included embezzlement, fictitious reports, abuse of authority, and budget mark-ups, some of which were related to public financial management at the regional and village levels. The high number of cases uncovered in Badung Regency reflects the need to improve governance and strengthen supervision by law enforcement authorities. Considering that Badung Regency is known as one of the regencies with the highest locally generated revenue in Bali, these findings indicate that the risk of irregularities, including in Village Fund management, still requires serious attention through strengthening supervisory systems, transparency, and more comprehensive prevention measures.

The prevention of Village Fund fraud can be explained through the Fraud Triangle Theory proposed by Cressey (1953). This theory identifies three main factors driving fraud: pressure, opportunity, and rationalization. Fraud prevention can be achieved by minimizing these three factors through strengthening personal aspects and internal control systems. Fraud Triangle Theory has been widely applied in studies related to public sector fraud and provides a comprehensive framework for understanding factors influencing fraudulent behavior (Vousinas, 2019). In the context of Village Fund management, pressure may arise from demands to meet living needs or development targets with limited resources; opportunity emerges from weak supervisory and internal control systems; while rationalization relates to the perpetrator's self-justification that fraudulent actions are acceptable (Yudianto et al., 2021). By understanding these three elements of the Fraud Triangle Theory, fraud prevention strategies in Village Fund management can be designed more effectively by simultaneously considering behavioral and systemic aspects.

The selection of variables in this study was not conducted directly but through a conceptualization process, namely translating the elements of pressure, opportunity, and rationalization into empirically measurable indicators. The pressure element in the Fraud Triangle relates to the internal drive experienced by individuals when facing certain demands or problems. This pressure is not always external, such as economic needs, but also concerns how individuals interpret and respond to such conditions.

Internal locus of control emerged as a representation of pressure because this concept explains the extent to which individuals perceive that they have control over the events they experience. Individuals with a high internal locus of control tend to view pressure as something controllable through personal effort, thereby reducing the likelihood of using pressure as a justification for fraudulent behavior.

The opportunity element in the Fraud Triangle refers to the existence of opportunities to commit fraud due to weak supervision or systems. Opportunity is determined not only by the system but also by the individual's ability to understand and exploit or close existing loopholes. Village apparatus competence is used as a variable representing this element because competent individuals possess the capacity to recognize opportunities for fraud, making this variable relevant to the opportunity element, both in the context of potential misuse and prevention.

The rationalization element relates to the cognitive process through which individuals justify fraudulent actions to maintain consistency with their moral values. Rationalization arises when individuals attempt to convince themselves that such actions are acceptable. In this context, self-efficacy is used as a variable representing rationalization because it relates to individuals' beliefs in their ability to solve problems appropriately.

Dewi and Rasmini (2019) stated that locus of control refers to how individuals interpret events in their lives as consequences of their actions. Individuals with strong internal control tend to feel responsible for every outcome they receive, whether positive or negative. This sense of responsibility encourages them to work honestly, improve performance quality, and avoid behaviors that may harm themselves or others. Individuals with a strong locus of control usually possess firm principles and are not easily influenced by external pressures, especially in decision-making processes. This indicates that good self-control plays an important role in maintaining individual integrity and professionalism in various aspects of life.

Village apparatus competence is a crucial factor in ensuring professional and accountable village financial management, consisting of three main elements: knowledge, technical skills, and appropriate work attitudes (Widyatama et al., 2017). These aspects enable village officials to understand and implement relevant regulations, manage budgets effectively, and maintain integrity throughout all stages of financial management. Competence also helps create transparent and efficient governance systems while strengthening accountability in the use of Village Funds. Adequate competence not only contributes to improving apparatus performance but also serves as an important foundation for achieving sustainable village development oriented toward the broader interests of society (Wirakusuma & Setiawan, 2019).

Fauziana (2022) explained that self-efficacy can be understood as an individual's belief in their ability to complete tasks and achieve predetermined goals. Individuals with high levels of self-efficacy tend to possess strong self-confidence in carrying out work responsibilities and demonstrate persistence and consistency in their implementation. This attitude enables them to work in accordance with applicable standards and procedures, thereby reducing the risk of irregularities or fraud in the workplace. Self-efficacy is an important factor supporting individual integrity and work effectiveness because individuals possessing it are believed to be capable of performing tasks optimally and responsibly.

Several previous studies have explored factors influencing Village Fund fraud prevention, although with varying results. Research by Atmadja and Saputra (2017) found that village apparatus competence had a positive and significant effect on fraud prevention, while the internal control system acted as a moderating variable. Widyatama et al. (2017) found that apparatus competence and internal control systems simultaneously affected the accountability of Village Fund management. However, Masnun et al. (2021) in Mauro Jambi Regency found that apparatus competence did not significantly affect Village Fund fraud prevention. Wirakusuma and Setiawan (2019) also identified a negative relationship between competence and the tendency toward accounting fraud.

Puspita and Ratnadi (2023) identified that locus of control positively affected Village Fund management performance in Gianyar Regency, whereas Paramita et al. (2024) found that locus of control had a negative and insignificant effect on investigative audit quality in uncovering fraud. Research on self-efficacy and fraud prevention conducted by Damayanti and Savira (2021) found a positive effect, while studies by Azzaroh et al. (2020) and Artani (2018) found that self-efficacy did not affect fraud. These findings indicate inconsistencies in previous studies, highlighting the need for more in-depth research.

This study differs from previous research by integrating the self-efficacy variable, which had previously been associated with academic fraud, into the context of fraud in Village Fund management. This study was conducted in Badung Regency, one of the regencies with a high level of corruption cases in Bali, with 10 resolved cases recorded from 2016–2020. In 2025, the Badung District Attorney named suspects in a corruption case involving the Teranggana Sari Village-Owned Enterprise (BUMDes) in Sulangai Village, Petang District, Badung. This reflects that irregularities in Village Funds, particularly in Badung Regency, remain prevalent.

RESEARCH METHOD

This study employed an associative research design with a quantitative approach to analyze the relationship and influence of internal locus of control, village apparatus competence, and self-efficacy on the prevention of Village Fund fraud. Data were collected through questionnaires and analyzed using IBM SPSS 26 to produce objective statistical findings. The research was conducted in Badung Regency, Bali, selected due to its relatively high dynamics of corruption cases, making it relevant for examining internal individual factors in fraud prevention. The object of the study focused on fraud prevention efforts in Village Fund management, with fraud prevention as the dependent variable and internal locus of control, competence, and self-efficacy as independent variables (Sugiyono, 2023).

The study population consisted of village officials from 46 villages in Badung Regency receiving Village Funds. The sampling technique employed was non-probability sampling using a purposive sampling approach. Samples were selected based on specific criteria, namely officials directly involved in Village Fund management (village heads, secretaries, and treasurers) who had served for at least one year. The data used included quantitative data in the form of Likert scale questionnaire scores and qualitative data in the form of supporting information related to village conditions. Data sources included primary data obtained from respondents and secondary data derived

from documents, literature, and other official sources. Data collection was conducted using a survey method through direct door-to-door questionnaire distribution (Sugiyono, 2023).

The research instruments were tested through validity and reliability tests to ensure measurement accuracy and consistency, with Cronbach's Alpha ≥ 0.70 as the criterion. Data analysis was conducted using descriptive statistics and multiple linear regression analysis to examine the influence of independent variables on the dependent variable. The regression model was tested through classical assumption tests, including normality, multicollinearity, and heteroscedasticity tests, to ensure model feasibility. Furthermore, hypothesis testing was conducted using the F-test for model feasibility, the coefficient of determination (Adjusted R²) to measure model capability, and the t-test to examine the partial significance of each independent variable on the prevention of Village Fund fraud (Ghozali, 2021; Sugiyono, 2023).

RESULT AND DISCUSSION

Description of Research Data

Questionnaire Distribution

Table 1. Details of Questionnaire Distribution and Return

Description	Number of Questionnaires
Total questionnaires distributed	138
Questionnaires not returned	0
Questionnaires returned	138
Invalid questionnaires	5
Questionnaires used	133
Response Rate (%)	100
Usable Response Rate (%)	96.4

Source: Processed primary data, 2026

Table 1 shows that a total of 138 questionnaires were distributed, and all 138 questionnaires were returned. Five questionnaires were excluded because the respondents did not meet the sampling criteria, namely having served for at least one year. Therefore, 133 questionnaires were used in this study, resulting in a usable response rate of 96.4 percent.

Respondent Characteristics

Table 2. Respondent Characteristics

No	Description	Classification	Number of Respondents	Percentage (%)
1	Gender	Male	92	69
		Female	41	31
		Total	133	100
2	Age	21-30	2	2
		31-40	24	18
		41-50	31	23

No	Description	Classification	Number of Respondents	Percentage (%)
		51–60	67	50
		>60	9	7
		Total	133	100
3	Last Education	Senior High School/Vocational School	50	38
		Diploma 1	1	1
		Diploma 2	1	1
		Diploma 3	5	4
		Bachelor's Degree	70	53
		Master's Degree	5	4
		Doctoral Degree	1	1
		Total	133	100
4	Position	Village Head	45	34
		Village Secretary	44	33
		Village Treasurer	44	33
		Total	133	100
5	Length of Service	≥1–2 years	15	11
		3–4 years	35	26
		>5 years	83	62
		Total	133	100

Source: Processed primary data, 2026

Based on Table 2, the characteristics of the 133 respondents in this study were dominated by male village officials, totaling 92 respondents (69 percent), with the majority aged between 51–60 years, totaling 67 respondents (50 percent). In terms of educational background, most respondents held a bachelor's degree, amounting to 70 respondents (53 percent), followed by senior high school/vocational school graduates with 50 respondents (38 percent). Regarding positions, most respondents served as Village Heads, totaling 45 respondents (34 percent), while Village Secretaries and Village Treasurers each accounted for 44 respondents (33 percent). Furthermore, the majority of respondents had served for more than five years, totaling 83 respondents (62 percent), indicating that most village officials possessed considerable work experience.

Results of Research Instrument Testing

This section explains the results of research instrument testing through validity and reliability tests conducted prior to further data analysis. The instrument testing was carried out through a pilot test involving 30 respondents outside the main research sample.

Validity Test Results

Table 3. Validity Test Results

Variable	Item	Pearson Correlation	r tabel	Description
Locus of Control Internal (X ₁)	X2.1	0,704	0,361	Valid
	X2.2	0,621	0,361	Valid
	X2.3	0,773	0,361	Valid
	X2.4	0,790	0,361	Valid
	X2.5	0,734	0,361	Valid
	X2.6	0,76	0,361	Valid
	X2.7	0,685	0,361	Valid
Village Apparatus Competence (X ₂)	X3.1	0,603	0,361	Valid
	X3.2	0,809	0,361	Valid
	X3.3	0,748	0,361	Valid
	X3.4	0,671	0,361	Valid
	X3.5	0,773	0,361	Valid
	X3.6	0,726	0,361	Valid
Self Efficacy (X ₃)	X1.1	0,704	0,361	Valid
	X1.2	0,775	0,361	Valid
	X1.3	0,684	0,361	Valid
	X1.4	0,387	0,361	Valid
	X1.5	0,813	0,361	Valid
Village Fund Fraud Prevention (Y)	Y1.1	0,647	0,361	Valid
	Y1.2	0,758	0,361	Valid
	Y1.3	0,737	0,361	Valid
	Y1.4	0,848	0,361	Valid
	Y1.5	0,867	0,361	Valid
	Y1.6	0,848	0,361	Valid
	Y1.7	0,889	0,361	Valid
	Y1.8	0,696	0,361	Valid

Source: Processed primary data, 2026

Referring to Table 3 above, it can be concluded that all statement items have positive correlations and values greater than the r-table value. This indicates that all questionnaire statement items are valid and suitable for further data testing.

Reliability Test Results

Table 4. Reliability Test Results

Variable	Cronbach's Alpha	Standard	Result
Locus of Control (X ₁)	0,842	0,7	Reliable
Village Apparatus Competence (X ₂)	0,814	0,7	Reliable
Self Efficacy (X ₃)	0,704	0,7	Reliable
Village Fund Fraud Prevention (Y)	0,901	0,7	Reliable

Source: Processed primary data, 2026

Referring to Table 4, it can be concluded that the instruments used in this study met the reliability requirements because the Cronbach's Alpha values for all variables were greater than 0.7. Therefore, the questionnaire items used to measure the variables of self-efficacy, internal locus of control, village apparatus competence, and Village

Fund fraud prevention can be considered reliable and trustworthy as measurement instruments for the variables.

Descriptive Statistical Results

Table 5. Results of Descriptive Statistical Analysis

	N	Minimum	Maximum	Mean	Std. Deviation
Village Fund Fraud Prevention (Y)	133	17	32	28,12	3,58
Locus of Control Internal (X1)	133	16	28	23,05	3,26
Village Apparatus Competence (X2)	133	12	24	20,40	3,38
Self Efficacy (X3)	133	10	20	16,27	3,01
Valid N (listwise)	133				

Source: Processed primary data, 2026

Based on Table 5, the descriptive statistics for each variable can be explained as follows.

1. Village Fund Fraud Prevention (Y)

The Village Fund fraud prevention variable involved 133 respondents, with a minimum value of 17 and a maximum value of 32. The mean value of 28.12 indicates that, in general, respondents' efforts to prevent Village Fund fraud were at a high level. The standard deviation value of 3.58 indicates variations in respondents' answers, suggesting that the data distribution was relatively even and did not show substantial deviations among respondents.

2. Internal Locus of Control (X1)

The internal locus of control variable involved 133 respondents, with a minimum value of 16 and a maximum value of 28. The mean value of 23.05 indicates that most respondents possessed a relatively high level of internal locus of control. The standard deviation value of 3.26 indicates variations in responses, suggesting that the data distribution was relatively even without excessive deviations among respondents.

3. Village Apparatus Competence (X2)

The village apparatus competence variable involved 133 respondents, with a minimum value of 12 and a maximum value of 24. The mean value of 20.40 indicates that the competence level of village officials was generally categorized as high. The standard deviation value of 3.38 indicates variations in respondents' answers, suggesting that the data distribution was relatively even and did not indicate substantial deviations among respondents.

4. Self-Efficacy (X3)

Based on the descriptive analysis results, the self-efficacy variable involved 133 respondents, with a minimum value of 10 and a maximum value of 20. The mean value of 16.27 indicates that respondents generally had a relatively high level of self-efficacy, while the standard deviation value of 3.01 reflects the variation around the average score.

Results of Classical Assumption Tests

1) Normality Test Results

Table 6. Normality Test Results

	Unstandardized Residual
N	133
Kolmogorov-Smirnov Z	0,062
Asymp.Sig.(2-tailed)	0,200

Source: Processed primary data, 2026

Table 6 presents the results of the normality test, showing a Kolmogorov-Smirnov value of 0.062 with a significance level of 0.200. Since the significance value is greater than 0.05, it can be concluded that the data were normally distributed.

2) Multicollinearity Test Results

Table 7. Multicollinearity Test Results

Variabel	Tolerance	VIF	Description
Locus of Control Internal (X_1)	0,775	1,290	Free from multicollinearity
Village Apparatus Competence (X_2)	0,415	2,407	Free from multicollinearity
Self Efficacy (X_3)	0,429	2,333	Free from multicollinearity

Source: Processed primary data, 2026

Table 7 presents the results of the multicollinearity test. The tolerance values for all independent variables were greater than 0.10, and the VIF values were less than 10. These findings indicate that the regression model was free from multicollinearity problems

3) Heteroscedasticity Test Results

Table 8. Heteroscedasticity Test Results

Variabel	Signifikansi	Keterangan
Locus of Control Internal (X_1)	0,619	Free from heteroscedasticity
Village Apparatus Competence (X_2)	0,145	Free from heteroscedasticity
Self Efficacy (X_3)	0,417	Free from heteroscedasticity

Source: Processed primary data, 2026

Table 8 presents the results of the heteroscedasticity test. The significance values for self-efficacy, internal locus of control, and village apparatus competence were all greater than 0.05, indicating that there was no influence of the independent variables on the absolute residual values. Therefore, the regression model did not contain heteroscedasticity symptoms.

Based on the explanations in Tables 6, 7, and 8 above, all classical assumption tests were fulfilled, indicating that the regression analysis results were appropriate for further discussion.

Multiple Linear Regression Analysis Results

Table 9. Multiple Linear Regression Analysis Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	9,146	1,633		5,600	0,000
Locus of Control Internal	0,220	0,073	0,200	3,026	0,003
Village Apparatus Competence	0,365	0,096	0,344	3,814	0,000
Self Efficacy	0,398	0,106	0,335	3,764	0,000

Source: Processed primary data, 2026

Based on Table 9, which presents the results of multiple linear regression analysis, the regression equation can be formulated as follows:

$$Y = 9,146 + 0,220X_1 + 0,365X_2 + 0,398X_3 \dots\dots\dots(2)$$

The regression coefficients of all independent variables are positive, with t-test significance values less than 0.05. This indicates that all independent variables have a positive and significant effect on the dependent variable. Based on the regression model, the interpretations are as follows.

1. The constant value of 9.146 indicates that if the variables of self-efficacy (X_1), internal locus of control (X_2), and village apparatus competence (X_3) are equal to zero (constant), then the Village Fund fraud prevention variable (Y) would be 9.146.
2. The internal locus of control variable (X_1) has a coefficient value of 0.220, indicating a positive effect on Village Fund fraud prevention (Y). This means that if the internal locus of control variable increases by one unit, assuming the other variables remain constant, the Village Fund fraud prevention variable will increase by 0.220.
3. The village apparatus competence variable (X_2) has a coefficient value of 0.365, indicating a positive effect on Village Fund fraud prevention (Y). This means that if village apparatus competence increases by one unit, assuming the other variables remain constant, the Village Fund fraud prevention variable will increase by 0.365.
4. The self-efficacy variable (X_3) has a coefficient value of 0.398, indicating a positive effect on Village Fund fraud prevention (Y). This means that if self-efficacy increases by one unit, assuming the other variables remain constant, the Village Fund fraud prevention variable will increase by 0.398.

Model Feasibility Test (F-Test)

Table 10. Model Feasibility Test Results (F-Test)

Model	F	Sig.
1 Regression	55.458	.000 ^b

Source: Processed primary data, 2026

Table 10 presents the results of the model feasibility test (F-test). The data analysis produced an F-value of 55.458 with a significance value of 0.000, which is

smaller than 0.05. This indicates that the regression model used in this study is appropriate for explaining the influence of the independent variables on the dependent variable.

Coefficient of Determination Test Results (R²)

Table 11. Coefficient of Determination Test Results (R²)

Model	Adjusted R Square
1	.553

Source: Processed by the author

Based on Table 11 above, the magnitude of the influence of the independent variables on the dependent variable is indicated by the adjusted R square value of 0.553. This means that 55.3 percent of the variation in Village Fund fraud prevention can be explained by variations in self-efficacy, internal locus of control, and village apparatus competence, while the remaining 44.7 percent is explained by other factors not included in the model.

Hypothesis Testing Results (t-Test)

Table 12. Hypothesis Testing Results (t-Test)

Hypothesis	Variable	t	Sig	Description
H1	Locus of Control Internal (X1)	3.026	.003	Significant Effect
H2	Village Apparatus Competence (X2)	3.814	.000	Significant Effect
H3	Self Efficacy (X3)	3.764	.000	Significant Effect

Source: Processed primary data, 2026

Table 12 presents the results of hypothesis testing (t-test), with each variable explained as follows.

1. The Effect of Internal Locus of Control on Village Fund Fraud Prevention
Based on the analysis results, the effect of internal locus of control on Village Fund fraud prevention produced a t-value of 3.026 with a significance value of 0.003. Since the significance value of 0.003 is less than 0.05, H1 is accepted. These results indicate that internal locus of control has a positive and significant effect on Village Fund fraud prevention.
2. The Effect of Village Apparatus Competence on Village Fund Fraud Prevention
Based on the analysis results, the effect of village apparatus competence on Village Fund fraud prevention produced a t-value of 3.814 with a significance value of 0.000. Since the significance value of 0.000 is less than 0.05, H2 is accepted. These results indicate that village apparatus competence has a positive and significant effect on Village Fund fraud prevention.
3. The Effect of Self-Efficacy on Village Fund Fraud Prevention
Based on the analysis results, the effect of self-efficacy on Village Fund fraud prevention produced a t-value of 3.764 with a significance value of 0.000. Since the significance value of 0.000 is less than 0.05, H3 is accepted. These results indicate that self-efficacy has a positive and significant effect on Village Fund fraud prevention.

Discussion of Research Findings

The Effect of Internal Locus of Control on Village Fund Fraud Prevention

The hypothesis testing results indicate that internal locus of control has a positive and significant effect on the prevention of Village Fund fraud. This finding is consistent with the descriptive statistical results, which show that the stronger the internal locus of control possessed by village officials, the higher their ability to prevent fraud in Village Fund management. Village officials with a strong internal locus of control tend to perceive themselves as fully responsible for every action and decision they make, thereby becoming more disciplined in implementing financial management procedures transparently and accountably. The belief that control over outcomes lies within themselves encourages village officials to be more proactive in identifying potential fraud and independently taking preventive measures without relying on external factors.

These findings are consistent with previous studies examining the role of locus of control in fraud prevention. Puspita and Ratnadi (2023) found that internal locus of control positively affects the prevention of Village Fund fraud, where officials with strong internal control demonstrate a higher commitment to maintaining the integrity of financial management. Wakhidah and Mutamainah (2021) emphasized that individuals with dominant internal locus of control possess greater awareness and responsibility in preventing fraud. Meanwhile, Ulantari and Suartana (2023) demonstrated that internal locus of control positively affects ethical behavior in village financial management. Amadioha and Ojiugo (2022) as well as Fitryanti et al. (2023) also confirmed that internal locus of control plays an important role in shaping anti-fraud attitudes and enhancing the effectiveness of fraud prevention procedures in fund management.

The results of this study also confirm the relevance of Fraud Triangle Theory in explaining the role of locus of control in fraud prevention. Locus of control can be explained through the pressure element within the theory. Village officials with an external locus of control tend to perceive financial pressures, workload, and superiors' demands as factors beyond their control, thereby creating potential justification for fraudulent actions. Conversely, officials with a strong internal locus of control are capable of internalizing such pressures as challenges that can be managed independently and responsibly, thereby effectively reducing the rationalization process underlying deviant behavior.

The Effect of Village Apparatus Competence on Village Fund Fraud Prevention

The hypothesis testing results indicate that village apparatus competence has a positive and significant effect on the prevention of Village Fund fraud. This finding is in line with the descriptive statistical results, which show that the higher the level of competence possessed by village officials, the more effective the fraud prevention efforts in Village Fund management. Competent village officials possess a deeper understanding of regulations, financial procedures, and internal control mechanisms, enabling them to identify potential fraud more accurately and take appropriate preventive actions. Competence supported by ethics, training, and an organizational culture of integrity not only improves the quality of Village Fund management but also strengthens village officials' commitment to maintaining transparency and

accountability, thereby systematically minimizing opportunities that may be exploited for fraudulent activities.

These findings are consistent with previous studies examining the relationship between village apparatus competence and fraud prevention. Dewi and Rasmini (2019) found that village officials with adequate competence in finance and administration are more capable of identifying potential fraud and implementing effective fraud prevention systems. Saputra et al. (2019) and Puspita and Ratnadi (2023) revealed that competence positively affects the implementation of internal controls, which are the primary instruments in preventing Village Fund fraud. Supadmi and Suputra (2018) also emphasized that human resource capacity positively influences the accountability of Village Fund management, where high accountability serves as the main foundation for minimizing the risk of misappropriation. Furthermore, Saputra et al. (2022) proved that continuous competence development encourages the formation of an organizational culture oriented toward integrity and anti-fraud values.

The results of this study confirm the relevance of Fraud Triangle Theory in explaining the role of competence in preventing Village Fund fraud. Within the framework of the theory, opportunity is one of the factors that create room for individuals to commit fraud, particularly when weaknesses exist in the internal control system that can be exploited. High competence among village officials directly contributes to closing such opportunities because officials who thoroughly understand village financial management systems, procedures, and regulations are more capable of designing and implementing strict and effective control mechanisms. Although theoretically high competence may also create the potential to exploit system weaknesses, competence grounded in ethics and supported by proper training and organizational culture instead serves as a protective barrier that narrows opportunities for fraud.

The Effect of Self-Efficacy on Village Fund Fraud Prevention

The hypothesis testing results indicate that self-efficacy has a positive and significant effect on the prevention of Village Fund fraud. This finding is consistent with the descriptive statistical results, which show that the higher the level of self-efficacy possessed by village officials, the greater their ability to prevent fraud in Village Fund management. Village officials with strong confidence in their abilities tend to be more capable of handling pressure, managing risks, and making more accountable and integrity-based decisions. High self-efficacy also helps village officials avoid rationalizations that may justify deviant behavior, thereby more effectively reducing the potential occurrence of fraud.

These findings are consistent with previous studies stating that self-efficacy positively affects fraud prevention. Febrianto (2022) found that the self-efficacy of local government officials positively influences fraud prevention because it enhances individuals' ability to cope with pressure and difficult situations. Haris et al. (2022) emphasized that self-efficacy affects ethical decision-making in preventing fraud in public fund management, indicating that individuals with high self-efficacy tend to make more ethical decisions in financial management. Wahyu and Maharani (2023) also stated that self-efficacy plays a role in improving individual integrity and competence, thereby reducing the tendency toward fraud. Aurel et al. (2023) further noted that self-efficacy

helps individuals identify potential fraud and take preventive measures more effectively.

The results of this study confirm the relevance of Fraud Triangle Theory proposed by Cressey, particularly regarding the rationalization element. In this theory, rationalization refers to the justification process individuals use to legitimize fraudulent actions. High self-efficacy has been proven to weaken this rationalization process because individuals with strong confidence in their abilities tend to be more capable of controlling their behavior in accordance with ethical norms and prevailing moral values. Self-efficacy functions not only as a psychological factor that encourages performance but also as an ethical mechanism that actively prevents village officials from engaging in fraudulent practices in Village Fund management.

CONCLUSION

Based on the research findings and discussion regarding the influence of self-efficacy, internal locus of control, and village apparatus competence on the prevention of Village Fund fraud, the following conclusions can be drawn:

1. Based on the analysis results, internal locus of control has a positive and significant effect on the prevention of fraud in Village Fund management. This indicates that the stronger the internal locus of control possessed by village officials, the greater their ability to prevent fraud in Village Fund management.
2. Based on the analysis results, village apparatus competence has a positive and significant effect on the prevention of fraud in Village Fund management. This indicates that the higher the level of competence possessed by village officials, the more effective the efforts to prevent fraud in Village Fund management.
3. Based on the analysis results, self-efficacy has a positive and significant effect on the prevention of fraud in Village Fund management. This indicates that the higher the level of self-efficacy possessed by village officials, the greater their ability to prevent fraud in Village Fund management.

RECOMMENDATIONS

1. For the Government of Badung Regency Government

The Government of Badung Regency is advised not to focus solely on improving the individual capacity of government officials, as the coefficient of determination indicates that fraud prevention may still be influenced by factors beyond psychological aspects and competence. This can be achieved by strengthening supervision systems, anti-fraud policies, and internal control mechanisms so that all dimensions causing fraud can be addressed comprehensively.

2. For Village Governments in Badung Regency

Village Governments are encouraged to continuously improve self-efficacy, internal locus of control, and competence, as the descriptive statistical results indicate considerable variation in respondents' answers, suggesting that some officials still possess relatively low levels of self-efficacy, internal locus of control, and competence. This can be achieved through character development and strengthening officials' self-awareness through continuous training and monitoring programs.

3. For Future Researchers

The coefficient of determination in this study indicates that the model was only able to explain part of the variation in Village Fund fraud prevention, and the study was limited to villages within a single regency. Future researchers are encouraged to expand the research scope to other regencies by incorporating additional variables such as internal control systems, organizational culture, individual morality, or whistleblowing.

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