

THE IMPACT OF WHISTLEBLOWING SYSTEM ON FRAUD PREVENTION, WITH BUGIS CULTURAL VALUES AS MODERATING FACTORS

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Rahayu Wiliana*, Nadhirah Nagu, Syamsuddin

Department of Accounting, Faculty of Economics and Business, Hasanuddin
University, Makassar

Abstract

This study aims to examine and analyze the impact of the implementation of a whistleblowing system on fraud prevention, with Bugis cultural values serving as a moderating variable. The research was conducted in 13 Regional Work Units (SKPD) within Sidenreng Rappang Regency. Adopting a quantitative approach, the research employed purposive sampling as a non-probability sampling method, with a respondent population of 172 individuals. Primary data collection involved the distribution of questionnaires. Statistical analysis utilized the Structural Equation Model (SEM), and the analysis was conducted using Smart-PLS 3.0 software. The findings reveal that the whistleblowing system positively influences fraud prevention efforts, although Bugis cultural values appear to temper the impact of the reporting system on prevention.

Keywords: Whistleblowing system, Buginese cultural values, fraud detection.

1. INTRODUCTION

Fraud is an interesting topic to discuss, especially considering the emergence of a number of cases among the public. ACFE categorizes fraud into several groups, including manipulation of financial reports, unauthorized use of assets, and corrupt behavior (Surjandari & Martaningtyas, 2015). In the government sector, the most common form of fraud is corruption. According to Indonesia Corruption Watch (ICW), there were five hundred and thirty-three corruption incidents that were followed up by law enforcement during 2021. Of all these incidents, the potential loss to the state reached a total of twenty-nine trillion.

Fraud in Indonesia still occupies a very high position, as can be seen on pThe results of the Corruption Perception Index (CPI) survey relating to the barometer of the global corruption and corruption perception index for the period 2018 to 2022 for 180 countries internationally, including Indonesia, are shown in Table 1.

**Table 1 Corruption Levels in Indonesia Based on TII Survey
Period 2018 to 2022**

No	Year	Rating	Score
1	2018	89	38
2	2019	85	40
3	2020	102	37
4	2021	96	38
5	2022	110	34

Note: 0 = Very Corrupt; 100 = Very Clean

Source: TII 2018-2022¹

*Corresponding author. Email address: rahayuwioldan@gmail.com

The table shows that in 2022, Indonesia will get a score of 34/100 in the Corruption Perception Index, and will be in 110th position out of 180 countries included in the survey. This score has decreased by 4 points compared to 2021 which reached a score of 38/100. Transparency International Indonesia (TII) noted that the decline in this score was caused by several factors, including a decrease in data sources compared to the previous year, stagnation in data sources, and a one-point increase in certain data sources. This indicates that efforts to eradicate corruption through the strategies and programs implemented have not been effective. The government has made changes to the 2019 Corruption Eradication Committee Law as part of efforts to change its strategy in tackling corruption. Even though there have been various initiatives to eradicate corruption in public services and the business sector, such as digital transformation in public services and the implementation of the Job Creation Law, the decline in the CPI score shows that this strategy has not produced the expected results (TII, 2023).

The strategies and techniques to reduce instances of fraudulent activities or corruption can be effectively implemented through the adoption of a whistleblowing system (Rahmatika, 2020). When executed successfully, these approaches can deter fraud and contribute to the realization of Good Corporate Governance (GCG) as part of anti-corruption efforts. Several earlier studies in this field have been conducted, such as the research by Utami (2018), which found that the whistleblowing system had a notably adverse effect on the disclosure of fraud cases. In contrast, research conducted by Wakhidah & Mutmainah (2021) reported a positive impact of the whistleblowing system on fraud prevention. This suggests that the more effectively the whistleblowing system is used as a means of reporting fraud, the greater its capacity to curb fraudulent activities. The research outcomes from Islamiyah et al. (2020) align with the idea that the whistleblowing system positively contributes to efforts in preventing fraud. This indicates that the stronger an individual's motivation to engage in whistleblowing, the more effective the anti-fraud measures will be.

Research on the whistleblowing system in preventing fraud by including individual morality as a moderator has been carried out by Romadaniati, Taufik, and Nasir (2020), but did not discuss Bugis cultural values. Furthermore, research on Bugis cultural values as a moderating variable has been carried out by Harun, Tenriwaru, and Tjan (2021), but what makes this research different is the research variables, objects, phenomena, analysis methods, locations and theories used, resulting in different perspectives. to this topic. Taking into account the inconsistency of previous research results and existing differences, further research is needed. For this reason, The objective of this study is to examine and appraise the influence of adopting a whistleblowing system as a measure for preventing fraud, while also investigating the moderating role of Bugis cultural values in the connection between the whistleblowing system and fraud prevention.

2. LITERATURE STUDY

Fraud Triangle Theory

The Fraud Triangle Theory (TFT), initially introduced by Donald R. Cressey in 1950, argues that fraudulent acts occur when three main factors exist, namely pressure, opportunity and justification. Pressure is divided into 2, namely financial and non-financial pressure. Financial pressure, such as someone who is in debt, has urgent needs, and lives lavishly. Then for non-financial pressures, for example drug addiction and a person's lack of discipline. Management who feel under pressure will be motivated to cheat. then opportunities, there are 2 factors that cause opportunities, including: First, someone receives information that a position of trust can be violated without receiving sanctions, and second, the ability to carry out the fraud. Lastly, rationalization relates to a person's attitudes and thoughts in seeking justification before carrying out fraud (Indriani & Rohman 2022).

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These three factors, opportunity or chance, refer to the potential or situation that can facilitate the occurrence of fraud or fraud such as corruption. This is frequently associated with deficiencies in the internal control system of the organization, a lack of supervision, the misuse of authority, or the absence of effective detection mechanisms within the organization. Whistleblowing systems can serve as an efficient means of detecting fraud in anti-fraud endeavors, contributing to the reduction of opportunities for fraudulent activities by causing potential wrongdoers to think twice due to the risk of being revealed.

Social Norms Theory

The social norms theory, as proposed by Bicchieri (2006) and referred to as the social norms activation model, posits that norms are connected to the expectations and choices of individuals who adhere to these norms. The existence of these norms is contingent on individuals perceiving them as legitimate and applicable in specific circumstances. According to Davidson & Stevens (2013), Bicchieri's model clarifies how individuals link the context to particular interpretations, shaping their beliefs and expectations concerning the motivations and actions of people, particularly in the context of social norms. This process generates aspirations and convictions that in turn impact one's behavior.

Whistleblowing System

A whistleblowing system, also referred to as a reporting system, serves as a mechanism designed to receive, evaluate, investigate, and act upon reports generated from individuals who disclose instances of wrongdoing within a government setting (Effendi, 2016). This system is recognized as one of the most straightforward means of exposing fraudulent activities. However, the information provided by the whistleblower is not mere data that can be easily manipulated; it must adhere to specific criteria to warrant further processing. Hence, the whistleblowing system can be considered a relatively uncomplicated method for identifying fraudulent behaviors.

The Whistleblowing System is a disclosure that must be made in good faith and is not a personal complaint regarding a particular company policy (grievance) or based on bad will or slander (Pamungkas dkk, 2017; Pramudyastuti dkk, 2021). The implementation of the Whistleblowing System is adjusted to each company's regulations, so it is hoped that this system will be able to provide benefits to improve corporate governance (Shawver & Shawver, 2018; Pramudyastuti dkk, 2021)

Bugis Cultural Values

Bugis cultural values are the principles, philosophy, or guidelines that underlie human behavior and words. Usually, these values are directed at forming a moral attitude which is expected to create individuals who have a positive impact on the work environment (Rahim, 2019). This significant influence of local culture on human life has caused many organizations to adopt it into their organizational culture, such as the Sidenreng Rappang Regency government agency which integrates the cultural values of sipakatau, sipakainge, and sipakalebbi as organizational culture.

Fraud

According to Arens et al. (2014) fraud can be interpreted as an intentional or deliberate action to deceive or manipulate other individuals with the aim of gaining profit, whether for personal or group interests. These actions can include various types of crimes or white collar crimes such as stealing, embezzling assets, embezzling information, embezzling obligations, hiding or manipulating facts, and are also included in the category of corruption.

Fraud detection is an action to find out about the occurrence of fraud, who committed it, who were the victims of the fraud, and what factors caused the fraud to occur. Fraud can be detected by "Identifying symptoms and identifying red flags and detecting fraud using critical points of auditing and job sensitivity analysis" (Karamoy, 2020; Choirunnisa et al, 2022)

3. RESEARCH METHODOLOGY

This study uses a quantitative approach to test previously identified hypotheses. The quantitative approach is a method that allows researchers to test the correlation between variables by taking measurements using research tools, so that the results obtained are in the form of numerical data that can be analyzed using statistical procedures (Creswell, 2014: 5). For this study, a nonprobability sampling method was employed, specifically using a purposive sampling approach. The research was centered on a population comprising 172 respondents. The main process of collecting data included disseminating self-completed questionnaires to the survey participants. The examination of hypotheses was carried out by employing statistical analysis, utilizing the Structural Equation Model (SEM) with the support of Smart-PLS 3.0 software.

4. RESULT AND DISCUSSION

Research result

Respondent Characteristics

Respondent characteristics can describe the distribution of respondents based on gender, education level and age. Table 1 shows that there are more female respondents than male, namely 54.1% of the total respondents. Respondents with a bachelor's degree level of education dominate more than other levels of education, namely 61%. Meanwhile, respondents aged 41 to 60 years dominate, namely 65.7% of the total respondents.

Table 2 Characteristics of Respondents

Characteristics		Amount	Percentage
Gender	Man	79	45.9%
	Woman	93	54.1%
Level of education	D3	8	4.7%
	D4	1	0.6%
	S1	105	61.0%
	S2	58	33.7%
Age	21 – 40 Years	59	34.3%
	41 – 60 Years	113	65.7%

Source: primary data (processed, 2023)

Descriptive statistics

According to Table 2, the Whistleblowing System (X) exhibits a range from a minimum value of 2.11 to a maximum value of 5.00, with an average (mean) of 4.1505. This indicates strong overall support from the respondents for statements associated with this variable. The low standard deviation of 0.46908 suggests minimal variation or disparity in the average responses of participants regarding the Whistleblowing System. Additionally, the Bugis cultural value variable (M) ranges from a minimum of 1.67 to a maximum of 5.00, with an average (mean) of 4.3224, reflecting a high level of agreement among the majority of respondents concerning statements related to Bugis cultural values. The standard deviation of 0.46594 indicates relatively low variation in respondents' responses regarding this variable.

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Table 3 Descriptive Statistics

<i>Variable</i>	<i>Minimum</i>	<i>Maximum</i>	<i>Mean</i>	<i>Std. Deviation</i>
<i>Whistleblowing System</i>	2.11	5.00	4.1505	0.46908
<i>Bugis Cultural Values</i>	1.67	5.00	4.3224	0.46594
<i>Fraud Prevention</i>	2.17	5.00	4.3113	0.50363
<i>Valid N (listwise)</i>	172			

Source: primary data (processed, 2023)

Furthermore, the fraud prevention variable (Y) has a minimum value of 2.17, a maximum value of 5.00, and an average (mean) of 4.3113. The survey results showed that the majority of participants expressed a high level of agreement with statements related to fraud prevention. A standard deviation of 0.50363 indicates a low variation in the average response of respondents to the fraud prevention variable.

Convergent Validity

Table 4 Convergent Validity

Indicator	<i>Outer Loading</i>	Indicator	<i>Outer Loading</i>	Indicator	<i>Outer Loading</i>
X1	0.813	Y1	0.775	M1	0.787
X2	0.750	Y2	0.807	M2	0.750
X3	0.742	Y3	0.747	M3	0.753
X4	0.771	Y4	0.771	M4	0.791
X5	0.798	Y5	0.771	M5	0.734
X6	0.711	Y6	0.759	M6	0.819
X7	0.828	Y7	0.740	M7	0.766
X8	0.756	Y8	0.769	M8	0.752
X9	0.847	Y9	0.785	M9	0.754
		Y10	0.800		
		Y11	0.789		
		Y12	0.757		

Source: primary data (processed, 2023)

Table 3 displays the estimation results from calculating the outer loading test using the PLS (partial least squares) method for the variable indicators used in this research. Table 3 shows that all outer loadings have values > 0.7, which indicates that the constructs for all variables are considered valid. Next, the calculation results using the PLS algorithm for valid indicators produce values *average variance extracted (AVE)*. Based on Table 4, The AVE values for all variables are above the 0.5 threshold, indicating robust convergent validity. This conclusion is drawn based on the factor loadings surpassing 0.7 and AVE values exceeding 0.5 for all variables.

Table 5 Average Variance Extracted

Variable	AVE
<i>Whistleblowing System(X)</i>	0.610
Fraud Prevention (Y)	0.597
Bugis Cultural Values (M)	0.589

Source: primary data (processed, 2023)

Discriminant Validity

Discriminant validity is centered on the idea that measurement constructs must undergo testing to ensure that they do not exhibit a high correlation with each other. To assess discriminant validity through reflective indicators, one must compare the square root of the Average Variance Extracted (AVE) for each construct with the correlation values between constructs. If the AVE square root value exceeds the correlation between these constructs, it indicates the establishment of discriminant validity. Maintaining discriminant validity in a model requires the AVE square root value for each construct to surpass the correlation with other latent variables in the model. The data presented in Table 5 demonstrates that all AVE square root values for conceptual constructs exceed the correlation values between these constructs and other latent variables in the model. Consequently, both cross-loading and Fornell-Larcker criteria confirm that the constructs in this model satisfy the criteria for discriminant validity.

Table 6 Fornell-Larcker Criterion

Variable	Whistleblowing System (X)	Fraud Prevention (Y)	Bugis Cultural Values (M)
<i>Whistleblowing System(X)</i>	0.713		
Fraud Prevention (Y)	0.736	0.773	
Bugis Cultural Values (M)	0.742	0.737	0.768

Source: primary data (processed, 2023)

Reliability

Reliability assessment is conducted to gauge the internal consistency of the utilized measurement instruments. It signifies the degree to which a measurement tool can consistently generate precise and dependable data. Two methods are employed for reliability testing. Firstly, composite reliability assesses the reliability level of a construct in the measurement. This method is preferred for evaluating internal consistency, with a suggested threshold value exceeding 0.7. Subsequently, Cronbach's alpha establishes the minimum reliability value of a construct, ensuring that it meets or exceeds the level corresponding to composite reliability. The guideline for Cronbach's alpha is that it should surpass 0.6 (Abdillah, Hartono, and Prabantini, 2015).

Table 7 Cronbach's Alpha and Composite Reliability

Variable	Cronbach's Alpha	rho_A	Composite Reliability
<i>Whistleblowing System(X)</i>	0.919	0.923	0.933
Fraud Prevention (Y)	0.939	0.939	0.947
Bugis Cultural Values (M)	0.913	0.915	0.928

Source: primary data (processed, 2023)

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Table 6 shows the results of Cronbach's alpha and composite reliability tests for all variables showing a level of reliability that meets the guidelines (Hinton, McMurray, and Brownlow 2004). In the guide, there are four levels of reliability that can be observed. A very good level of reliability is found with a value above 0.90, a high level of reliability is in the range of 0.70-0.90, a moderate level of reliability is in the range of 0.50-0.70, and a low level of reliability occurs if the value is less than 0.50. In this context, the test results show that the reliability of these variables exceeds the minimum expected threshold, in accordance with the guidelines (Hinton, McMurray, and Brownlow 2004). In the context of this research, the reliability of the variables can be classified as excellent because the values exceed 0.90.

Inner Model

The internal model, also known as the structural model, elucidates the relationships between latent variables based on theoretical foundations. Analysis of this structural model involves the utilization of R-Square (coefficient of determination) for the latent variable acting as the dependent variable. When assessing a model using the PLS method, the initial step is to evaluate the R-square value for each latent variable serving as the dependent variable. The interpretation of R-square in this context closely follows the approach used in understanding results in regression analysis. The fluctuation or change in the R-Square value is employed to ascertain whether the impact of a specific independent latent variable on the dependent latent variable carries a significant and substantial effect (Ghozali, 2014).

Table 8 R-Square

	<i>R Square</i>	<i>R Square Adjusted</i>
Fraud Prevention	0.656	0.645

Source: primary data (processed, 2023)

Table 7 reveals that the R-Square for the fraud prevention variable is around 0.656. This shows that around 65.6% of the variation in the fraud prevention variable can be explained by whistleblowing system variables and Bugis cultural values. The remainder, namely around 34.4%, is variation that can be explained by other factors not included in this study.

Hypothesis

In PLS, hypothesis testing is employed to assess the degree to which data can substantiate the relationship between variables through the examination of path coefficients. A practical guideline for supporting a research hypothesis involves verifying whether the coefficient and direction of the variable's impact align with the proposed hypothesis. Furthermore, if the t-statistic value surpasses the threshold of 1.64 (two-tailed) or 1.96 (one-tailed), it is considered a significant result. Additionally, a probability value (p-value) below 0.05 indicates a significant level of difference. Conversely, if the p-value exceeds 0.05, the result is considered insignificant (Abdillah, Hartono, and Prabantini, 2015).

Table 8 demonstrates that the t-statistic value for the whistleblowing system in fraud prevention surpasses the t-table value ($2.016 > 1.974$) and holds a significance level below 0.05 ($0.002 < 0.05$). The parameter coefficient, with a value of 0.158 and a positive direction, indicates a positive impact of the whistleblowing system on fraud prevention (H1 is confirmed). Subsequently, when the whistleblowing system for fraud prevention is subjected to moderation by Bugis cultural values, the t-statistic value exceeds the t-table value ($1.892 > 1.974$) at a significance level below 0.05 ($0.043 < 0.05$). The parameter coefficient, with a value of -0.165 and a negative direction, suggests that Bugis cultural values can moderate the

influence of whistleblowing system on fraud prevention with a moderate level of significance (H2 is accepted).

Table 9 Hypothesis Results Based on Path Coefficient

Hypothesis	Sample Origanl	Sample Mean	Standard Deviation	T- Statistics	P- Values
H1: $\rightarrow Y$	0.158	0.165	0.078	2,016	0.044
H2: $X * M \rightarrow Y$	-0.165	-0.169	0.087	1,892	0.059

Source: primary data (processed, 2023)

Discussion

The Impact of the Whistleblowing System on Preventing Fraud

Upon testing the initial hypothesis (H1), the results indicate a significant positive impact of the whistleblowing system on fraud prevention. This implies that a more effective implementation of the whistleblowing system in local government correlates with a reduced likelihood of fraud occurrence. Conversely, a less effective implementation of the whistleblowing system in local government is associated with an increased risk of fraud. The whistleblowing system serves as a crucial tool for preventing and uncovering fraud, as its presence can deter potential perpetrators from pursuing fraudulent activities due to the fear of being reported (Maulida et al., 2021). The whistleblowing system is also a monitoring tool so that government officials involved in managing funds feel reluctant to commit acts of fraud, this is because supervision is not only carried out by superiors and internal audit but fellow employees also indirectly supervise each other, and employees can also report violations. which is carried out by fellow employees through a whistleblowing system which is directly connected to the internal audit department (Rahman, 2020). Hence, effective implementation of a whistleblowing system by regional governments can proactively prevent and promptly investigate indications of actions that may lead to corruption or fraud.

In the fraud triangle theory, fraudulent acts are influenced by three factors, with one of them being the opportunity, driven by the absence of a whistleblowing system or ineffective implementation of such a system (Triantoro et al., 2020). Whistleblowing systems serve as a mechanism for fraud prevention, contributing to the achievement of good governance (Achmad et al., 2020). Albrecht et al. (2011) identify various factors that can heighten opportunities for individuals to engage in fraud, including a lack of controls to prevent and/or detect fraud, insufficient supervision over information access, indifference, an inability to anticipate fraud, and a deficiency in audit trails. Utami (2018) asserts that among the three factors in the fraud triangle theory, opportunity is the element most susceptible to reduction through the implementation of processes, procedures, and early fraud detection efforts.

This study aligns with Maulida et al.'s (2021) research, indicating that the implementation of an effective whistleblowing system encourages community participation and empowers company employees to proactively take action in preventing fraud and corruption by reporting incidents to relevant authorities. This implies that the whistleblowing system has the potential to diminish a culture of "silence" and promote a culture of "honesty and openness." Additionally, this research is consistent with the findings of Wakhidah and Mutmainah (2021), providing further evidence that the whistleblowing system positively influences fraud prevention.

The enforcement of the whistleblowing system, as outlined in Sidenreng Rappang Regent Regulation Number 50 of 2021, is highly suitable for optimal implementation to minimize the occurrence of fraud. The regional inspectorates have conducted awareness campaigns about the whistleblowing system, aiming to prevent instances of corruption or

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fraud. The findings of this study offer insights that enhancing the utilization of the whistleblowing system can effectively deter fraudulent activities.

The Influence of the Whistleblowing System on Fraud Prevention Moderated by Bugis Cultural Values

Upon testing the second hypothesis (H2), the findings reveal that the whistleblowing system exhibits a negative impact, with a moderate level of significance, on fraud prevention when moderated by Bugis cultural values. This implies that the moderating variable in this study, namely Bugis cultural values, moderates the relationship between the whistleblowing system and fraud prevention. The negative outcomes with a moderate level of significance suggest that the moderation by Bugis cultural values diminishes the influence of the whistleblowing system on fraud prevention.

In general, cultural values are perceived as influencing an individual's self-control, enabling them to exert control over their actions, including the management of funds (Harun et al., 2021). The cultural values in this research consist of 3, namely sipakatau values, sipakalebbi values and sipakainge' values. The Bugis Sipakatau cultural value is a basic value that has social-horizontal and vertical dimensions, which means mutual humanization (Rahim, 2019). Sipakatau cultural values also provide the same view and level towards all humans, in the social environment humans should view other humans as a whole without discriminating between certain groups (Darussalam et al., 2021). The cultural value of Bugis Sipakatau reflects the Bugis belief that humans are noble beings created by God, and as such, they deserve respect and proper treatment (Razak, 2015). This cultural ethos fosters the development of attitudes and behaviors characterized by harmonious social relationships, marked by inter-subjective connections and mutual respect among individuals (Syarif, 2016).

The Sipakatau cultural value emphasizes the humane treatment of others, suggesting that when employees engage in fraudulent activities, it is preferable to provide them with advice or reminders to show respect towards their colleagues. The whistleblowing system, in this context, serves as a confidential reporting tool to prevent fraud (Boynton, 2006; Saputra et al., 2020).

Sipakatau values, focusing on humanizing individuals, involve offering assistance and embodying a sense of mutual respect or "sipakalebbi" towards one another, facilitating actionable behavior (Khatimah, 2013). The symbiotic relationship between sipakatau and sipakalebbi is integral, as sipakalebbi cannot be practiced without sipakatau, and vice versa. Sipakatau loses its essence without the implementation of sipakalebbi, emphasizing the significance of mutual respect and help.

The Bugis Sipakalebbi community's local culture places great importance on praise, signifying constant mutual admiration and respect among individuals to maintain harmony in daily life (Razak, 2015). The sipakalebbi value, emphasizing mutual respect and praise, fosters an environment of familial bonds, cooperative relationships, and transcending social status. This culture underscores the principle of mutual collaboration in state processes (Herlin et al., 200). Ordinary individuals are intrinsically tied to their conscience, appreciating beauty in various forms, including goods, words, or praise (Harun et al., 2021).

Acknowledging others' strengths, recognizing personal weaknesses, and approaching situations with an open heart, along with covering each other's shortcomings or collaborating in various activities, exemplify a form of mutual respect (Rahim, 2019). The Bugis Sipakalebbi cultural value, emphasizing mutual respect and consideration, implies that if an employee engages in fraudulent behavior, a first step would be to provide a warning, appreciating and respecting each other, rather than immediately resorting to reporting the fraudulent act using a whistleblowing system.

The realization of the values of sipakatau and sipakalebba is contingent upon sipakainge. Sipakainge is the primary factor in upholding both sipakatau and sipakalebba values, while these values serve as the main key in practicing sipakainge. Offering advice without employing wise methods (sipakalebba) may lead to conflict, turning good intentions into potential disasters (Khatimah, 2013). The Bugis cultural value of sipakainge serves as a guiding principle for the Bugis community to remind one another. Additionally, sipakainge is essential in life for providing constructive criticism and suggestions (Razak, 2015). Recognizing that humans are prone to mistakes and sins, the concept of sipakainge encourages individuals to remind each other within the social structure when engaging in actions that deviate from existing norms and ethics (Harun et al., 2021). The cultural value of Bugis sipakainge, elucidating the notion of mutual reminders among humans, implies that if an employee engages in fraudulent behavior, it would be more advisable to offer mutual reminders first, rather than immediately resorting to reporting the fraudulent act using a whistleblowing system.

The whistleblowing system in this context refers to a complaint application (whistleblower) designed as a platform for reporting violations within the organization (Wahyuni et al., 2018). If implemented in government agencies, the whistleblowing system may run counter to the Bugis cultural values of sipakatau, sipakainge, and sipakalebba. These Bugis cultural values emphasize humanizing interactions, fostering mutual appreciation and respect, offering reminders or advice, and treating individuals well. Consequently, in the event of fraudulent activities, employees may refrain from promptly reporting them using a whistleblowing system. In contrast, the whistleblowing system operates based on principles such as respect for human dignity, security, confidentiality, fairness, non-discrimination, and discipline. Thus, in the government context, if an act of fraud occurs, it would be preferable to immediately report it using the whistleblowing system.

The aforementioned aligns with the social norms theory, which posits that norms are characterized by the expectations and preferences of individuals adhering to these norms. The presence of a norm is contingent on a substantial number of people acknowledging its existence and relevance to a specific type of situation (Bicchieri, 2006). Davidson and Steven (2013) contend that Bicchieri's model elucidates how individuals translate context into particular interpretations that influence their beliefs and expectations regarding people's motives and behavior, particularly in the activation of social norms that generate expectations and beliefs influencing behavior.

5. CONCLUSION

To begin with, the reporting system for identifying violations (commonly known as the whistleblowing system) makes a positive contribution to the prevention of business fraud. The more effectively an organization implements a whistleblowing system, the lower the likelihood of fraud occurring. This observation is consistent with the fraud triangle theory, acknowledging that the existence of detection mechanisms within an organization can act as a deterrent to opportunities for fraud. Moreover, the Bugis cultural values exert a diminishing influence on the correlation between the whistleblowing system and fraud prevention. The effective embodiment of Bugis cultural values, including sipakatau, sipakainge, and sipakalebba, has been identified as a factor weakening the link between the whistleblowing system and endeavors to prevent fraudulent activities, as indicated in the study's findings. In the framework of social norms theory, it is clarified that norms are shaped by the expectations and preferences of individuals adhering to these norms. The persistence of a norm is contingent upon individuals' beliefs regarding its existence and applicability in specific situations, aligning with established theoretical principles.

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This research has limitations such as when collecting data, researchers use questionnaires which sometimes do not reflect the respondents' true opinions, this is because the independent questionnaire filling model has the possibility of bias in filling out the questionnaire, so it does not reflect the respondents' true understanding of the items. - statement items.

It is advisable to conduct continuous research to facilitate a more comprehensive and continuous observation and assessment of the evolution of respondents' behavior over time. Furthermore, for future research endeavors, it is suggested to include additional variables associated with efforts in fraud prevention. This approach aims to broaden the scope of analysis and enhance the understanding of the factors influencing fraud prevention.

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