

**Article Type:** Research Paper

# Accountability, transparency, and fraud propensity in village governments: The mediating role of justice

Veri Anang Putra<sup>1\*</sup> and Wahyu Manuhara Putra<sup>2</sup>**AFFILIATION:**

<sup>1</sup>Master of Accounting, Faculty of Economics and Business, Universitas Muhammadiyah Yogyakarta, Yogyakarta, Indonesia

<sup>2</sup>Department of Accounting, Faculty of Economics and Business, Universitas Muhammadiyah Yogyakarta, Yogyakarta, Indonesia

**\*CORRESPONDENCE:**  
verianang@gmail.com

**DOI:** 10.18196/jai.v26i2.25650

**CITATION:**

Putra, V., A., & Putra, W., M. (2025). Accountability, transparency, and fraud propensity in village governments: The mediating role of justice. *Journal of Accounting and Investment*, 26(2), 579-599.

**ARTICLE HISTORY**

**Received:**

23 Jan 2025

**Revised:**

24 Apr 2025

**Accepted:**

26 May 2025



This work is licensed under a Creative Commons Attribution-Non-Commercial-No Derivatives 4.0 International License

**JAI Website:**

**Abstract**

**Research aims:** This study aims to examine the influence of accountability and transparency on fraud propensity in village governments.

**Design/Methodology/Approach:** This research uses a quantitative survey with a sample of 343 village officials from 64 villages in Indonesia using purposive sampling method. Hypothesis testing in this study uses Structural Equation Modeling-Partial Least Squares (SEM-PLS).

**Research findings:** The results of the study indicate that accountability and transparency do not have an effect on the propensity for fraud in village governments. This finding differs from the direct effect results, which show that accountability and transparency do influence justice. Meanwhile, the mediation analysis through the justice variable also shows an insignificant effect.

**Theoretical contribution/ Originality:** This research makes an original contribution by incorporating the concept of justice in the analysis of the relationship between accountability, transparency, and fraud propensity in village governments, extending the literature that has previously focused more on the corporate sector or central government. It also offers a new perspective on how justice strengthens fraud prevention at the village government level.

**Research limitation/Implication:** The theoretical approach used is relevant but not enough to capture all the dynamics that occur in the field related to budget management and government supervision and the use of questionnaires with Social desirability research instruments.

**Keywords:** Accountability; Fraud Propensity; Justice; Transparency

## Introduction

Attention to issues of accountability, transparency, and fairness in village financial management in Indonesia continues to increase along with the implementation of large village funds (Saifuloh, 2023). Under Law No. 6/2014 on Villages, village funds are allocated to support the development of infrastructure, public services, and the local economy. However, with a total allocation of IDR 468.9 trillion from 2015 to 2022, the challenge of effective oversight has been highlighted (Basniwati et al., 2020; Saifuloh, 2023; Wahyuni, 2019).

Several previous studies have examined the relationship between accountability, transparency, and fraud propensity in the public sector. However, most still view the relationship as direct and linear, without considering the existence of social or psychological mechanisms that can affect the relationship (Funck, 2024).

Research that makes justice a mediating variable in the context of village governance, especially in developing countries such as Indonesia, is still very limited. In fact, the concept of justice, both procedural and distributive justice, has an important role in governance. Justice reflects people's perception of equality in decision-making and resource sharing (Colquitt, 2001). When individuals feel they are being treated unfairly, they tend to rationalize fraud as a form of response to a system that is perceived as unfair (Greenberg, 1990). This suggests that fairness has the potential to bridge the relationship between formal instruments such as accountability and transparency and fraud behavior. Therefore, this study seeks to fill this gap by exploring the role of justice as a mediating variable in the relationship between accountability, transparency, and fraud propensity in village government. This approach is expected to strengthen theoretical contributions to the understanding of fraud behavior in the public sector, as well as provide practical recommendations in encouraging more ethical and fair governance at the village level.

Audit reports show systemic cases of misappropriation of village funds, indicating serious governance weaknesses at the village level, most of which involve the village head as the main perpetrator. The Corruption Eradication Commission (KPK) recorded 851 cases of corruption of village funds with 973 perpetrators, half of whom were village heads. The fact that half of the perpetrators of village fund misuse are village heads, suggests a mismatch between the purpose of village fund allocation and the practice on the ground. While 973 cases may seem small compared to the total 74,953 villages in Indonesia, they erode public trust in village governments (Srifridayanti et al., 2024; Tumuhulawa et al., 2024). A report from Transparency International Indonesia states that Indonesia's Corruption Perception Index (CPI) in 2022 remains stagnant at 38 out of 100 (Baldan & Haryanto, 2024; Jasmine et al., 2024). This shows that the challenge of corruption at the government level, including villages, remains a serious issue that has not been resolved. To respond to this situation, in 2021, KPK together with the Ministry of Villages, Development of Disadvantaged Regions, and Transmigration, the Ministry of Home Affairs, and the Ministry of Finance launched the "Anticorruption Village" program aimed at promoting transparency and public oversight in the management of village funds (Rohmah & Faizah, 2024). However, the program is still in its early stages and its effectiveness needs to be further tested.

This research not only contributes theoretically to the study of accountability and transparency, but also offers significant practical contributions in the context of village financial governance in Indonesia. The finding that fairness does not play a significant role as a mediator in the relationship between accountability/transparency and fraud propensity suggests that structural interventions alone are insufficient without an approach that builds a culture of fairness and public ethics. This could be an important input for village governments and relevant ministries in designing more contextualized training and supervision systems. The "Anticorruption Village" program launched by the

KPK and the Ministry of Villages since 2021 is a positive first step towards improving transparency and public oversight. However, the effectiveness of this program is still limited to ceremonial and documentary aspects, without being accompanied by comprehensive capacity building of village officials (Sari & Winarsih, 2023). One of the main implementation challenges is the apparatus' lack of technical understanding of digital reporting systems and cultural resistance to participatory supervision (Maulida & Gunawan, 2022). In this context, this study provides evidence-based insight that encouraging community involvement through the principles of fairness and equitable access to information can be an alternative strategy in strengthening village governance. In addition, the results of this study can also serve as a basis for designing indicators of success for the "Anticorruption Village" program that not only measure administrative outputs, but also measure its impact on fraud behavior at the village level.

Previous research shows the role of transparency and accountability in suppressing fraud practices in the public sector. Aprianto (2024) and Rosidah et al. (2023) found that transparency can increase public trust and encourage public participation in overseeing village budgets, which is expected to reduce the potential for fraud. On the other hand, research by Siregar and Sari (2023) states that transparency alone is not enough to suppress fraud in the village government environment, especially if it is not supported by a strong accountability system and the application of concrete justice. Justice in government means that every policy and decision must pay attention to equality and balance for all people (Akhmaddhian, 2018; Rizqi & Rahmaningsih, 2024). Governments that are committed to justice are usually more trusted by the public, who see that the decisions made are really for the common good, not for certain parties. However, when these principles of accountability, transparency and fairness are not implemented properly, the propensity for fraud (fraud or misuse of public funds) becomes greater. Without strict supervision and adequate accountability mechanisms, opportunities for certain individuals or groups to abuse power and public funds are increasingly wide open. Fraud in government not only harms state finances, but also reduces public trust and creates public dissatisfaction with the government (Devi et al., 2021; Rengganis et al., 2019; Ristianingsih, 2018; Tarjo et al., 2022). Research by Kusumawardhani et al. (2023) shows that transparency in village financial reports significantly reduces the potential for fraud, especially when supported by a participatory reporting system. In the context of fairness, Rahayu and Susanto (2022) found that perceived fairness in the allocation of village funds strengthens public trust and suppresses informal corrupt practices. Furthermore, Wibowo et al. (2024) confirmed that the interaction between transparency and fairness in village governance has a significant impact on the integrity of village officials. Justice serves as an ethical filter in the accountability system, which lowers the intention of individuals to commit fraud despite opportunities. Similar findings were also shown by Nurdin & Darmawan (2023) who emphasized the importance of "perceived justice" in the distribution of village aid to reduce the practice of data manipulation and nepotism. These references confirm that transparency and justice have a close and synergistic relationship in preventing fraud, especially in the village government sector which has structural weaknesses in supervision.

From the Agency Theory perspective, village governments as agents must be responsible for managing public funds on behalf of the community as the principal (Purwanti et al., 2024; Sonbay, 2022). However, the high number of fraud cases shows that financial information disclosure alone is not enough to ensure government accountability. In this case, fairness in the management of village funds is an important element to meet public expectations. Unfortunately, research highlighting fairness as an intervening variable between transparency and fraud propensity is scarce, creating a relevant knowledge gap for further investigation. Although various regulations have been issued to support village financial governance, the high number of village fund corruption cases indicates a weak oversight function. One of the main causes is the limited supervisory capacity of formal institutions, such as regional inspectorates and government internal supervisory apparatus, which are unable to reach all villages routinely and in depth (Indriani & Harahap, 2023). In addition, the practice of top-down supervision without community participation tends to create information inequality, which increases the opportunity for abuse of authority by unscrupulous village officials. In this context, a community-based accountability system is a relevant and sustainable alternative strategy. This system encourages the community as the "principal" to be actively involved in monitoring the use of public funds, through participatory forums such as village meetings, RT/RW-based supervision, and online reporting media (Putri & Sihombing, 2022). When communities have access to information and space to question, challenge, or evaluate village budgets, the room for fraud narrows

Research by Prasetyo and Fauzan (2023) shows that villages that implement a community-based open financial reporting system have lower levels of irregularities and higher public trust. Therefore, strengthening the role of the community in establishing a locally-based social accountability system is an important step in building transparent, ethical, and sustainable governance. This study aims to fill the gap by exploring the role of fairness as an intervening variable in the relationship between transparency and fraud propensity in village governments. Using the Agency Theory, Fraud Tree approach, this study will examine whether transparency supported by the application of justice can be effective in suppressing fraud practices at the village level. This research is expected to make a significant academic contribution to the village financial governance literature. This research also provides a practical contribution to village governance, especially in encouraging the implementation of more meaningful accountability and transparency. The research results can be used as a reference for village officials and supervisory institutions in formulating fraud prevention policies and strategies based on community participation and perceptions of fairness.

## **Literature Review and Hypotheses Development**

Agency theory explains the relationship between two parties principal and agent, the principal entrusts tasks and responsibilities to the agent, who is expected to carry out these tasks in the interests of the principal (Ningsih et al., 2020; Sofia et al., 2023). Without strong oversight from the principal (the community), the agent's actions can be less accountable and transparent. Accountability and transparency serve to ensure local

governments are responsible for the management of public funds provided by the community and provide clear, complete, and easily accessible information to the public (Gulo & Kakisina, 2023; Ningsih et al., 2020).

Good Corporate Governance (GCG) theory emphasizes transparent, accountable, responsible, independent, and equitable governance to prevent irregularities such as fraud (Khumaidi & Niswatin, 2024). These principles form a framework that enables effective oversight and accountability, especially in the management of public resources by local governments that have a mandate to prosper the community. However, the risk of abuse of power remains high when transparency and accountability are not consistently applied. Effective supervision is necessary to minimize fraud opportunities and ensure optimal GCG implementation. For example, local governments are required to provide clear, complete and easily accessible village fund management reports as a form of accountability to the public, thereby increasing public trust in governance. When local governments are involved in fraud, such as corruption or budget manipulation, the public loses trust and support for the institution decreases drastically. Fraud not only harms state finances, but also erodes public trust which is difficult to repair (Mukhlis et al., 2024).

The Fraud Tree is a concept that classifies fraud in organizations into three main categories: corruption, asset misuse, and financial statement fraud. Corruption includes the abuse of authority for personal gain through bribery or conflict of interest, while asset misuse involves cash theft, embezzlement of inventory, and lapping practices (Yunita et al., 2023). Financial statement fraud involves manipulating data to give a false picture, such as income manipulation or delayed deposits. The Fraud Tree helps organizations recognize fraud risks and develop more effective preventive measures. In the context of local government, this concept is particularly relevant to prevent bribery in procurement, misuse of local assets, and manipulation of financial statements. A strict internal control system, high transparency, and continuous supervision are needed to create accountable and fraud-free financial governance (Fatimah & Pramudyastuti, 2022).

Strong accountability can reduce opportunities for fraud, as every action must be accounted for in public. With transparency, information related to budget management is provided openly to the public, so that opportunities for fraud are narrowed due to external supervision. Fairness in the management of public funds can also reduce the pressures and rationalizations that encourage fraud, because individuals who feel they are treated fairly and have equal access to resources tend to have lower pressure to act fraudulently. Accountability in local government has a very important role in building public trust and creating good governance. According to Bovens (2007), accountability is the ability of an institution to account for actions taken to the public or other stakeholders. Accountability not only functions as an administrative mechanism, but also as a social control that can prevent abuse of power and corruption (Firmansyah & Syam, 2021). Justice in public policy in local government is closely related to the equitable distribution of benefits and burdens among the community (Purbaningrum & Adinugraha, 2024). Hayek and Shearmur (2022) reveal that justice is a basic principle for creating order and equality in society. This supports agency theory emphasizing the importance of

control mechanisms for the community as "principals" to ensure that the government as an "agent" carries out its duties responsibly and does not abuse the authority given. Based on the explanation above, the researcher concludes the following hypothesis:

***H<sub>1</sub>: Accountability has a positive effect on justice.***

Strong accountability in the local government environment is believed to reduce the propensity for fraud to occur. A strict accountability mechanism can narrow the space for agents to abuse authority due to transparency and demands to be accountable to the community. This is in line with the concepts outlined in agency theory. This is supported by research conducted by Okafor et al. (2020) , which found that a strong accountability structure limits access and opportunities for officials to commit fraud by reducing the space for actions that are not in accordance with the rules. Research by Funck (2024) supports this by showing that accountability can foster a culture that encourages honesty and openness in public management, which in turn narrows opportunities for fraud. This shows that strengthening accountability in local government can be an effective strategy in creating governance that is more transparent, responsible, and free from fraud. Based on the explanation above, the researcher concludes the following hypothesis:

***H<sub>2</sub>: Accountability has a negative effect on fraud propensity.***

Justice in the context of government, which includes distributive justice and procedural justice, can minimize the risk of fraud by building a transparent and equitable system for all stakeholders. The existence of justice felt by the community, local governments will be more respected and trusted, so that officials tend to feel responsible to act ethically and avoid fraudulent behavior. A fair environment, where public policies and resources are managed equally and transparently, tends to reduce the "pressure" that can encourage individuals to commit fraud. Justice that is consistently applied can suppress fraud propensity as described in the Fraud Tree, by reducing opportunities for corruption, misuse of assets, and manipulation of financial statements. According to research conducted by Murphy and Free (2016), justice in the distribution and implementation of public policies creates a conducive work atmosphere and reduces internal pressure to commit fraud (Okafor et al., 2020) . Enforcement of fairness in local governance can increase the integrity of public officials and create a more transparent environment, thereby preventing fraud behavior more effectively. Based on agency theory, fraud triangle, and previous research findings, the following hypothesis can be concluded:

***H<sub>3</sub>: Justice has a negative effect on fraud propensity.***

Transparency plays an important role in promoting fairness in an organization (Pabubung, 2021; Putri et al., 2021) . Access to clear and open information, transparency helps minimize the information gap between management and other stakeholders. Based on previous research, transparency not only facilitates the oversight process but also

strengthens public trust and enhances accountability, all of which contribute to a sense of justice. Based on the concept of agency theory, ensuring transparency, not only obtains stronger governance, but also creates a more just and accountable environment for society (Zwalf, 2022). Based on the explanation above, the following hypothesis is drawn:

***H<sub>4</sub>: Transparency has a positive effect on justice.***

Transparency promotes accountability and public scrutiny, which reduces the room for individuals or groups within local government to abuse authority or manipulate data for personal gain. From an agency theory perspective, information disclosure reduces opportunities for government employees to commit fraudulent acts, as they are publicly monitored. Based on previous research, the implementation of transparency has consistently shown positive results in reducing fraud rates in various government agencies. For example, research by Yunita et al. (2023) states that information disclosure reduces fraud opportunities because all data can be accessed and audited by the public. When justice is not realized, individuals or groups who feel aggrieved are more likely to engage in fraudulent acts as a form of compensation or protest against a system that is considered unfair. Another study by Handayani et al. (2024) also confirms that accountability generated by transparency plays an important role in maintaining the integrity of public institutions. Thus, the following conclusions can be drawn:

***H<sub>5</sub>: Transparency has a negative effect on fraud propensity.***

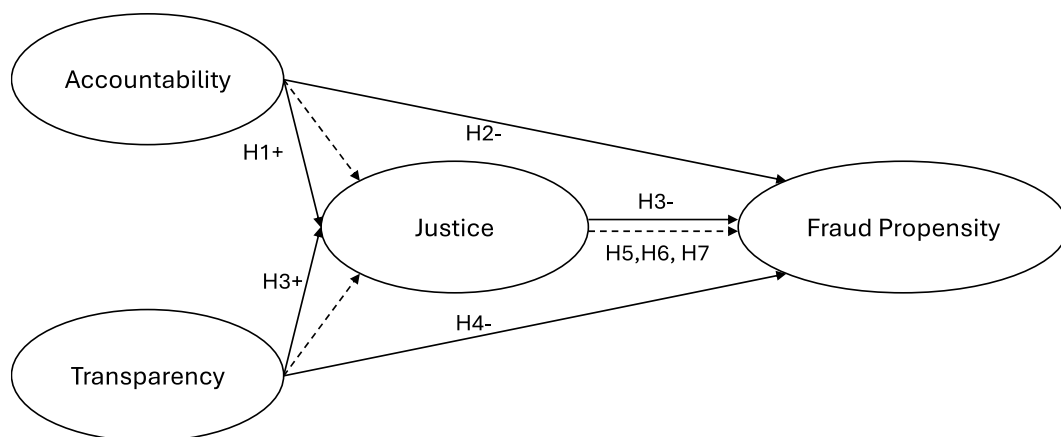
Accountability has a significant influence in reducing fraud propensity, especially through justice mechanisms in local government. High accountability, which requires the government to be responsible for the actions and decisions taken, creates a sense of justice among the people. Justice creates an atmosphere where individuals are treated equally and feel valued, thus reducing the motivation to commit fraudulent acts. In agency theory, justice serves to reduce conflicts of interest between local governments as agents and the public as principals. Research by Nakitende et al. (2024) shows that organizations that apply strong principles of fairness and accountability tend to have lower fraud rates, because employees feel involved and valued in the decision-making process. From a GCG perspective, transparency creates openness of information related to policies, budgets and decisions, so that the public can monitor and assess government management objectively. When transparency is implemented, opportunities to hide irregularities are reduced, as every action of the government can be monitored by the public. Thus, justice is an important element that strengthens the relationship between accountability and reducing fraud propensity, because justice encourages awareness to act in accordance with ethics and the public interest. So the hypothesis is concluded as follows:

***H<sub>6</sub>: Justice mediates the relationship between accountability and fraud propensity.***

When government is monitored and clearly understood by the public, public trust in government tends to increase. This transparency that builds fairness is a natural deterrent to fraud, as individuals feel bound to ethical norms and greater social responsibility. When employees feel in a fair and open work environment, the pressure to commit fraudulent acts decreases, they do not feel the need to get around a system that is considered unfair. Previous research, as stated by Adil (2022) and Antoni et al. (2021), show that openness and fairness play an important role in creating a fraud-free work environment, as they strengthen individuals' ethical awareness and reduce the gaps that allow fraudulent acts to occur.

**H<sub>7</sub>:** *Justice mediates the relationship between transparency and fraud propensity.*

Based on the ideas, a research model was developed and is depicted in Figure 1.



**Figure 1** Research Model

## Research Method

This study uses a quantitative approach using a survey by distributing questionnaires to respondents. The sample for this study consisted of 343 village officials spread across 64 villages in Indonesia, precisely on the island of Java (Gunungkidul, Bantul, Sleman, Kulon Progo, Pekalongan, Klaten, Temanggung, Pemalang) and the island of Sumatra (Siak, Riau). In measuring the minimum sample size, this research used power analysis with G\* Power. The minimum sample size is 77. Thus, the number of samples obtained meets the required minimum sample size. Table 1 presents the demographic results of the respondents.

The questionnaire instrument in this study was prepared based on the development of instruments that have been used in previous studies. Measurement of accountability and transparency variables is adapted from the indicators used by Rowa and Arthana (2019), while the justice variable refers to the dimensions of procedural and distributive justice from Colquitt (2001). Measurement of fraud propensity is adapted from research by



Zulaikha and Hadiprajitno (2016). All questionnaire items have been adjusted editorially and contextually to be relevant to the conditions of village government in Indonesia.

**Table 1** Demographic of Respondents

Category	Location	Description	Count	Percentage (%)
Gender	Java Island	Male	197	57.43
		Female	76	22.16
	Sumatra Island	Male	47	13.70
		Female	23	6.71
	Total Respondents		343	100
Age	Java Island	< 25 years old	14	4.08
		26-35 years old	49	14.29
		> 45 years old	210	61.22
	Sumatra Island	< 25 years old	3	0.87
		26-35 years old	38	11.08
		> 45 years old	29	8.45
	Total Respondents		343	100
Education	Java Island	Junior High School	6	1.75
		Senior High School	102	29.74
		Diploma	120	34.99
		Bachelor / Master	45	13.12
	Sumatra Island	Junior High School	0	0
		Senior High School	27	7.87
		Diploma 3	8	2.33
		Bachelor / Master	35	10.20
	Total Respondents		343	100
Length of Work	Java Island	< 5 years	77	22.45
		5-10 years	81	26.62
		> 10 years	100	29.15
	Sumatra Island	< 5 years	35	10.20
		5-10 years	35	10.20
		> 10 years	15	4.37
	Total Respondents		343	100

The common method variance (CMV) test using Harman's Single Factor technique was carried out in order to ensure that the format of the questionnaire filling scale did not contain bias, confusion, and ambiguity. In addition, the CMV test is carried out by evaluating that no latent factor has a value > 50% (Guenther et al., 2023; Kuo et al., 2022). The CMV test results show a percentage of 24.64% < 50%, meaning that the data is free from possible bias. This study uses a data analysis method using SmartPLS software. PLS (Partial Least Square) is a variant-based structural equation analysis (SEM) that can simultaneously test the measurement model and test the structural model (Becker et al., 2023; Memon et al., 2021). The measurement model is used for validity and reliability tests, while the structural model is used for causality testing (hypothesis testing with prediction models) (Puteri & Wijayangka, 2020). The objectives of using PLS in this study include PLS (Partial Least Square) is a data analysis method based on the assumption that the sample does not have to be large, namely the number of samples less than 100 can be analyzed, and residual distribution. Another goal, PLS (Partial Least Square) allows the

algorithm to use ordinary least square (OLS) series analysis so that the calculation efficiency of the algorithm is obtained (Abdillah & Hartono, 2015; Ghozali & Latan, 2015).

## Result and Discussion

### Satatistic Descriptive

Based on the descriptive statistics in Table 2, all variables in this study consist of 343 respondents. Theoretically, the Accountability variable has a score range of 3 to 15, with actual values ranging from 6 to 15, an average of 10.5, and a standard deviation of 1.139. The Transparency variable has a theoretical range of 4 to 20, with actual scores between 8 and 20, an average of 14, and a standard deviation of 1.824. Meanwhile, the Justice variable has a theoretical range of 3 to 15, with actual scores ranging from 6 to 15, an average of 10.5, and a standard deviation of 0.968. Lastly, the Fraud Propensity variable has a theoretical range of 5 to 25, with actual values between 10 and 25, an average of 17.5, and the highest standard deviation of 3.899. These results indicate that all variables have a reasonably good data distribution and fall within their respective theoretical ranges.

**Table 2** Statistic Descriptive

Variables	N	Theoretical Range			Actual Range			Std. Deviation
		Min	Max	Mean	Min	Max	Mean	
Accountability	343	3	15	9	6	15	10.50	1.139
Transparency	343	4	20	12	8	20	14.00	1.824
Justice	343	3	15	9	6	15	10.50	0.968
Fraud Propensity	343	5	25	15	10	25	17.50	3.899

### Assessing the Measurement Model

In testing using PLS-SEM, first the validity and reliability tests are carried out. Validity in this context is divided into two, convergent validity and discriminant validity. Convergent validity by looking at the results of the outer loading and AVE values, in Table 3 the results of convergent validity are presented, from the table it can be concluded that the results of convergent validity have been met because they are more than 0.7 (Hair et al., 2019).

**Table 3** Outer Loading

Construct	Initial Model	Modification 1
Accountability – AVE= 0.734		
AC1	0.913	0.915
AC2	0.343	-
AC3	0.796	0.794
Transparency – AVE= 0.565		
TR1	0.686	0.686
TR2	0.836	0.836
TR3	0.791	0.791
TR4	0.681	0.681
Justice – AVE= 0.706		

**Table 3** Outer Loading (cont')

Construct	Initial Model	Modification 1
JS1	0.853	0.853
JS2	0.886	0.886
JS3	0.779	0.779
Fraud Propensity – AVE= 0.509		
FP1	0.775	0.772
FP2	0.652	0.661
FP3	0.551	0.547
FP4	0.808	0.808
FP5	0.743	0.747

Next is to see the results of the discriminant validity using the fornell-lacker results. Discriminant validity is declared to have been met or valid if the results of the AVE root value have the highest correlation results on themselves than their correlation with other constructs (Hair et al., 2019). So it can be concluded, in Table 4 which shows valid results.

**Table 4** Discriminant Validity - Fornell-Lacker

	Accountability	Justice	Fraud propensity	Transparency
Accountability	<b>0.857</b>			
Justice	0.436	<b>0.840</b>		
Fraud propensity	-0.156	-0.121	<b>0.713</b>	
Transparency	0.467	0.575	-0.148	<b>0.752</b>

Furthermore, from the measurement of the model, it is necessary to see the results of the construct reliability by considering the results of cronbach alpha and composite reliability. The value of cronbach alpha and composite reliability must be more than 0.6. Based on Table 5, the results have been met.

**Table 5** Cronbach's Alpha and Composite Reliability

	Cronbach's Alpha	Composite Reliability
Accountability	0.651	0.846
Justice	0.790	0.878
Fraud propensity	0.759	0.836
Transparency	0.745	0.837

### Assessing the Structural Model

The Adjusted R-Square or  $R^2$  value for each latent variable is used to evaluate the predictive power of the structural model (Guenther et al., 2023). A higher Adjusted R-Square value indicates a stronger ability of the model to explain the variance in the dependent variable.

As shown in Table 6, the R-Square value for the Justice variable is 0.366, indicating that 36.6% of the variance in Justice can be explained by the independent variables included in the model. The remaining 63.4% is influenced by other factors not examined in this study. The corresponding Adjusted R-Square value is 0.363, which accounts for the

number of predictors in the model and confirms the model's reasonably good predictive accuracy for this variable.

In contrast, the Fraud Propensity variable has an R-Square value of only 0.032, with an Adjusted R-Square of 0.023. This suggests that the independent variables included in the model can explain only 2.3% of the variance in Fraud Propensity, while the remaining 97.7% is attributable to other factors not considered in this research..

**Table 6** R-Square dan Adjusted R-Square Values

	R-Square	Adjusted R Square
Justice	0,366	0,363
Fraud propensity	0,032	0,023

Based on the results presented in Table 7, only two hypotheses are supported, while the rest are not. The direct effect of accountability on justice (H1) is supported with a coefficient of 0.214, t-statistic of 3.784, and a p-value of 0.000, indicating a significant positive relationship. Similarly, transparency significantly influences justice (H4) with a coefficient of 0.475, t-statistic of 8.598, and a p-value of 0.000, confirming a strong and significant effect. However, the effect of accountability on fraud propensity (H2), justice on fraud propensity (H3), and transparency on fraud propensity (H5) are all statistically insignificant, as indicated by p-values greater than 0.05, rendering these hypotheses unsupported. Furthermore, both indirect effects—accountability through justice to fraud propensity (H6) and transparency through justice to fraud propensity (H7)—are also unsupported due to low t-statistics and non-significant p-values. These findings suggest that while accountability and transparency influence perceptions of justice, they do not have a significant direct or mediated impact on the propensity to commit fraud in this model.

**Table 7** Hypothesis Testing

Hypothesis		Coefficient	t-statistics	P-Value	Conclusion
<b>Direct Effect</b>					
Accountability → Justice	H <sub>1</sub>	0.214	3.784	0.000	Supported
Accountability → Fraud propensity	H <sub>2</sub>	-0.105	1.540	0.062	Unsupported
Justice → Fraud propensity	H <sub>3</sub>	-0.027	0.316	0.376	Unsupported
Transparency → Justice	H <sub>4</sub>	0.475	8.598	0.000	Supported
Transparency → Fraud propensity	H <sub>5</sub>	-0.083	1.062	0.144	Unsupported
<b>Indirect Effect</b>					
Accountability → Justice → Fraud propensity	H <sub>6</sub>	-0.006	0.316	0.376	Unsupported
Transparency → Justice → Fraud propensity	H <sub>7</sub>	-0.013	0.312	0.377	Unsupported

### **The Effect of Accountability on Justice**

The results showed that accountability has a positive and significant effect on justice. This means that the higher the level of accountability implemented by the village government, the greater the public perception of justice in governance. Accountability reflects responsibility and openness in the implementation of government duties, especially in the management of public funds. When village officials are able to account for budgets, decisions, and policies openly, the community feels that the process is not detrimental to one particular party. This is in accordance with the Agency Theory perspective that with accountability, it is easier for the community to understand and oversee budget allocations, policies, and actions taken by village officials, so that they feel that the decisions made reflect common needs rather than personal interests or certain groups. In addition, this is also consistent with previous research which explains that justice in village government also increases through community involvement in the decision-making process (Friedman et al., 2020) .

### **Accountability to fraud propensity**

The results of this study indicate that accountability is not proven to have a significant negative effect on the propensity for fraud in village government, although in Agency Theory and Fraud Tree theory it is expected that this negative relationship can be found. Previous research such as that conducted by Rosidah et al. (2023) and Mangopa et al. (2024) state that accountability plays an important role in reducing fraud by increasing transparency and supervision, thereby reducing opportunities to commit fraudulent acts. Despite efforts to increase accountability, such as budget reporting and regular audits, accountability does not sufficiently reduce fraud propensity in practice. One possible reason is that there are weaknesses in the implementation of ineffective supervision or control at the village level, which makes accountability have no significant impact on fraud behavior (Arthana, 2019; Basri et al., 2021) . In addition, weaknesses in internal control systems and a low understanding of ethics or responsibility can also facilitate fraud behavior, although accountability is expected to reduce it.

### **The effect of justice on fraud propensity**

These results suggest that fairness, while important, is not sufficient to directly reduce fraud propensity in the context of village governance. Previous research, such as that conducted by (Rendtorff, 2020; Suchman, 1995) in Fraud Tree emphasizes the importance of fairness in obtaining and maintaining the legitimacy of an organization or government. Fairness in resource distribution and decision-making is expected to increase public trust in village governments and reduce the potential for fraud (Arifin, 2024) . fairness is a principle that emphasizes the distribution of rights and obligations proportionally, without discrimination, and guarantees equal access to resources. However, in practice, the application of fairness principles in village governments may not be effective if it is not supported by other GCG principles, such as transparency and accountability. Previous research, such as that conducted by (Rendtorff, 2020; Suchman, 1995) in GCG,

emphasizes the importance of fairness in obtaining and maintaining the principle of ensuring equitable access to the organization or government.

### **Effect of Transparency on Fairness**

The results of this study indicate that transparency has a significant positive effect on perceptions of fairness in the management of village funds. When the village government is open in financial management, people tend to feel more fair and satisfied because they have access to understand and oversee the use of public funds. This finding is consistent with research by Sofyani and Tahar (2021) which states that transparency in village government budget reporting can reduce public dissatisfaction and increase perceptions of fairness. In the Agency Theory perspective, transparency can encourage village government accountability, and strengthen the relationship between the village government and the community. GCG provides an understanding that people tend to see village governments that are open and trustworthy, as a form of commitment to the values of fairness. A study by Arianti and Deviani (2024) shows that transparent villages have higher levels of trust from the community and reinforces the results of this study. Thus, transparency not only impacts perceptions of fairness, but is also an important foundation for the legitimacy and sustainability of positive relationships between village governments and their citizens.

### **The Effect of Transparency on Fraud Proneness**

The results of this study reveal that transparency does not have a statistically significant effect in reducing fraud propensity in village governments. This indicates that transparency, although important, is not yet a strong enough factor to directly suppress the propensity for fraud. In line with previous research, Fajrin et al. (2022) also found that although the village government has been open in budget management, it does not automatically prevent fraud. Within the GCG framework, transparency can reduce opportunities for fraud by providing access to the public to oversee fund management. However, the insignificant effect of transparency can occur if information disclosure is only a formality or administrative, without adequate accessibility and effective follow-up. Transparency is still influenced by other factors beyond information disclosure itself.

### **The effect of accountability on fraud propensity through justice**

This study shows that accountability does not have a significant influence in reducing fraud propensity in village governments through aspects of justice. Formal accountability does not automatically suppress fraud propensity if it is not supported by supervisory mechanisms and strengthening deeper ethics. From a GCG perspective, although accountability can suppress the "opportunity" for fraud, other aspects still play a major role in encouraging fraud practices, especially the weak implementation of the principle of accountability, the lack of community supervision, or the low integration between accountability reporting and evaluation of fairness in the management of village funds. This can be because the value of fairness has not yet become a culture within the village bureaucracy, or because the community has not been sufficiently empowered to demand

fairness in budget implementation. Under these conditions, fraud is still possible even if the government shows an open and procedurally fair attitude. This shows that fair and accountable village financial management requires the support of a stronger monitoring system and a holistic approach to truly reduce the potential for fraud

### **Transparency on fraud propensity through fairness**

This study found that fairness is not strong enough to be the link between transparency and fraud propensity in village governments. In the context of Agency Theory, transparency is to oversee village governments (agents) in managing public funds, with fairness as the outcome of such openness (Sonbay, 2022). However, transparency and fairness alone, are not strong enough to reduce the potential for fraud if not accompanied by tighter control and supervision. Under GCG, fairness should act as an integrative aspect that ensures that resources are distributed and decisions are made proportionally. Its role as a link between transparency and fraud propensity requires stronger support from other aspects of governance, such as effective oversight, well-planned risk management, and commitment to legal and ethical compliance. Without comprehensive integration, fairness may not be sufficient to significantly reduce fraud propensity in village governments. This result is in line with research by Sulastri (2014) in Rahayu and Ekasari (2021), which also states that transparency without being supported by a real sense of justice has not been effective in reducing fraud rates.

## **Conclusion**

Based on the results of the study, accountability, transparency, fairness and fraud propensity in village government using the Agency Theory, Good Corporate Governance and Fraud Tree approaches prove that accountability can increase public trust through close supervision between the village government and the community, which serves to reduce the risk of conflicts of interest. Transparency and fairness play an important role in maintaining village government governance, building a positive image, and increasing sustainable social support. Meanwhile, the Fraud Tree identifies that fraud in village government is often triggered by corruption, misuse of assets, and fraudulent financial reports, which can be suppressed by a fair management system and good accountability. justice does not have a significant influence as an intermediary in suppressing fraud practices. This means that although the village government has opened access to budget information and the use of funds to the public, the justice that is expected to arise from this transparency and accountability has not been able to effectively reduce the risk of fraud.

The theoretical and practical implications of this research are that it can be an additional reference for further research related to a more extensive discussion and improve inconsistencies in previous studies which are factors that trigger fraud propensity in village governments. The existence of this research is also expected that the village government and the Government in Indonesia can improve service quality and strengthen accountability and transparency in budget management and decision making in order to

reduce the potential for fraud. Village governments can implement a more open reporting system and conduct training on reporting, transparency, and involve the community in village transparency forums.

This study has several limitations, namely the theoretical approach used is relevant but not enough to capture all the dynamics that occur in the field related to budget management and government supervision and the use of questionnaires with Social desirability research instruments. Suggestions for future research add other theories such as Institutional Theory or Behavioral Theory, to capture other aspects of behavior and policies that affect accountability and fraud, conduct research with mixed methods to strengthen more measurable results and generalization, and further explore cultural and socio-economic factors that may affect transparency and fraud propensity at the village level and add other variables such as leadership, and work ethics.

## References

- Abdillah, W., & Hartono, J. (2015). Partial Least Square (PLS) Alternatif Structural Equation Modeling (SEM) Dalam Penelitian Bisnis. *Yogyakarta: Penerbit Andi*, 22, 103-150.
- Adil, M. (2022). Accountability and Transparency in the Public and Private Sector. *International Journal of Humanities Education and Social Sciences*, 1(6). <https://doi.org/10.55227/ijhess.v1i6.167>
- Akhmaddhian, S. (2018). Asas-Asas dalam Penyelenggaraan Pemerintahan yang Baik untuk Mewujudkan Good Governance. *LOGIKA: Jurnal Penelitian Universitas Kuningan*, 9(01), 30-38.
- Antoni, R., Diah, E., & Mansur, F. (2021). Faktor Faktor Yang Mempengaruhi Terjadinya Kecendrungan Kecurangan (Fraud) Di Sektor Pemerintahan (Studi Empiris Pada Dinas-Dinas Di Provinsi Jambi). *Jambi Accounting Review (JAR)*, 2(1), 1-13. <https://doi.org/10.22437/jar.v2i1.17247>
- Aprianto, M. T. P. (2024). Korupsi dan Budaya. *Korupsi dari Berbagai Perspektif*, 37.
- Arianti, D. Y., & Deviani, D. (2024). Pengaruh Good Governance dalam Pengelolaan Dana Desa Terhadap Kepercayaan Masyarakat: Suatu Persepsi dari Masyarakat di Kecamatan Pantai Cermin. *Jurnal Eksplorasi Akuntansi*, 6(1), 17-28. <https://doi.org/10.24036/jea.v6i1.1143>
- Arifin, F. (2024). Optimalisasi Pengelolaan Keuangan dan Aset Desa dalam Rangka Meningkatkan Efektivitas Pemerintahan Desa. *Jurnal Ilmiah Hukum dan Hak Asasi Manusia*, 4(1), 35-46.
- Arthana, I. K. (2019). Analisis faktor-faktor terjadinya kecurangan (fraud) dalam pengelolaan dana desa pada Kecamatan Amabi Oefeto Timur. *Jurnal Akuntansi: Transparansi Dan Akuntabilitas*, 7(1), 35-43. <https://doi.org/10.35508/jak.v7i1.1302>
- Baldan, K., & Haryanto, H. (2024). Pengaruh Hasil Pemeriksaan Pemerintah Terhadap Tingkat Korupsi Daerah di Jawa Tengah (Studi Empiris pada Pemerintah Kabupaten dan Kota di Jawa Tengah Tahun 2017-2022). *Diponegoro Journal of Accounting*, 13(3).
- Basniwati, A., Kaharuddin, K., & Jayadi, H. (2020). Penyuluhan Hukum Tentang Pemerintahan Desa Di Desa Pringgabaya Lombok Timur. *Jurnal Risalah Kenotariatan*, 1(2). <https://doi.org/10.29303/risalahkenotariatan.v1i2.12>
- Basri, Y. M., Fadilla, O., & Azhar, A. (2021). Determinants of Fraud in the Village Government: The Pentagon's Fraud Perspective. *Journal of Accounting Research, Organization and Economics*, 4(2), 173-187. <https://doi.org/10.24815/jaroe.v4i2.21037>



- Becker, J.-M., Cheah, J.-H., Gholamzade, R., Ringle, C. M., & Sarstedt, M. (2023). PLS-SEM's most wanted guidance. *International Journal of Contemporary Hospitality Management*, 35(1), 321-346. <https://doi.org/10.1108/IJCHM-04-2022-0474>
- Bovens, M. (2007). Analysing and assessing accountability: A conceptual framework 1. *European law journal*, 13(4), 447-468. <https://doi.org/10.1111/j.1468-0386.2007.00378.x>
- Colquitt, J. A. (2001). On the dimensionality of organizational justice: A construct validation of a measure. *Journal of Applied Psychology*, 86(3), 386-400. <https://doi.org/10.1037/0021-9010.86.3.386>
- Devi, P. N. C., Widanaputra, A. A. G. P., Budiasih, I., & Rasmini, N. K. (2021). The effect of fraud Pentagon theory on financial statements: Empirical evidence from Indonesia. *The Journal of Asian Finance, Economics and Business*, 8(3), 1163-1169.
- Fajrin, F., Fahrul, H., & Suwandi, M. (2022). Good Village Governance: Mencegah Fraud Pengelolaan Keuangan Dana Desa Melalui Aplikasi SISKEUDES. *ISAFIR: Islamic Accounting and Finance Review*, 3(2), 172-186. <https://doi.org/10.24252/isafir.v3i2.30920>
- Fatimah, K., & Pramudyastuti, O. L. (2022). Analisis Peran Audit Internal Dalam Upaya Pencegahan Dan Pendeteksian Kencenderungan Kecurangan Akuntansi (Fraud). *Jurnal Ilmiah Akuntansi Dan Bisnis*, 7(2), 235-243. <https://doi.org/10.38043/jiab.v7i2.3794>
- Firmansyah, V. Z., & Syam, F. (2021). Penguatan Hukum Administrasi Negara Pencegah Praktik Korupsi dalam Diri Pemerintahan Indonesia. *Integritas: Jurnal Antikorupsi*, 7(2), 325-344. <https://doi.org/10.32697/integritas.v7i2.817>
- Friedman, R. S., Rhodes, J. R., Dean, A. J., Law, E. A., Santika, T., Budiharta, S., Hutabarat, J. A., Indrawan, T. P., Kusworo, A., & Meijaard, E. (2020). Analyzing procedural equity in government-led community-based forest management. *Ecology and Society*, 25(3). <https://doi.org/10.5751/ES-11710-250316>
- Funck, E. K. (2024). Management Control Under Post - NPM: Replacing Performance Evaluation With Trust - Based Management. *Financial Accountability & Management*. <https://doi.org/10.1111/faam.12420>
- Ghozali, I., & Latan, H. (2015). Partial Least Squares Konsep, Teknik Dan Aplikasi Menggunakan Program Smartpls 3.0 Untuk Penelitian Empiris. *Semarang: Badan Penerbit UNDIP*, 4(1).
- Greenberg, J. (1990). Organizational justice: Yesterday, today, and tomorrow. *Journal of management*, 16(2), 399-432. <https://doi.org/10.1177/014920639001600208>
- Guenther, P., Guenther, M., Ringle, C. M., Zaefarian, G., & Cartwright, S. (2023). Improving PLS-SEM use for business marketing research. *Industrial Marketing Management*, 111, 127-142. <https://doi.org/10.1016/j.indmarman.2023.03.010>
- Gulo, K. E., & Kakisina, S. M. (2023). Akuntabilitas Pengelolaan Dana Desa. *Jurnal Akuntansi, Manajemen Dan Ekonomi*, 2(1), 39-43. <https://doi.org/10.34152/emba.v1i1.444>
- Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. *European business review*, 31(1), 2-24. <https://doi.org/10.1108/EBR-11-2018-0203>
- Handayani, D. N., Herianti, E., & Priharta, A. (2024). Pengaruh Prinsip Good Governance, Proactive Fraud Audit Dan Whistleblowing System Terhadap Pencegahan Fraud Dalam Pengelolaan Bantuan Operasional Sekolah (BOS)(Studi Empiris Pada Smp Negeri Di Kabupaten Kudus). *Innovative: Journal Of Social Science Research*, 4(4), 6130-6151.
- Hayek, F. A., & Shearmur, J. (2022). *Law, legislation, and liberty: a new statement of the liberal principles of justice and political economy*. Routledge. <https://doi.org/10.4324/9781003320777>

- Indriani, Y., & Harahap, R. (2023). Pengawasan dana desa: Tantangan dan peran inspektorat daerah dalam mencegah fraud. *Jurnal Bina Pemerintahan*, 9(1), 87–101.
- Jasmine, T., Rahma, A. A., Rahmat, D., Buchori, R. I., Anata, Y., & Yuningsih, N. Y. (2024). Perbandingan Penerapan Good Governance dalam Pemberantasan Korupsi di Indonesia-Filipina. *Madani: Jurnal Ilmiah Multidisiplin*, 2(4).
- Khumaidi, K., & Niswatin, N. (2024). Strategi Pengelolaan Bumdes Durensewu Dalam Pendekatan Good Corporate Governance The Management Strategy Of Bumdes Durensewu Through A Good Corporate Governance Approach. *Trivikrama: Jurnal Ilmu Sosial*, 4(12), 111-120.
- Kuo, C.-C., Ni, Y.-L., Wu, C.-H., Duh, R.-R., Chen, M.-Y., & Chang, C. (2022). When can felt accountability promote innovative work behavior? The role of transformational leadership. *Personnel Review*, 51(7), 1807-1822. <https://doi.org/10.1108/PR-03-2021-0174>
- Kusumawardhani, D., Maulida, N., & Santoso, A. (2023). Transparency and fraud prevention in village financial management: Evidence from Indonesia. *Jurnal Tata Kelola & Akuntabilitas Keuangan Negara*, 9(2), 134–149.
- Mangopa, Y., Tuli, H., & Wuryandini, A. R. (2024). Pengendalian Internal dan Transparansi terhadap Pencegahan Fraud: Studi Kasus pada Inspektorat Kabupaten Gorontalo. *Al-Kharaj: Jurnal Ekonomi, Keuangan & Bisnis Syariah*, 6(10), 6636–6652-6636–6652. <https://doi.org/10.47467/alkharaj.v6i10.3026>
- Maulida, N., & Gunawan, A. (2022). Kesiapan aparat desa terhadap program digitalisasi pengawasan keuangan: Studi kasus program Desa Antikorupsi. *Jurnal Ilmu Pemerintahan*, 10(1), 44–58.
- Memon, M. A., Ramayah, T., Cheah, J.-H., Ting, H., Chuah, F., & Cham, T. H. (2021). PLS-SEM statistical programs: a review. *Journal of Applied Structural Equation Modeling*, 5(1), 1-14. [https://doi.org/10.47263/JASEM.5\(1\)06](https://doi.org/10.47263/JASEM.5(1)06)
- Mukhlis, M. M., Balebo, P. M., Syarifuddin, A., & Tajuddin, M. S. (2024). Limitasi Demokrasi Hak Presiden dalam Kampanye Politik Sebagai Penguatan Sistem Pemilihan Umum. *Jurnal Pembangunan Hukum Indonesia*, 6(2), 260-280.
- Murphy, P. R., & Free, C. (2016). Broadening the fraud triangle: Instrumental climate and fraud. *Behavioral Research in Accounting*, 28(1), 41–56. <https://doi.org/10.2308/bria-51083>
- Nakitende, M. G., Rafay, A., & Waseem, M. (2024). Frauds in business organizations: A comprehensive overview. *Research Anthology on Business Law, Policy, and Social Responsibility*, 848-865. <https://doi.org/10.4018/979-8-3693-2045-7.ch045>
- Ningsih, W., Arza, F. I., & Sari, V. F. (2020). Analisis Akuntabilitas Pengelolaan Alokasi Dana Desa. *Jurnal Eksplorasi Akuntansi*, 2(4), 3517-3532. <https://doi.org/10.24036/jea.v2i4.300>
- Nurdin, A., & Darmawan, R. (2023). Justice and transparency in the distribution of village aid: Empirical insights from South Sulawesi. *Indonesian Journal of Public Administration*, 10(3), 214–228.
- Okafor, O. N., Adebisi, F. A., Opara, M., & Okafor, C. B. (2020). Deployment of whistleblowing as an accountability mechanism to curb corruption and fraud in a developing democracy. *Accounting, Auditing & Accountability Journal*, 33(6), 1335-1366. <https://doi.org/10.1108/AAAJ-12-2018-3780>
- Pabubung, M. R. (2021). Transparansi: Instrumen Menghadapi Korupsi Pengadaan Dana Desa. *Journal of Politics and Government*, 3(2). <https://doi.org/10.22146/polgov.v3i2.3526>
- Prasetyo, E., & Fauzan, M. (2023). Masyarakat sebagai pengawas: Studi pada implementasi akuntabilitas sosial di desa-desa Jawa Timur. *Jurnal Ilmu Sosial dan Pemerintahan*, 7(1), 22–36.

- Purbaningrum, D., & Adinugraha, H. H. (2024). Transformasi Kebijakan Publik Menyiasati Ketidaktepatan Sasaran Bantuan Sosial Di Desa Pringsurat Untuk Kesejahteraan Masyarakat Yang Lebih Baik. *Jurnal Pembangunan dan Kebijakan Publik*, 15(2), 31-44. <https://doi.org/10.36624/jpkp.v15i2.116>
- Purwanti, L., Triyuwono, I., Ichsan, M., Ramadhani, F. N., & Arief Effendi, S. (2024). Formal-cultural accountability: a [new] paradigm of public accountability. *Cogent Social Sciences*, 10(1), 2297756. <https://doi.org/10.1080/23311886.2023.2297756>
- Puteri, I. R., & Wijayangka, C. (2020). Analisis Penerimaan Teknologi Dompot Digital Pada Umkm Di Kota Bandung. *Journal Of Applied Business Administration*, 4(2), 115-123. <https://doi.org/10.30871/jaba.v4i2.2119>
- Putri, A. A. A., Sudiana, I. W., & Putra, I. P. D. S. (2021). Pengaruh akuntabilitas, transparansi, partisipasi masyarakat terhadap pemberdayaan masyarakat dalam pengelolaan dana desa pada Desa Songan B kecamatan Kintamani kabupaten Bangli. *Hita Akuntansi Dan Keuangan*, 2(2), 258-280. <https://doi.org/10.32795/hak.v2i2.1543>
- Putri, N. D., & Sihombing, R. (2022). Community-based accountability to strengthen village transparency and reduce corruption risks. *Journal of Local Governance*, 6(2), 41–55.
- Rahayu, F., & Ekasari, L. D. (2021). Upaya Pencegahan Kecurangan Dalam Mengelola Dana Desa Sesuai Dengan Prinsip Akuntabilitas Dan Transparansi. *Jurnal Khatulistiwa Informatika*, 8(2), 129-134. <https://doi.org/10.31294/moneter.v8i2.11034>
- Rahayu, S., & Susanto, H. (2022). Justice perception and community participation in village fund allocation: Reducing corruption risk. *Jurnal Akuntansi Multiparadigma*, 13(1), 56–68.
- Rendtorff, J. D. (2020). The concept of business legitimacy: Learnings from Suchman: Integrating sociological, ethical and critical perspectives. *Handbook of business legitimacy: Responsibility, ethics and society*, 3-30. [https://doi.org/10.1007/978-3-030-14622-1\\_74](https://doi.org/10.1007/978-3-030-14622-1_74)
- Rengganis, R. M. Y. D., Sari, M. M. R., Budiasih, I. G. A. N., Wirajaya, I. G. A., & Suprasto, H. B. (2019). The fraud diamond: element in detecting financial statement of fraud. *International research journal of management, IT and social sciences*, 6(3), 1-10. <https://doi.org/10.21744/irjmis.v6n3.621>
- Ristianingsih, I. (2018). Telaah konsep fraud diamond theory dalam mendeteksi perilaku fraud di perguruan tinggi. *UNEJ e-Proceeding*, 128-139.
- Rizqi, R., & Rahmaningsih, A. A. (2024). Implementation Of Good Governance In Joko Widodo's Government In Providing People's Welfare. *Srinwijaya Crimen and Legal Studies*, 2(1), 70-82. <https://doi.org/10.28946/scls.v2i1.3555>
- Rohmah, E. I., & Faizah, I. (2024). Urgensi Pembatasan Masa Jabatan Pemerintah Desa Untuk Mewujudkan Desa Anti Korupsi. *Sosio Yustisia: Jurnal Hukum dan Perubahan Sosial*, 4(1), 69-97. <https://doi.org/10.15642/sosyus.v4i1.577>
- Rosidah, I., Kesumah, P., & Rizka, R. B. (2023). Transparansi Dan Akuntabilitas Dalam Pencegahan Fraud Diinstansi Pemerintah (Studi Kasus Kantor Kec. Ciwidey). *Jurnal Ekonomi Manajemen Bisnis Dan Akuntansi: EMBA*, 2(1), 137-156. <https://doi.org/10.59820/emba.v2i1.110>
- Rowa, C. W. F., & Arthana, I. K. (2019). Pengaruh Good Corporate Governance Terhadap Pencegahan Fraud Pada Bank Perkreditan Rakyat Di Kota Kupang. *Jurnal Akuntansi: Transparansi Dan Akuntabilitas*, 7(2), 122-137.
- Saifuloh, N. I. (2023). *Analisis Determinan Kemiskinan Perdesaan di Indonesia Periode 2015-2022* Universitas Hasanuddin].
- Sari, D. P., & Winarsih, S. (2023). Analisis implementasi program Desa Antikorupsi dalam tata kelola pemerintahan desa di Jawa Tengah. *Jurnal Transparansi*, 5(2), 112–127.
- Siregar, S. A. R., & Sari, E. N. (2023). The Influence Of Village Apparatus Competency And Accountability On Village Financial Performance With Government Internal Control

- System (SPIP) As A Moderating Variable (Study In Villages In Biru-Blue District Deli Serdang District). *Jurnal Ekonomi*, 12(3), 707-719.
- Sofia, G., Afni, Z., & Andriani, W. (2023). Analisis Akuntabilitas Pengelolaan Dana Desa (Studi pada Nagari Aia Manggih periode 2018-2022). *Ekonomis: Journal of Economics and Business*, 7(2), 1172-1181. <https://doi.org/10.33087/ekonomis.v7i2.1390>
- Sofyani, H., & Tahar, A. (2021). Peran akuntabilitas dan transparansi pemerintah desa indonesia terhadap kepercayaan masyarakat desa: kasus di Kabupaten Bantul. *Jurnal Akademi Akuntansi*, 4(1). <https://doi.org/10.22219/jaa.v4i1.16481>
- Sonbay, Y. Y. (2022). Kritik terhadap pemberlakuan teori agensi dalam pengelolaan dana desa di suku Boti. *Ekuitas (Jurnal Ekonomi Dan Keuangan)*, 6(2), 204–223-204–223. <https://doi.org/10.24034/j25485024.v2022.v6.i2.5176>
- Srifridayanti, S., Samkamaria, S., & Widana, A. R. (2024). Analisis Urgensi Perpanjangan Masa Jabatan Kepala Desa: Kajian Dalam Perspektif Dan Prinsip Demokrasi. *PRAJA: Jurnal Ilmiah Pemerintahan*, 12(2), 81-90.
- Suchman, M. C. (1995). Managing legitimacy: Strategic and institutional approaches. *Academy of Management review*, 20(3), 571-610. <https://doi.org/10.2307/258788>
- Sulastri, S. (2014). Fraud Pada Sektor Pemerintah Berdasarkan Faktor Keadilan Kompensasi, Sistem Pengendalian Internal, Dan Etika Organisasi Pemerintah (Studi Empiris Dinas Pemerintah Provinsi DKI Jakarta). *Jurnal Magister Akuntansi Trisakti*, 1(2), 199-227. <https://doi.org/10.25105/jmat.v1i2.4938>
- Tarjo, T., Anggono, A., Yuliana, R., Prasetyono, P., Syarif, M., Wildan, M. A., & Kusufi, M. S. (2022). Corporate social responsibility, financial fraud, and firm's value in Indonesia and Malaysia. *Heliyon*, 8(12). <https://doi.org/10.1016/j.heliyon.2022.e11907>
- Tumuhulawa, E., Tumuhulawa, A., & Amu, R. W. (2024). Penyalahgunaan Pengelolaan Dana Desa Dalam Perspektif Hukum Pidana. *At-Tamwir Law Review*, 4(2), 77-92.
- Wahyuni, D. (2019). Pengembangan desa wisata pentingsari, kabupaten sleman dalam perspektif partisipasi masyarakat. *Aspirasi: Jurnal Masalah-Masalah Sosial*, 10(2), 91-106. <https://doi.org/10.46807/aspirasi.v10i2.1386>
- Wibowo, D., Hasanah, U., & Fadilah, L. (2024). The interplay between transparency, justice, and fraud prevention in rural governance. *Public Sector Integrity Review*, 2(1), 44–60.
- Yunita, A., Wardhani, R. S., Levany, Y., Rahmadoni, F., Fibrianto, A., & Martoyo, A. (2023). *Manajemen Risiko Fraud*. TOHAR MEDIA.
- Zulaikha, Z., & Hadiprajitno, P. B. (2016). Faktor-Faktor Yang Memengaruhi Procurement Fraud: Sebuah Kajian Dari Perspektif Persepsian Auditor Eksternal. *Jurnal Akuntansi Dan Keuangan Indonesia*, 13(2), 5. <https://doi.org/10.21002/jaki.2016.11>
- Zwalf, S. (2022). Managing goal conflict. The case of agency theory in the policy settings for public–private partnerships; A perspective on citizen and government interests. *Annals of Public and Cooperative Economics*, 93(4), 913-930. <https://doi.org/10.1111/apce.12355>

#### About the Authors

**Veri Anang Putra (VAP.)** – is a student from Master of Accounting Program, Faculty of Economics and Business, Universitas Muhammadiyah Yogyakarta, Yogyakarta, Indonesia. Email: [verianang@gmail.com](mailto:verianang@gmail.com)

**Wahyu Manuhara Putra (WMP.)** – is a lecturer from Department of Accounting, Faculty of Economics and Business, Universitas Muhammadiyah Yogyakarta, Yogyakarta, Indonesia. Email: [wahyu\\_m@umy.ac.id](mailto:wahyu_m@umy.ac.id)

## **Putra & Putra**

Accountability, transparency, and fraud propensity in village governments: ...

### **Author Contributions**

Conceptualisation, VAP. and WMP.; Methodology, VAP.; Investigation, VAP.; Analysis, VAP.; Original draft preparation, VAP.; Review and editing, VAP.; Visualization, VAP.; Supervision, WMP.

### **Conflicts of Interest**

The authors declare no conflict of interest. The funders had no role in the design of the study; in the collection, analyses, or interpretation of data; in the writing of the manuscript, or in the decision to publish the results.



© 2024 by the authors. Submitted for possible open access publication under the terms and conditions of the Creative Commons Attribution (CC-BY-NC-ND 4.0) license (<http://creativecommons.org/licenses/by/4.0/>).