Cogent Social Sciences

ISSN: 2331-1886 (Online) Journal homepage: www.tandfonline.com/journals/oass20

# Qualitatively beyond the ledger: unravelling the interplay of organisational control, whistleblowing systems, fraud awareness, and religiosity

Ach Maulidi, Muhammad Wisnu Girindratama, Anton Robiansyah Putra, Rida Perwita Sari & Dian Anita Nuswantara

**To cite this article:** Ach Maulidi, Muhammad Wisnu Girindratama, Anton Robiansyah Putra, Rida Perwita Sari & Dian Anita Nuswantara (2024) Qualitatively beyond the ledger: unravelling the interplay of organisational control, whistleblowing systems, fraud awareness, and religiosity, Cogent Social Sciences, 10:1, 2320743, DOI: 10.1080/23311886.2024.2320743

**To link to this article:** https://doi.org/10.1080/23311886.2024.2320743

© 2024 The Author(s). Published by Informa UK Limited, trading as Taylor & Francis Group

Published online: 04 Mar 2024.

Submit your article to this journal

Article views: 2486

View related articles

View Crossmark data

Citing articles: 4 View citing articles

Full Terms & Conditions of access and use can be found at
https://www.tandfonline.com/action/journalInformation?journalCode=oass20

COGENT SOCIAL SCIENCES
2024, VOL. 10, NO. 1, 2320743
https://doi.org/10.1080/23311886.2024.2320743

LAW, CRIMINOLOGY & CRIMINAL JUSTICE | RESEARCH ARTICLE

OPEN ACCESS Check for updates

# Qualitatively beyond the ledger: unravelling the interplay of organisational control, whistleblowing systems, fraud awareness, and religiosity

Ach Maulidi[a], Muhammad Wisnu Girindratama[a], Anton Robiansyah Putra[b], Rida Perwita Sari[c] and Dian Anita Nuswantara[d]

[a]Accounting Department, University of Surabaya, Surabaya, Indonesia; [b]Accounting Department, Universitas Terbuka, Jakarta, Indonesia; [c]Accounting Department, Universitas Pembangunan Nasional Veteran Jawa Timur, Surabaya, Indonesia; [d]Accounting Department, Universitas Negeri Surabaya, Surabaya, Indonesia

**ABSTRACT**

This study endeavours to qualitatively examine the intricate interplay between organisational control, whistleblowing systems, fraud awareness, and religiosity from the unique perspective of internal auditors. We interviewed the state internal auditors of the Republic of Indonesia, including the inspectorate departments. We had fifteen informants participating in our study. The data confirm our theoretical framework. According to our proposed preventive measures (organisational control, whistleblowing system, fraud awareness and religiosity aspects), organisational control plays more significant role than others. We cannot claim that others are unimportant measures in preventing fraud. However, our study documents that other preventive aspects become complementary measures to enhance the effectiveness of organisational control. By viewing from a broad sense, those proposed preventive measures operate interactionist basis. This study is unique in its analysis as this study is the first study that qualitatively observes the interactions of organisational control, whistleblowing system, fraud awareness and religiosity aspects to prevent fraud. Our study contributes to fraud prevention literature. To date, we lack theoretical literature on the interactions of organisational control, whistleblowing system, fraud awareness and religiosity aspects to prevent fraud. Most of the prior studies examine those constructs in isolation from one another.

**ARTICLE HISTORY**
Received 1 December 2023
Revised 8 January 2024
Accepted 12 February 2024

**KEYWORDS**
Organisational control; whistleblowing system; internal auditors; fraud awareness; religiosity

**REVIEWING EDITOR**
Heng Choon (Oliver) Chan, Department of Social Policy, Sociology, and Criminology, University of Birmingham, Birmingham, UK

**SUBJECTS**
Business, Management and Accounting; Criminology – Law; Finance; Sociology

## 1. Introduction

The urgency of fraud prevention cannot be overstated in today's dynamic and interconnected landscape. Fraud is an endless and interesting research topic (Maulidi, 2020). However, the scholarly debates about its occurrence and prevention remain continuous and inconclusive (Kaur et al., 2023). According to Farrar and King (2022), doing a systematic review of corporate fraud, the fraudulent occurrence is unpredictable, and there is no one-size-fits-all solution. The problem is that many companies, both private and public sectors, experience difficulties to deal with the fraudulent occurrence (Davis & Pesch, 2013; Hashim et al., 2020). Maulidi and Ansell (2021a) observe sectoral anti-fraud strategies by interviewing managers across local agencies and four senior internal auditors. The result suggests that organisational leaders attempt to limit corporate fraud using a range of control means, but the fraudster's modus operandi is much more sophisticated. It obstructs the implementation of anti-fraud reforms.

Currently, a wide variety of fraud control mechanisms are suggested by some scholars, however, they typically are studied in isolation from one another (Afriyie et al., 2022; Krügel & Uhl, 2023). For example, some propose organisational control (e.g. Sakawa and Watanabel (2021), and a whistle-blowing system (e.g. Heese et al., 2021; Stubben & Welch, 2020), but they do not examine their joint effects of deterring

**CONTACT** Muhammad Wisnu Girindratama wisnugirindratama@staff.ubaya.ac.id Accounting Department, University of Surabaya, Surabaya, Indonesia

© 2024 The Author(s). Published by Informa UK Limited, trading as Taylor & Francis Group
This is an Open Access article distributed under the terms of the Creative Commons Attribution License (http://creativecommons.org/licenses/by/4.0/), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited. The terms on which this article has been published allow the posting of the Accepted Manuscript in a repository by the author(s) or with their consent.

fraudulent occurrences. We might believe that either organisational control or whistle-blowing system is enough to reduce the likelihood of fraud temptations. Yet, it will be challenging if it is in the context of unethical pro-organisational behaviour, where organisational control is easily overridden (Mishra et al., 2021). At some points, employees who have strong ethical standards want to raise concern for any wrongdoing but they are afraid of retaliation. It is caused by there is no adequate firm policies to protect the whistle-blowers (Stubben & Welch, 2020). This line of reasoning wants to highlight that either organisational control or whistle-blowing system cannot work by themselves in reducing fraud. Besides this topical concern, the prior studies on those fraud prevention mechanisms show inconsistent results. At this point, we re-examine qualitatively these fraud control types, including their joint effects as preventive measures.

Furthermore, Sakawa and Watanabel (2021) note that the existence of anti-fraud control cannot necessarily prevent corporate fraud if it is not supported by anti-fraud awareness among employees. As a focus of the current study, our topic is attributed to internal auditors' fraud awareness. The rationale is due to their fundamental roles within an organisation. They act as a watchdog for the implementation of internal control (Hazami-Ammar, 2019). So, firms with anti-fraud control yet without internal auditors' fraud awareness to supervise its implementation can be analogous to a computer equipped with *inactive* antivirus software. To date, a study on the interaction of internal control and internal auditors' fraud awareness is lacking (Chang et al., 2019), particularly in preventing and controlling the occurrence of fraud. Prior studies purely focus on the relationship between internal control and internal audit function in the context of financial reporting (e.g. Abdo et al., 2022; Gramling & Schneider, 2018). We broaden the discussion about the relationship between internal control and internal auditors by focusing on their fraud awareness in the context of controlling the occurrence of fraud.

To date, the discussion about religiosity within accounting and auditing studies has become an interesting topic. Many studies provide extensive evidence on religiosity aspects and earning management (e.g. Y. Cai et al., 2019; G. Cai et al., 2020; Elnahass et al., 2022). Prior studies show that religiosity is associated with risk aversion (Callen et al., 2011; Grabiński & Wójtowicz, 2022; Maung et al., 2021). If managers with religious beliefs are more risk averse, they believe that firms managed by religious CEOs are associated with less earnings management (G. Cai et al., 2020). As argued, the managers want to avoid troubles such as class action lawsuits, enforcement actions toward firms and executives, and restatements that typically have adverse effects on their careers (Abdelsalam et al., 2016; Wans, 2020). In addition, prior work suggests that religious individuals hold more traditional views on moral issues and have more conservative moral standards than non-religious individuals (Arli et al., 2023; Du et al., 2015). Based on these results, we extend the scope of religiosity discussion by offering new directions in the context of internal auditor. We expect that organisation having religious internal auditors restricts the opportunistic behaviour, resulting in fewer information disclosure violations. Our study suggests that they will be more proactive and aggressively intervene to reduce any violations and ensure the effectiveness of organisational control.

By concentrating on the interactions of three internal fraud measures (organisational control, whistle-blowing system, internal auditors' fraud awareness and religiosity aspects), our study answers a call of Kotb et al. (2020) to provide empirical analysis in preventing corporate fraud by focusing on the maximisation of firm's internal resources. Additionally, a research observing the interactions of those three internal fraud measures is underdeveloped. So, this current study is essential to add new insight into the fraud prevention literature. This study goes beyond the mere quantitative metrics and numerical data, allowing us to uncover the intricacies and contextual factors that shape the dynamics of fraud prevention and detection. In the further discussion, it is about the theoretical framework explaining the interaction of the proposed preventive measures.

## 2. Literature review

According to COSO (The Committee of Sponsoring Organizations of the Treadway Commission), organisational control is defined as 'a process, effected by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives

relating to operations, reporting, and compliance'. Some scholars in the organisational control literature have argued that administrative controls (e.g. the COSO Framework) have become primary tools for preventing fraud (Reinsberg et al., 2020). They provide an early signal of increasing fraud risk exposures across the organisation. This is consistent with Jancsics's (2019) notion of the continuing impact of an organisational control on ensuring their organisational and business processes comply with a set of rules. Beside the compliance monitoring, an organisational control determines how work gets done, in which it involves the translation of the substance and core principles of governance to the context of fraud risk or fraud-risk-related decision-making (Castro et al., 2020). Additionally, it influences the flow of information within an organisation, while respecting confidentiality requirements (Suh et al., 2019).

Organisational control is a concept which is designed and implemented by employees. In practice, it can be exploited by any employees for their own interests. For this context, the existence of internal auditors is required to supervise the routine of organisational activities. Additionally, their roles are very much needed and important to monitor the implementation of internal control. According to Kotb et al. (2020), the role of internal auditors acts as a watchdog, where their activities include inspection and observation of organisational transactions to ensure the compliance of business processes with the regulations or policies that have been set. In doing so, ISO 31000:2009, with its rich tapestry of principles and generic guidelines on risk management, stands as a philosophical lodestar guiding the role of internal auditors through the labyrinth of organisational uncertainties (White et al., 2020). In essence, this standard transcends mere procedural directives. It serves as a philosophical compass, orienting internal auditors toward a deeper understanding of their role in fostering resilience and adaptability within the organisational framework (Howlett et al., 2022). The principles articulated in ISO 31000 weave a narrative that encourages auditors to embrace risk as a catalyst for innovation and growth (Karanja, 2017). Auditors become not just evaluators of compliance but also stewards of an organisational mind-set that perceives risk management as a strategic imperative rather than a regulatory obligation.

Internal auditors, guided by the standard (ISO 31000), transcend the compartmentalised view of risk management. It encourages internal auditors to break free from the siloed mentality that often plagues risk management approaches (Nunhes et al., 2020). The standard propels auditors towards a holistic viewpoint, urging them to recognise the interconnectedness of risks and their systemic impact on the organisational ecosystem (White et al., 2020). We perceive that this transcendence of compartmentalisation is not just procedural. It is a paradigm shift in how auditors conceive their role, transforming them into architects of a narrative where risks are not isolated incidents but interconnected nodes shaping the organisational narrative. This challenges auditors to move beyond a narrow focus on threats and compliance, encouraging them to explore the potential opportunities embedded within risks (Barafort et al., 2019). So, within this regard, internal auditors play a crucial role in evaluating the alignment of an organisation's risk management practices with its overall objectives and values (Wang et al., 2023). Such an alignment ensures that risk management is not seen as a standalone function but as an integral component of the organisation's pursuit of its mission and vision (Alazzabi et al., 2023). Additionally, others (e.g. Hu et al., 2023; Koutoupis et al., 2018; Quick & Henrizi, 2019) mention that through integrating risk considerations into the fabric of decision-making processes, internal auditors contribute to the creation of a resilient and adaptive organisation capable of navigating an ever-evolving business landscape.

A separate research suggests that internal auditor quality is negatively associated with the likelihood of management misconduct (Sakawa & Watanabel, 2021). As explained, in environments where there is a lack of appreciation for the importance of internal audit independence, pressures may be exerted on auditors to align their findings with the organisational narrative, potentially compromising the objectivity of their assessments. Moreover, when auditors are concerned about facing negative consequences for reporting findings that may reflect poorly on management or the organisation, they may be less inclined to pursue rigorous and objective audit processes (Blum et al., 2022; Norman et al., 2010). Similarly, others note that the fear of negative consequences, for instance as retaliation, can deter auditors from pursuing fraud-related issues aggressively (Liston-Heyes & Juillet, 2023). In some cases, internal auditors may lack the necessary authority to enforce recommendations or implement corrective measures. Even when fraud is identified, if auditors do not have the power to enforce changes or sanctions, their ability to independently address fraudulent activities is severely limited. This lack of authority can diminish the impact of their findings and hinder their role as proactive guardians against fraud. This means that while internal auditors play a vital

role in detecting and preventing fraud within organisations, various challenges restrict their ability to work independently. As such, they cannot work by themselves to fight against fraud.

In relation to the role of internal auditor, we expect that auditors' religiosity plays an important role in limiting fraud occurrences. One significant aspect of this relationship lies in the connection between religiosity and personality traits. Studies suggest that individuals with higher levels of religiosity often exhibit traits such as honesty, integrity, and a strong work ethic (Elnahass et al., 2022). These traits are integral to the role of internal auditors, who are entrusted with maintaining the financial integrity of an organisation. The assumption is that auditors with a strong religious orientation may be more inclined to uphold ethical standards and act with integrity, thereby contributing to a work environment less conducive to fraudulent activities (Y. Cai et al., 2019). Moreover, religiosity can function as a social norm that shapes an individual's moral compass and influences their sense of right and wrong (Mostafa et al., 2020). In the context of internal auditing, where ethical decision-making is paramount, the adherence to religious principles may serve as an additional layer of guidance for auditors when faced with ethical dilemmas (Y. Cai et al., 2019). The social and moral framework provided by religiosity can act as a self-regulating mechanism, potentially deterring auditors from engaging in fraudulent behaviour and fostering a culture of accountability (Adeel et al., 2022). Therefore, the more religious the internal auditor, the higher their intention should be formed to ensure transparency, accountability, and compliance with financial and ethical standards within the organisation.

Moreover, in order for the prevention of corporate fraud through organisational control to be successful, a whistle-blowing system has to be considered. Maulidi and Ansell (2021a) express a notable concern regarding the effectiveness of control mechanisms in preventing fraudulent behaviours. Their research highlights a perceived stagnation and lack of productivity in the application of control mechanisms, specifically within the context of addressing corruption risks. The focus of their studies centres on the comprehensive framework for internal control (COSO), which encompasses five key components designed to ensure effective organisational control. According to Maulidi and Ansell (2021a), the COSO organisational control components face serious challenges in their functionality when confronted with corruption risks. One significant observation is that these measures seem to be overly concentrated on practical and administrative activities. The studies argue that a focus on administrative aspects may lead to a lack of adaptability and responsiveness when dealing with the dynamic and evolving nature of fraudulent behaviours, especially those associated with corruption.

While practical activities are essential, Maulidi and Ansell (2021a) argue that an effective anti-fraud strategy demands a more strategic and holistic perspective. On this point, employees indeed play a crucial role as valuable resources in preventing fraudulent activities. Creating a culture that encourages and empowers employees to speak up about any unethical or fraudulent behaviour can significantly enhance the effectiveness of fraud prevention measures (Previtali & Cerchiello, 2022). The effectiveness of whistleblowing systems extends to fostering a culture of trust among employees. Knowing that their concerns will be taken seriously and that they have a confidential means of reporting misconduct, employees are more likely to cooperate with internal auditors and compliance departments (Krügel & Uhl, 2023). This increased collaboration is expected to strengthen the overall control environment, making it more difficult for fraudulent activities to occur and persist.

According to Saber and Sassine (2022), the relationship between organisational control and the internal auditor is inherently collaborative. Organisational control mechanisms, such as internal policies, procedures, and segregation of duties, provide a structured framework for the internal auditor to assess and monitor the integrity of financial processes (Álvarez-Foronda et al., 2023). However, whistleblowing systems act as a dynamic element within this relationship. It offers a responsive and adaptable means for the internal auditor to receive information about potential fraud that may not be readily apparent through routine audit procedures. This means, while internal controls are designed to operate systematically and preventatively (Madawaki et al., 2022), they may not capture emerging or unconventional threats. Within this respect, whistleblowing systems empower the internal auditor to address specific concerns raised by employees or stakeholders promptly (Stubben & Welch, 2020). This real-time responsiveness allows for a more nimble and targeted approach to fraud detection and mitigation (Kuang et al., 2021). We expect that this collaborative and cross-referencing function enhance the internal auditor's ability to ensure the accuracy and reliability of financial information, thereby reducing the likelihood of fraudulent activities going undetected.

This section highlights that an organisational control should not operate by itself. These controls require supplementary mechanisms to strengthen their implementation and ensure their efficacy in preventing fraud and maintaining integrity within an organisation. The implementation of organisational controls can be likened to a chain where each link represents a different preventive measure. If any link weakens or is absent, the entire chain becomes susceptible to breakdowns in control. Therefore, a comprehensive approach that combines administrative rules with the commitment of individuals and supportive measures is necessary to fortify the implementation of organisational controls and create a resilient defence against fraudulent activities. Ultimately, it is the collaboration between administrative structures and the human elements within an organisation that forms the bedrock of a robust control environment.

## 3. Method and research design

### *3.1. Research procedure and data*

To address our topical issues, we strategically employed a qualitative research approach. Through techniques such as in-depth interviews, we engaged directly with individuals intimately involved in the realm of fraud prevention. This engagement facilitated the gathering of diverse perspectives, allowing us to tap into the tacit knowledge and insights of those on the front lines of combating fraudulent activities. Operationally, we encourage open-ended inquiries and the flexibility inherent in qualitative methods (Runyan et al., 2007).

Our informants are from the state internal auditor agency of the Republic of Indonesia. The rational for selecting the state internal auditor agency is that their roles include: (1) a formulation of accountability regulation; and (2) a review of routine activities in governmental organisations across industries, for example, a stated-owned or non-state-owned enterprise. To obtain a representative sample, a purposive sampling technique was chosen. Specifically, we focused on senior auditors who have been mandated to investigate fraud or who have experiences to deal with fraudulent behaviours. In practice, their role extends beyond routine financial inspections, investigating the intricate layers of corporate transactions, accounting practices, and internal controls. Additionally, their experiences in dealing with fraudulent behaviours provide them with invaluable insights into the tactics employed by individuals or entities seeking to compromise financial integrity. This targeted specialisation ensures that our study benefits from individuals who are not only well-versed in general financial oversight but also possess a heightened sensitivity to the nuances and patterns indicative of fraudulent behaviours. Equally important, within the State Internal Auditor Agency of the Republic of Indonesia, the term 'senior auditor' carries a specific connotation, grounded in the number of professional experiences an individual has accumulated over the course of their career. In this context, the designation of a senior auditor is not merely a title but a reflection of the depth and breadth of practical knowledge and expertise that an individual brings to their role within the agency. The term 'senior auditor' thus becomes a marker of a professional's ability.

Before we conducted interviews, we consulted with the head of the state internal auditor agency about the criteria of our potential participants. As recommended, we narrowed our informants to the investigative department. In the initial phase of this research endeavour, the research team diligently sought contact information for a cohort of 20 senior auditors, recognising their pivotal role in providing valuable insights into the subject under investigation. However, the response rate during the recruitment phase posed a notable challenge. Despite the careful selection of potential participants, the majority of the 11 senior auditors either declined participation or did not respond to the invitation due to their business trips. Then, we had only nine senior auditors who did agree to participate in the study. In a strategic move to augment and triangulate the data obtained in the first wave of interviews, the research team conducted a second wave of interviews involving six additional senior auditors within the same department. In this stage, we used identical questions and treatments as the first wave. The time of the interviews was approximately 35–58 min. Most interviewees have ten or more years of experience as corruption investigators. If looking at the data regarding their age, they are in the range 45–50 years old. The more detail of participants' demographic profile, it is illustrated in Table 1.

During the interview sessions, we used a semi-structured questions (Rabionet, 2011), asking questions within a predetermined thematic framework. All participants received the same foundational set of questions, ensuring consistency in the data collected and allowing for meaningful comparisons across responses.

**Table 1.** The participants' demographic profile.

| Interviewee | Gender | Occupation | Age | Work experience | Interview duration | Interview method |
|---|---|---|---|---|---|---|
| Interviewee 1 | Male | Senior Auditor | 45–50 years | 10–18 | 38 min | In-person |
| Interviewee 2 | Male | Senior Auditor | 45–50 years | 10–18 | 46 min | In-person |
| Interviewee 3 | Female | Senior Auditor | 45–50 years | 10–18 | 40 min | In-person |
| Interviewee 4 | Male | Senior Auditor | 45–50 years | 10–18 | 45 min | In-person |
| Interviewee 5 | Male | Senior Auditor | 45–50 years | 10–18 | 43 min | In-person |
| Interviewee 6 | Male | Senior Auditor | 45–50 years | 10–18 | 58 min | In-person |
| Interviewee 7 | Male | Senior Auditor | 45–50 years | 10–18 | 35 min | In-person |
| Interviewee 8 | Male | Senior Auditor | 45–50 years | 10–18 | 42 min | In-person |
| Interviewee 9 | Female | Senior Auditor | 45–50 years | 10–18 | 58 min | In-person |
| Interviewee 10 | Male | Senior Auditor | 45–50 years | 10–18 | 37 min | In-person |
| Interviewee 11 | Male | Senior Auditor | 45–50 years | 10–18 | 41 min | In-person |
| Interviewee 12 | Male | Senior Auditor | 45–50 years | 10–18 | 46 min | In-person |
| Interviewee 13 | Male | Senior Auditor | 45–50 years | 10–18 | 42 min | In-person |
| Interviewee 14 | Female | Senior Auditor | 45–50 years | 10–18 | 43 min | In-person |
| Interviewee 15 | Male | Senior Auditor | 45–50 years | 10–18 | 39 min | In-person |

*Note.* Instead of reporting individual ages or specific years of work experience, we consider aggregating data into ranges. It is to protect participants' confidentiality.

The core questions were carefully designed to address the primary objectives of the research and provide a baseline for analysis. This standardized approach served as a reliable framework for understanding key themes and gathering essential information from all participants (Rabionet, 2011). Moreover, we embraced an adaptive strategy by doing follow-up questions that were tailored to the individual experiences and perspectives shared by each participant. These follow-up inquiries were designed to dig deeper into specific areas of interest, allowing us to capture the nuances and intricacies of participants' responses.

To mitigate the risk of misinterpretation and enhance the accuracy of data collection, a voice recording system was used during the interviews. This decision was made with the intent of capturing the participants' responses verbatim, reducing the reliance on note-taking, and preserving the nuances of their expressions and perspectives (Matheson, 2007). Permission to record was asked before the interview started. All interviewees in this study had no objection to being recorded after knowing it was for transcription purpose. Then, during the interview processes, we always emphasised that the result of this study is carefully presented, and we will avoid disclosure of individual responses and any individual organisation. After making a transcript of the interviews, we allowed the interviewees to review, revise and add comments. This collaborative approach not only strengthened the trust between the research team and the participants but also enriched the quality of the final output.

### *3.2. Building rapport*

In the first meeting with participants, we framed the research as a collective effort to combat fraud. Participants were explicitly informed that their unique insights, experiences, and perspectives were invaluable in advancing our understanding of fraud prevention measures. We highlighted the idea that by sharing their knowledge, they were playing an integral role in the collective effort to develop more effective strategies for preventing and combating fraudulent activities. This approach aimed to elevate the participants from mere contributors to active agents in the fight against fraud, fostering a sense of empowerment and responsibility. Therefore, this framing not only acknowledged the importance of their personal narratives but also positioned them as integral to a community of individuals collectively working towards a safer and more secure societal landscape.

We recognised that research transparency is key to building trust, and as such, we made every effort to present information, questions or statements in an understandable manner, avoiding jargon and complexity (Irvine et al., 2013). The participants' consent to be interviewed were obtained in written form. In our informed consent documents were crafted with meticulous attention to detail, ensuring that participants were fully informed about the purpose, procedures, and potential risks and benefits of their participation. In this regard, we specified the intended scope of data analysis, storage, and dissemination, providing participants with a clear understanding of how their contributions would be utilised for the purpose of the research. Then, we informed participants that their information would be handled with the utmost care and confidentiality. For instance, we omitted specific identifying information, such as names or any other

potentially identifying details that participants may share during the research process. By doing so, we created a protective barrier around participants' identities, reducing the risk of unintended disclosure.

### 3.3. The positionality of the researchers

In the context of the current study, it is important to emphasise our position as outsiders. As researchers, we approached the study with a deliberate detachment, emphasising that we have no pre-existing connections or substantial familiarity with the group under investigation. This deliberate distance from the subject matter is a methodological choice aimed at minimising biases and ensuring the objectivity of our findings (Bukamal, 2022). Then, our lack of prior involvement allows us to approach the research with a fresh perspective, which can be advantageous for exploring topics with a critical eye (Bourke, 2014). The decision to maintain an outsider status also aligns with ethical considerations in research. It helps in avoiding undue influence on the participants and guards against inadvertent partiality (Lu & Hodge, 2019).

To fortify the rigor of our study, we embrace a methodology of cross-evaluation among authors. This involves a systematic and rigorous process of peer review, where multiple authors critically assess each other's work. This collaborative evaluation serves as a built-in quality control mechanism, enhancing the robustness of our research. Additionally, the practice of cross-evaluation adds an extra layer of validation to our research outcomes. It promotes transparency and accountability within the research process as authors scrutinise and challenge each other's interpretations and conclusions. This iterative and collaborative approach not only strengthens the reliability of our study but also fosters a culture of continuous improvement, as each author benefits from the collective insights and expertise of the team.

### 3.4. Data analysis

For analysing the data, the transcripts were re-read several times. It was coded according to the given categories. The codes were structured in a hierarchical order, *see* Table 2 for the sample of a coding process. The idea of a hierarchical order is to make it easier when analysing the meaning units for a particular topic.

Under the main categories, extra nodes which arose from interviews were also collected and analysed. For the findings to be usable, we made decisions about what was important in the data. Those new emerged categories have been further regrouped as sub-categories under the main themes, or have been excluded from the final interpretation if they were not on the focus of the research objectives. The analysis began with a close examination of individual words and phrases used by the interviewees. This qualitative approach allowed for the identification of recurring themes, key terms, and nuanced language that conveyed the richness of their responses (Boeije, 2002). Each statement was treated as a unique piece contributing to the overall tapestry of the study. In sentence-level analysis, we explored implicit meanings, emotions, and underlying themes embedded in interviewees' communication (Schmidt, 2004). This approach allowed for a more nuanced interpretation of the interviewees' viewpoints (Schmidt, 2004). As an additional reference to simplify our process, we also refer to the work of King and Horrocks (2010), which is cited by Maduku and Zerihun (2022), *see* Table 3.

## 4. Research results and discussion

The research results derived from the study's interviews have unveiled a tapestry of interconnected themes that encapsulate the diverse and nuanced experiences shared by the participants. The study's

**Table 2.** An example of the coding process.

| Main themes | Nodes | Codes |
|---|---|---|
| Organisational control | 1 | (1)/Control environment |
| | 2 | (1 1)/Control environment/Integrity |
| | 3 | (1 1 1)/Control environment/Integrity/ethical values |
| | 4 | (1 1 1 1)/Control environment/Integrity/ethical values/directors level |
| | 5 | (1 1 1 2)/Control environment/Integrity/ethical values/management level |
| | 6 | (1 1 1 3)/Control environment/Integrity/ethical values/employees level |

*Source*: Authors.

**Table 3.** Analysis process.

| Number of stages of analysis | Description |
|---|---|
| 1. Descriptive coding | This entails reviewing transcripts and emphasising crucial information. Ultimately, it involves pinpointing descriptive codes. |
| 2. Interpretive coding | Detect and categorize descriptive codes, organize them into clusters, analyse the significance of these identified groups, and subsequently apply interpretive codes to the entire dataset. |
| 3. Overarching themes | Develop important themes of the whole data set |

*Source*: Maduku and Zerihun (2022).

results present a compelling narrative that underscores the intricate interplay of organisational control, whistleblowing systems, fraud awareness, and religiosity in preventing fraudulent behaviours within the examined context. The nexus of these key elements emerges as a comprehensive strategy that collectively contributes to fostering a culture of integrity and deterring fraudulent activities. In other words, the study's results paint a comprehensive picture of the multifaceted approach required to prevent fraudulent behaviours within organisations.

### *4.1. Organisational control as a fundamental prevention*

Organisational control is a central feature of fraud risk management. 'Organisational control is the backbone of any company's integrity and success' (Interviewee, 5). In line with the above literature review, our discussion about organisational control is distilled into five sections: control environment, risk assessment, control activities, information and communication, and monitoring activities.

#### *4.1.1. Control environment*

The control environment is critical in establishing an effective fraud prevention culture in an organisation. In the early stage, it is very necessary for an organisation to define fraud, make the definition part of its ethics or fraud policy, and have employees sign their acknowledgement of understanding and agree to abide by it. 'Without a signed policy statement on the definition of fraud, certain kinds of frauds would be difficult to prove to a jury of peers, leading to disagreements as to whether those events are fraud or not' (Interviewee 7). To understand better about this point, another interviewee illustrates a case when he gave testimony on a corruption case in court. He said:

> In a court case, the word intent is the most difficult aspect to prove. It occurs in a person's mind, and thus proof is somewhat circumstantial. Sometimes, in court, we find a person can easily defend himself by saying, "Ooop" I made a mistake—I meant to use my personal credit card and did not notice that I used the corporate one. Sorry, it was by mistake. (Interviewee 5)

The above quote means an individual can use the excuse of an accident or carelessness as the cause of the incident rather than a deliberate intent to steal or commit the fraud. This situation commonly happens when a victim company suffers a single misuse of the corporate credit card. So, it is in the best interest of the entity to provide a definition for fraud and employees sign it. Then, our informants emphasise the importance of defining fraud

> A precise definition is crucial in legal settings. It becomes easier for law enforcement agencies, businesses, and individuals to identify and respond to fraudulent activities. (Interviewee 10)

> It facilitates communication and cooperation among different stakeholders, which is essential for preventing and addressing fraud effectively. (Interviewee 13)

Furthermore, we found that the control environment can serve as the contingency variable across a broader range of directorate organisations to promote accountability and transparency. Interviewee 15 argues that

> The control environment shouldn't be a one-size-fits-all approach. Instead, it should be flexible enough to adapt to the nuances of different directorate organizations, ensuring that it enhances accountability and transparency in a manner that is relevant to their specific contexts. (Interviewee 12)

> It challenges the traditional notion of a rigid control framework and encourages organizations to embrace a more adaptive and context-specific approach to governance. (Interviewee 14)

During an interview with a senior member of Indonesian fraud investigators in the field of local government, he emphasises that the control environment calls for flexibility of responsiveness to evaluate adherence to standards of conduct. As argued, 'it has to be flexible, adaptive, and quick enough to react to fast-paced fraud attacks, then a continuing adjustment is needed' (Interviewee, 4).

Within this context, it would be efficient to place the burden of ethical responsibility on the individual administrator rather than drafting more rules and regulations. The following quotes illustrate such a point.

> While rules and regulations are essential, relying solely on them can be burdensome and may not address the dynamic nature of fraud. (Interviewee, 10)

> A heavy reliance on rules and regulations alone can create a compliance mindset. (Interviewee, 14)

> We have already implemented many regulations from central government and local government, even the organisation itself issued its own regulation, but those do not affect the increase in accountability. (Interviewee, 3)

> (…) now we need more manpower to monitor and enforce the rules. I think, as public servants, they (administrators) have to learn when and how a conflict of interests leads to corruption. In our environment, conflict of interests is a grey area. (Interviewee, 9)

#### *4.1.2. Risk assessment*

To counter the impact of the organised corruption, a risk assessment should be applied in a hierarchical order. The participants' views about the importance of risk assessment suggest that:

> There are several steps. The first step is to identify and categorise the various risks that an organisation faces. (Interviewee 15)

When we asked further explanation about such steps. He mentioned:

> Commonly it includes financial risks, operational risks, regulatory risks, and so on. Once identified, these risks are then ranked based on their potential impact and likelihood. The risks with the highest potential impact and likelihood become the top priorities. (Interviewee 15)

With regard to a hierarchical approach to risk assessment, others added that:

> It's about being proactive and focused in addressing the risks that matter most to the achievement of organisational objectives. (Interviewee 10)

> (…) the better the risk assessments that are embedded in organisations, the less likely should be fraud to occur. It is really efficient when risk assessment activities are implemented in the hierarchy of risk control. (Interviewee 4)

> The first thing is to identify and analyse the red flag, then assess it. After that, it is to decide and take action whether it is criminal behaviour or not. (Interviewee 8)

Another interviewee emphasised that:

> Risk-based controls should be designed to mitigate bribery and corruption risks associated with the engagement of third-party providers. (Interviewee 1)

To support the effectiveness of public servants to perform risk assessment, the following quotes highlight that anti-fraud training/education allows an individual to build strong professional knowledge and practical skills. As argued, it is helpful to perform risk assessment.

> Training and inductions about organisation's vulnerabilities fraud are often carried out to raise our awareness. Yes yes education for predicting and assessing fraud risks should be improved. (Interviewee, 3)

> Yes, education about risk assessment is important, particularly what makes particular types of crimes (fraud), and particular circumstances attractive to particular types of offenders. (Interviewee, 8)

Moreover, the successful assessment of corruption risk cannot be separated from the increased sensitivity to corruption clues.

> For us, I think sensitivity to corruption risks should lead auditors to separately assess the risks posed by management's attitude, opportunities, and incentives. By requiring these separate assessments, it enables us to create a successful risk management plan. (Interviewee, 2)

> Fraud signs can manifest in various forms. Organisations must equip their employees with the knowledge to identify these signs early on. (Interviewee, 11)

> Maximising sensitivity to corruption risk is important. We as an auditor must be aware of the existence of any cues that might suggest corruption risk. (Interviewee, 6)

> "The sensitivity to the symptoms of corruption is positively related to our decisions to rank corruption risk in order of importance", so combining component assessments can improve overall assessment accuracy. (Interviewee, 1)

Then, other interviewees gave further practical explanations for the process of conducting an effective fraud risk assessment. They explain that fraud risk assessments are typically required to focus on the importance of every single fraud-risk characteristic. This point means that the holistic setting in fraud-risk assessment is less likely to encourage the auditors' sensitivity to corruption cues.

> I think there is no problem if the checklist is lengthy as long as it is the detail that guides us to understand the historical data as well as emerging trends and patterns of (corruption) risks. (Interviewee, 7).

> When there is a substantial change in an entity's structure, functions or activities, we always put our curiosity on it. Every single curious change brings important messages for us. (Interviewee, 3)

Another interviewee believes that it is difficult to prevent fraud risks by using a single preventive approach. As explained, effective communication of fraud risk among employees is a means of enhancing their ability to identify risks of material misstatement and to respond to the risks identified. His argument is illustrated in the further quote.

> Our priority when dealing with the issue of fraud is that a one size-fits all approach to managing corruption risks is unlikely to work across organisations. I recommend all organisations to support the communication of corruption risk throughout the organisation from top to bottom and bottom to top. (Interviewee, 9)

Another interviewee added:

> It (fraud) demands a more nuanced strategy that addresses the specific vulnerabilities within an organisation. Relying on a single preventive approach is akin to applying a one-size-fits-all solution to a complex problem. (Interviewee, 13)

It is the same thing for risk assessment approach. It requires a more nuanced strategy to identify fraud.

> It requires a more sophisticated approach to identify patterns, anomalies, and potential red flags that might not be immediately apparent. (Interviewee, 11)

> Traditional risk assessment approaches may focus on quantitative measures and historical data. I think, it should be a more qualitative analysis, taking into account behavioural indicators, cultural aspects, and emerging trends to uncover potential fraud risks. (Interviewee, 14)

### *4.1.3. Control activities*

Control activities functions can help reduce bureaucratic corruption if they are designed in accordance with a risk-based control. It plays a lucrative role in monitoring every event or series of actions possessing potential corruption risks. The specific application of this matter, our informants mentioned:

> Based on my experience as a state auditor, many local governments have ineffective internal controls programs due to an overwhelming amount of controls that do not adequately consider risk. (Interviewee, 9)

> They (local governments) have just focused on testing the internal controls, and did not focus on properly evaluating the effectiveness of controls when conducting a self–assessment, for example, whether authorisations and approvals have been appropriate or not. (Interviewee, 6)

> Absolutely. Organizations should view internal controls as dynamic and evolving, not as static checkboxes to be marked. (Interviewee, 10)

The quotes above shed light on a pervasive issue within organizations, pointing to a tendency to prioritize the appearance of having robust internal controls rather than genuinely addressing the inherent risks associated with routine activities. There is the possibility that some internal control frameworks may be more symbolic than substantive. When we requested an example, our informant mentioned:

> An organisation might have a policy in place for segregation of duties but fails to enforce it effectively, leading to increased fraud risk. (Interviewee, 9)

Furthermore, they do not adequately address the inherent risks for their routine activities. Ideal control activities focus on the business process and any sub-processes rather than just the expectation of the public towards the ownership of internal control (Interviewees, 1, 4 and 7).

This study also discovered that proper information processing controls might address adverse risks associated with the accuracy, completeness and authorisation of transactions. To protect an organisation from embezzlement, the transactions should be authorised by individuals acting within the scope of their authority (Interviewee, 5). Without a doubt, an appropriate authorisation should be granted on a case-by-case basis and applied in both routine transactions and non-routine transactions (Interviewee, 4). Moreover, our informant explained that authorisation procedures are important in limiting access to records, documents and assets and to computer files, programs and or equipment (Interviewee, 2). Thus, when transactions are authorised by individuals within their designated roles and responsibilities, it adds a layer of accountability. The point is that:

> Each financial action is not only scrutinised but also aligned with the organisation's established policies and procedures. Unauthorized transactions, which might be indicative of embezzlement, can be more readily identified and prevented. (Interviewee, 15)

Another interviewee informs us about the specific challenges that organisations might face in implementing effective transaction authorisation processes.

> One common challenge is the potential for collusion, where individuals work together to bypass authorisation controls. Then, organisations may face challenges if there is a lack of clarity regarding roles and responsibilities or inadequate training on the authorization process. (Interviewee, 12)

Furthermore, security packages can come from independent checks involving the verification of work in a number of diverse departments. The next quote indicates that independent checks act as a second layer of scrutiny, providing an unbiased evaluation of security measures.

> Independent checks are not about finding faults but about strengthening the overall security resilience. (Interviewee, 10)

Even though top managers made a decision intentionally to disregard hazardous working conditions, the concept of independent checks on task performance (e.g. immediate restrictive endorsement of checks) can enhance the quality of management assertions over the financial reporting as well as the transaction- and balanced-related activities (Interviewee, 9). Other interviewees below noted steps that can they take to ensure the process is effective and collaborative.

> Collaboration is key. Organisations should establish clear communication channels between internal teams and external assessors. (Interviewee, 5)

> Regular training sessions and awareness programs can help employees understand the value of independent checks. (Interviewee, 14)

> Having a standardised framework for assessments and a commitment to continuous improvement will ensure that the process remains effective over time. (Interviewee, 15)

Then, when the independence of internal auditors is at stake, this condition may alert the managers that the features of the preventive processes are unhealthy. We found that job rotation of heads of departments can reduce the opportunity for being corrupt and strengthen the integrity of the public administration (Interviewee, 2). The entire internal management team, from the executive director to the

leader of each primary department, should have a solid grasp of the active roles and responsibilities in dealing with corrupt behaviour.

#### *4.1.4. Information and communication*

The nature of information flow is identified as a key resource to enhance the effectiveness of command and control bureaucracy. An argument from our informant suggests that inadequate information sharing that may lead to the prosecution of occupational crimes can be alleviated by providing opportunities for the flattening of information amongst employees (Interviewee, 1). To do this, 'the powerful bureaucratic hierarchies and direct control over the apparatus' decision-making of the organisation are significantly required' (Interviewee, 7).

Similarly, another interviewee argued that information system is a critical aspect in understanding detrimental structural and cultural changes that could indicate criminal behaviours within an organisation (Interviewee, 4). Notably, 'we are aware of a blurred change in activities since it may be indicative of commencement of corrupt acts' (Interviewee, 9). These arguments indirectly emphasise an establishment of an effective communication process among individuals within an organisation in order to obtain information, for example, about potential corruption risk. Then an organisation deploys a coordinated approach to investigation and corrective action to address dangerous risks appropriately and in a timely manner (Interviewee, 2). This idea means that the identification of a high risk of fraudulent conduct can be assisted by sharing information across directorates and other related public entities. So, through cross-referencing the information, the value of surveillance towards slanderous information raised by employees can be more accurate.

Since information and communication are identified to be the critical point, it will be better if the mechanism of information and communication flow is periodically evaluated. It is intended to avoid disequilibrium conditions or information that may encourage corrupt behaviours. In relation to this, an interviewee mentioned that communication processes to gain information about organisational activities or potential corruption risks should be reassessed periodically for accuracy and effectiveness purposes (Interviewee, 5). It is also to deal with the heavy burden of clerical work that may open opportunistic actions for the concealment of (material) transactions (Interviewee, 3).

#### *4.1.5. Monitoring activities*

Fairness monitoring is vital for understanding how anomalies and corruption are linked. Our interviewee explicitly argued that 'a proactive prevention process should start with an understanding of the symptoms and fraud schemes (…) but to know them is not easy, it is like to discover needle in the haystack' (Interviewee, 9). When we requested further explanations, he mentioned that:

> We have to be sensitive or familiar with the use of budgets to monitor performance. It is a useful method of monitoring fraud controls, I think. The differences from standard procedures or overruns in costs can be indicators that people are not adhering to the system, and corrupt behaviours may be the reason. (Interviewee, 9)

Furthermore, this study also found that a high-process-control procedure is synergistically concerned with the recognition of the symptoms of corruption. According to our informant, in the absence of unequivocal management's exhortations to conform to the principles established, failure to discipline perpetrators and inability to judge the quality of performance will be higher (Interviewee, 3). Then if the control procedure as intended as part of the monitoring initiatives is unambiguously overridden, an unexpected likelihood of corrupt occurrence arises (Interviewee, 6). These results can be indicative that the explicit established task procedure constitutes a significant guidance for identifying anomalies and dysfunctional behaviours.

Moreover, the underlying model of control for unscrupulous administrative apparatus can be effective if the standards applied are supported by establishing a scheme of hierarchical supervision of the performance of public officers. The rationale is that the opportunity for imprudent or illegal acts is attributed to a misguided process of bureaucratic surveillance (Interviewees, 1, 3, and 7). Another informant also supports this argument. It conveys that efforts to prevent corruption within the organisation are not

isolated but rather embedded and interwoven into various aspects of its functioning. This implies that anti-corruption measures are not treated as separate initiatives but are seamlessly incorporated into the overall structure and operations of the organisation.

> The corruption prevention program is an integrated activity. Through the chain of command, each superior was supposed to supply his subordinates with the communications needed to assess and communicate internal control deficiencies in a timely manner. (Interviewee, 2)

When we asked about the human factor in applying organisational control, especially, how does that come into play? Our informants highlighted the importance of not only implementing controls but also fostering a culture of ethics and integrity. Their sample quotes are illustrated below.

> The human factor is perhaps one of the most challenging aspects. Employees, whether knowingly or unknowingly, can be a source of fraud. (Interviewee, 10)

> It's not just about implementing controls but also about creating a culture that values integrity. (Interviewee, 15)

Moreover, interviewee 10 indicates that employees, the vital components of any workforce, are not only capable of contributing to fraudulent activities intentionally but also inadvertently. This dual perspective recognises the diverse motivations and circumstances that may lead to fraudulent behaviour. The use of the terms 'knowingly or unknowingly' implies a nuanced understanding that not all instances of fraud are driven by malicious intent; some may stem from a lack of awareness, inadequate training, or insufficient communication of ethical standards. As such, the recognition of employees as a potential source of fraud highlights the critical need for organisations to be vigilant and proactive in addressing this challenge. It emphasises the importance of implementing effective controls to detect and prevent fraudulent activities. Then, the subsequent statement (Interviewee, 15) suggests that an exclusive reliance on controls is insufficient. Instead, there is an equal need to cultivate a workplace culture that prioritises and values integrity. This cultural approach recognises that influencing employee behaviour requires more than just rule enforcement.

### *4.2. Whistle-blowing system*

Our participants, as illustrated in the quotes below, recognised the importance of the whistle-blowing system. For them, a whistle-blowing system is believed to be an efficient fraud detection tool and part of a program to internalise the values of integrity in every employee.

> (…) therefore, a more comprehensive system is needed to increase awareness of legal compliance embodied in the whistle-blowing system. (Interviewee, 7)

> No organisation is perfect. A whistle-blowing infrastructure can be an alternative to deal with ethical violations. (Interviewee, 8)

However, another informant mentioned that its implementation in the public sector is still not optimal, and is considered just a formality to fulfil statutory obligations.

> It is hard to say that it is good in practice. The theory says it is effective. In practice, many interventions influence its implementation. Yes, we have it, it is just mandatory and does not work. (Interviewee, 1)

According to participant 8, whistle-blowing is a consequence of organisational incapability to encourage ethical standards.

> Whistle-blowing will not need to occur if the organisational activities operate ethically. (Interviewee, 8)

We also find that a whistle-blowing system can bring adverse effects to the whistle-blower. An example quote is illustrated below.

> Whistleblowing systems play a crucial role in uncovering fraudulent activities, but they pose ethical challenges, mainly related to issues of confidentiality, potential retaliation against whistle-blowers, and the impact on organizational culture. (Interviewee, 13)

The following quotes indicate that a potential whistle-blower may feel threatened with retaliation. It is because of the lack of laws or regulations protecting a potential whistle-blower.

> Threats and intimidation against whistle-blowers are still high. However, the protection of whistle-blowers still requires serious attention. (Interviewee, 9)

> We do not have a specific law to protect whistle-blowers and their family members. (Interviewee, 3)

> Governments and regulatory bodies should enact and enforce comprehensive whistle-blower protection laws. (Interviewee, 12)

According to participant 3 below, employees' willingness to report any wrongdoings is likely to be higher if their reports properly will be followed up. Then, if the wrongdoings are reported to external channels, it will emerge another issue that can bring negative effects both whistle-blower and his/her organisation.

> You know, whistle-blowing can be a positive measure if this report has a clear resolution and the root cause of the problem can be solved. But on the contrary, it can be negative if this problem then spreads to parties or persons outside the company who have no interest. (Interviewee, 3)

The importance of a healthy organisational culture for the effectiveness of the whistle-blowing process is further emphasised by our informants. Their arguments, as illustrated in the following quotes, signify that organisations are encouraged to expand opportunities for employee disclosure, not simply through the implementation of anonymous or confidential reporting channels, but also by creating a culture that is supportive of employee voice.

> I think, anonymous or non-anonymous channels is not the case. Blowing the whistle is the ideal moral choice if it is acceptable in an organisation. (Interviewee, 2).

> An organisation should give attention to how to treat whistle-blowers – especially if they report concerns. Organisational support motivates employees to act ethically and prevent them to behave unethically. (Interviewee, 8)

When an organisation gives supportive experience in making a decision to disclose any fraud, it becomes a strong message for employees that internal whistle-blowing is valued. At this stage, an individual forms his/her judgment that blowing the whistle is the ideal ethical choice. These points have been supported by the following quotes.

> If an organisation treats whistle-blowers in appropriate manners, it is good. It can prevent employees from raising concerns to external bodies or outsiders. (Interviewee, 1)

> The cases should be solved internally. It is because the problems will not spread to everywhere that can bring negative effect on the name of the institution or organisation. (Interviewee, 9)

Furthermore, some participants highlight that perceptions of what peers and top management do in their usual business activities have the greatest influence on self-reported fraudulent behaviour. Organisational culture and peer's perception of a whistle-blowing practice become the determinant of what is legitimate and encouraged behaviours in the organisation. Their comments can be seen in the next quotes.

> Peer support is important, one day, I interviewed one whistle-blower for the case in one local government. He was so brave to raise concern because his colleagues gave support and provided comfort and hope. (Interviewee, 5)

> Before they (whistle-blowers) report fraud, they collect information from their friends and leaders in their department, whether it is a good choice or not. Yes, it is very important, their friends will offer a new network of support for those involved in whistle-blowing cases. (Interviewee, 4)

Thus, whistleblowing plays a vital role in organisational control by acting as an additional layer of oversight. When employees, or even external parties, feel empowered to report wrongdoing, it creates a system of checks and balances that enhances overall control mechanisms. 'Without a whistleblowing system, these issues might go unnoticed for an extended period, posing significant risks to the organisation' (Interviewee, 11). Another interviewee added that:

> Such systems are not just about reporting problems; they are also a reflection of an organisation's commitment to transparency, accountability, and ethical behaviour. (Interviewee, 10)

### 4.3. Auditors' fraud awareness

Auditors' understanding of fraud risks is a necessary attribute. It is associated with organising and directing auditors' behaviours to identify high levels of opportunity and incentive cues that suggest fraud. This claim refers to the following quotes.

> We will do nothing if we cannot see and understand what is happening. (Interviewee, 7)

> My responsibility is still framed by the idea of awareness of the presence of numerous red flags throughout the audit (…). (Interviewee, 8)

> Of course, as auditors, we are aware of what constitutes fraud and be able to identify risk factors or conditions associated with fraud. (Interviewee, 8)

> For instance, a situation where we are reviewing financial statements. With a strong understanding of fraud risks, we would not only scrutinise the numbers but also assess the internal controls in place. (Interviewee, 11)

This study also notes a robust anti-fraud training program has a substantial role in the fight against fraud and enriches our understanding of fraud mitigation in the scene of anti-fraud culture strategies. As such, unaware of the actual vulnerabilities that lie in the organisational systems can result in catastrophic effects. The following quotes illustrate such points.

> I always update our knowledge about the modus operandi. It is heightened through education, information, and a control environment that fosters the prevention and detection of fraud (…) it's just self-awareness because it is important for my job. (Interviewee, 8)

> I applied risk-based auditing to deal with the intrinsic ambiguity associated with corruption risk. If I do not accurately assess such risks, my audit processes will be useless, resulting in undetected fraud. (Interviewee, 3)

> We as auditors should not just focus on playing defence, but instead demonstrate agility and resilience. (Interviewee, 6)

When we requested an example to understand auditors' agility and resilience, he then mentioned that:

> If fees or expenses are reported without supporting documentation (…) I then looked for a pattern of such questionable invoices, as this can indicate that the invoices are being used to fund bribe payments. (Interviewee, 6)

Within this point, organisations, as suggested in the above quotes, have to encourage the enrichment of fraud awareness for auditors. One of our informants added that:

> It is a practical and essential attribute that empowers auditors to navigate the complexities of financial examinations with a heightened awareness of potential fraud risks, ultimately contributing to the integrity and reliability of the audit process. (Interviewee, 15)

Other informants also supported a fraud policy raising fraud awareness among auditors. They illustrated how fraud awareness could enhance auditors' sensitivity to the strategic risk of fraud.

> When we are aware of the concealment of evidence or misrepresentation of information, it leads us to question management's aggressiveness and ethics, their decisions, and the extent to which management is committed to setting a positive organisational culture. (Interviewee, 1)

> Yes, it is because our organisation support us, if we need other expertise/skills to identify a set of institutional vulnerabilities within a system or process which might facilitate corrupt practices, then we just would look for it inside the organisation first or buy it in from one of our professional parties. (Interviewee, 7)

A challenge for auditors when addressing corruption risks is that managements' arguments that believe that their decisions are in the best interest of their organisations. Within this context, the first response to deal with such situations is to redefine the management's understanding of the corruption risks (Interviewees, 5 and 9). So, 'internal auditors should always be aware of the key issues that usually

contribute to fraudulent occurrences, and the controls that should be put in place to mitigate them as a result' (Interviewee, 2).

### 4.4. Auditors' religious adherence

In this section, we find that the social norm perspective of religion drives more resistance against aggressive behaviour and corruption at the organisational level. It shows that internal auditors having high adherence to their religious principles penalise activities that deviate from the endorsed frame of ethics. Their views can be seen in the following quotes.

> I cannot act for things that are against religion. Especially when it comes to covering up corruption. Of course, that is totally unacceptable. (Interviewee, 3)

> Of course there are consequences. Following orders from superiors or religious principles, it is a very dilemmatic choice. However, religion is very important to me. I enjoy my work as senior auditor since I see this work as a form of worship. (Interviewee, 13)

> For me fraud as a violation of their religious teachings and principles. I feel a stronger sense of moral obligation to act against fraud and ensure that ethical standards are upheld. (Interviewee, 5)

Then other informants emphasise that religious principles influence how they think and behave in their workplace. Their arguments indicate that it promotes anti-fraudulent and anti-manipulative ethos and facilitates the development of morality and ethical conducts.

> My friends (colleagues) and I remind each other, in work, especially when we are influenced to commit corruption by clients. Religious values are instilled in us. I believe it will increase people's trust in us. (Interviewee, 15)

> Religious adherence is a predominant characteristic in this organisation. It emphasises the importance of truthfulness and discourage dishonesty or deceitful behaviour. (Interviewee, 13)

It suggests that religiously oriented leaders are more inclined to internalise ethical norms associated with conservatism and are, as a result, less likely to embark on collusive corruption with auditors' clients.

> My leaders here have good religious adherence. They encourage us to take anti-fraud trainings regularly. They said, anti-fraud trainings typically emphasise the importance of personal accountability and responsibility for one's actions, aligning with the sense of accountability that religiosity can instil in individuals. (Interviewee, 7)

> Due to such matters, I am more motivated to be watchful in identifying and addressing potential fraud to safeguard the reputation of my religious community. Of course, anti-fraud trainings can be viewed as the tool to achieve it. (Interviewee, 4)

The above quote may also indicate that individuals with a higher level of religiosity, who are deeply committed to their religious beliefs and practices, may take anti-fraud training more seriously. Those who are religiously devout may view anti-fraud training as an opportunity to reinforce and align their personal values with the principles taught in the training. They may see it as a way to live out their religious teachings in their professional lives and fulfil their religious obligations.

Additionally, we identify that most informants view anti-fraud training as an essential means to equip themselves with the knowledge and skills needed to fulfil their moral duty of preventing fraud and unethical behaviour. The following quotes seem to inform us that auditors who are deeply religious may feel a heightened obligation to act ethically and responsibly in all aspects of their lives, including their work as auditors.

> My religion helps me to maintain a good reputation and uphold trust, both personally and professionally. I see anti-fraud training as a way to protect and enhance my reputation as trustworthy professional and representative of my religious community. (Interviewee, 3)

> Its influence is enormous. I can fully understand the characteristics of the fraud. I am motivated to continue learning about the topic. Yes, it is because of religious adherence. (Interviewee, 9)

The above quote illustrated by Interviewee 3 also indicates that Religion often emphasizes principles such as honesty, integrity, and accountability. Auditors who adhere to these principles as part of their

religious beliefs may approach their work with a heightened sense of ethical responsibility. This can manifest in a commitment to thorough examination, an increased resistance to compromises, and a dedication to ensuring financial reporting accuracy to prevent fraud. Therefore, auditors should be mindful of their personal values and religious principles, recognising their potential impact on professional responsibilities. So that, it is essential to remain vigilant, adhere to ethical standards, and seek guidance from colleagues or mentors when faced with challenging ethical decisions. Ultimately, maintaining a commitment to objectivity and integrity is paramount.

## 5. Conclusion

This research answers the call articulated by Kotb et al. (2020) by dissecting the intricate network of organisational control and its pivotal role in deterring corporate fraud. The study's unique contribution lies in its concentrated exploration of internal resources within a firm, with a spotlight on organisational control, whistle-blowing systems, fraud awareness, and religiosity. The chosen perspective of internal auditors adds depth to the analysis, offering insights into how these elements converge within their domain. Additionally, our research contributes valuable insights to the ongoing discourse on bolstering organisational resilience against fraudulent activities.

The results support our theoretical framework. Our study extends Davis and Pesch (2013) study on a fraud control model emphasising a control of a perceived opportunity to commit fraud. Essentially, the existence of opportunity is not a main predictor of fraudulent occurrences (Maulidi & Ansell, 2021b; Suh et al., 2019). The prevailing paradigm, which tends to prioritise the minimisation of opportunities for fraud (Suh et al., 2019), carries a seductive allure of simplicity. Our findings serve as a resounding reminder that the essence of human behaviour is far from monolithic. So if a fraud prevention model is merely emphasised on reducing opportunity to fraud, it will be *unlikely* to be effective. The crux of our revelation lies in the acknowledgment that, within an environment staunchly committed to intolerance for fraudulent conduct, the individual's inclination to engage in such activities is likely to be attenuated. The implications of this study ripple through the fabric of fraud prevention strategies, beckoning a recalibration of emphasis within the prevailing discourse. The cautionary note we sound is an inquiry into the very essence of efficacy in fraud prevention models. In general, we perceive that this study might alleviate the ambiguity of the preventive role of the organisational control (see, Donelson et al., 2017; Dugar & Gujarathi, 2018, *for further review*).

Then, when organisational control is massively exploited by a group of corrupt people, employees' decision to blow the whistle is more likely to be stronger. The decision to blow the whistle becomes a reflection of the individual's commitment to a higher ethical standard, a rejection of the corrosive forces eroding the very foundations of the institution. In this crucible of moral dilemma, employees weigh the consequences of their actions against the moral duty to expose corruption. Within this ominous environment, employees find themselves grappling with a moral imperative that transcends the conventional boundaries of professional allegiance. The act of blowing the whistle, typically considered a last resort, transforms into a potent manifestation of individual agency and ethical fortitude. It is a conscientious rebellion against the usurpation of control for nefarious ends, a courageous assertion of the values that underpin a healthy organisational ecosystem.

It is acceptable, being a whistle-blower is not easy, because one must consider the negative impacts caused. One main reason that might affect people's decisions is fear of retaliation and the various risks that arise after reporting any fraud. This situation calls for the enactment of whistle-blowing laws regulating the freedom of expression without fear of retaliation. This supportive regulation shall develop a more open and supportive culture that encourages employees to speak up any incorrect activities within the organisation. These findings add to the growing literature on the anti-fraud controls (e.g. Fazekas et al., 2022; Lino et al., 2022). When organisational control is no longer effective, finding effective protective measures should be the major goal for organisations.

Then, it is worth noting in our study that auditors' fraud awareness and religious adherence play different roles in the relationship between organisational control and occurrences of corporate fraud. They work as 'enhancers' of organisational control to prevent corporate fraud. Auditors with a high sense of

sensitivity of fraud risk will engage in more deliberative processing and search for contextual cues to provide an explanation for the suspicious behaviour. Consistent with studies in the role of internal auditors (e.g. Kaur et al., 2023; Kotb et al., 2020), auditors who evaluate a misstatement from the perspective of the manager who caused it will be more sensitive to circumstances that influenced the manager to intentionally misstate. Then, their sensitivity to fraud anomalies will be stronger when they have strong religious adherence. As illustrated, religious auditors hold more traditional views on moral issues and have more conservative moral standards than non-religious auditors.

Equally important, our study suggests a compelling narrative of interconnected mechanisms. Organisational control, whistleblowing systems, auditors' fraud awareness, and religiosity emerge not as disparate threads but as interwoven strands. Each contributes to the resilience of the fabric that guards against the erosion of ethical integrity within institutions. When organisational control is no longer effective because the offenders from the top executives, whistleblowing systems and the existence of internal auditors act as an additional layer of defence against the insidious incursion of corruption. As the vanguard of moral rectitude, whistle-blowers pierce the veil of silence that often shrouds executive transgressions. As suggested, the whistleblowing mechanism not only serves as a safeguard against internal malfeasance but also signifies a seismic shift in organisational ethos. It heralds an epoch where transparency and accountability take precedence over institutional loyalties, demanding a re-evaluation of the very foundations upon which the organisation stands.

In such interconnected narratives, auditors do not function as detached examiners but as active participants in the ethical safeguarding of the institution. Their awareness becomes a dynamic force, resonating with and reinforcing the principles embedded in organisational control and whistleblowing systems. Then, their religiosity, often overlooked in conventional organisational discourse, emerges as a potent force within this narrative. Auditors anchored in a religious worldview find themselves more attuned to the ethical dimensions inherent in their professional decisions. As found here, the moral compass embedded in religious doctrines act as a beacon, enlightening the potential consequences of actions that deviate from the principles of honesty, integrity, and fairness. In recognising the divine imperative to uphold ethical standards, religious auditors may inherently internalise a heightened sense of responsibility toward preventing activities marked by dishonesty, fraud, or the abuse of power. It is not relegated to the periphery but intertwined with the fabric of ethical integrity. In this sense, the moral scope provided by religiosity adds a dimension beyond rules and regulations, fostering a deeper commitment to ethical conduct. So that, auditors who subscribe to religious values may inherently embody these virtues, fostering an environment where dishonesty, fraud, or the abuse of power is viewed not only as a breach of professional ethics but also as a transgression against deeply held religious principles. Together, these anti-corruption mechanisms form a resilient defence against the subtle erosions that corruption may attempt.

## 6. Contributions and limitations

Our study stands as a testament to the intellectual evolution within the realm of anti-corruption strategies. We break free from the shackles of singular methodologies, recognising the inadequacy of relying solely on organisational control, whistleblowing systems, fraud awareness, or religiosity in isolation. The complexity of corruption demands a nuanced approach that contemplates the interplay of these strategies within the organisational fabric. To assert that a singular measure within an organisation possesses the panacea for corruption is to succumb to a fallacious oversimplification. Our research challenges the myopic perspective that has pervaded prior studies, which often fixate on isolated preventive mechanisms such as organisational control. In doing so, we illustrate the limitations of viewing corruption through a narrow lens, urging scholars and practitioners alike to transcend the confines of simplistic solutions.

We stand that the multifaceted nature of corruption necessitates a holistic understanding. We acknowledge the intricate dynamics at play. Through simultaneously examining organisational control, whistleblowing systems, fraud awareness, and religiosity, our study contributes a mosaic to the corruption literature, painting a more comprehensive picture of the preventive landscape. We assert that true efficacy in combating corruption emerges when these strategies converge synergistically, creating a robust defence mechanism that transcends the inadequacies of any single approach. It emphasises the

interconnectedness of various anti-corruption strategies. In contrast to studies that neglect the inherent characteristics of corruption, our research boldly reconstructs the intellectual scaffolding, eschewing reductionism in favour of a more encompassing perspective. Therefore, we perceive our study illuminates a path towards a more sophisticated, adaptive, and ultimately effective approach to curbing corrupt activities.

Despite its contributions, like any scientific inquiry, this study is not without its limitations. One notable constraint is associated with the relatively small sample size of 15 interviewees upon which the study relies. While this number may appear modest compared to larger-scale investigations, it is crucial to note that the research team successfully reached data saturation within this cohort. The choice of a smaller sample size was deliberate, aligning with the qualitative nature of the study and the in-depth exploration of participants' experiences and perspectives. Second, this study is anchored in the context of a single country, Indonesia. However, its characteristics and nuances of fraud occurrences differ significantly from other countries. One distinguished strength of this study is its exploration of how fraud takes shape within the Indonesian context and how the characteristics of fraudsters influence organisational control mechanisms, the efficacy of whistleblowing systems, and the awareness of auditors regarding fraud.

## Disclosure statement

No potential conflict of interest was reported by the author(s).

## Authors' contribution

All Authors equally contributed to this paper. All authors involved in the conception and design, data collection, analysis and interpretation of the data, the drafting of the paper, and the final approval of the version to be submitted and published.

## About the authors

***Ach Maulidi*** is in an early career as a lecturer of Accounting in the University of Surabaya, Indonesia. His research interests are centered around Forensic Accounting, Corporate Governance, Audit and Financial Crimes.

***Muhammad Wisnu Girindratama*** is a senior lecturer and researcher, an assistant professor, at the University of Surabaya, Indonesia. He is also ahead of the Centre for Professional Development, University of Surabaya, Indonesia. His involvement in professional development aligns with the evolving landscape of education, where a holistic approach to learning extends beyond traditional academic boundaries. Through his roles, he likely fosters collaborations with industry partners, ensuring that the programs offered are not only academically rigorous but also relevant to the demands of the professional world. His research focus is associated with accounting behaviours.

***Anton Robiansyah Putra*** is an associate professor of Accounting in the Universitas Terbuka, Indonesia. As an Associate Professor, he is likely a guiding force in shaping the academic journey of students, providing them with a solid foundation in accounting principles and practices. His commitment to excellence in education contributes significantly to the development of future professionals in the field. His expertise and research interests are related to accounting in public sector, organisational control, accountability and transparency in public sector. For instance, his exploration of organisational control speaks to a nuanced understanding of how institutions manage and regulate their financial affairs. This research likely involves delving into the mechanisms that organisations employ to ensure efficiency, effectiveness, and compliance with established standards.

***Rida Perwita Sari*** is an associate professor of Accounting in the Universitas Pembangunan Nasional Veteran Jawa Timur, Indonesia. She is currently also mandated to be ahead of internal control department in such a university. Her specialisation and areas of research focus on public sector accounting, organisational control, and the enhancement of accountability and transparency within the public sector. Her expertise and research endeavours contribute not only to the university's academic prestige but also to the broader field of accounting, particularly in the context of the public sector.

***Dian Anita Nuswantara*** is a professor of Forensic Accounting in public sector in the Universitas Negeri Surabaya, Indonesia. She is also a member of audit committee in one of Regional-Owned Enterprises or Local Government-Owned Enterprise. Her commitment to fostering accountability and transparency in governance is exemplified by her active engagement in delivering consultations to local governments. In these consultations, she brings a wealth of

knowledge and experience to the table, offering insights into effective strategies that can be employed to ensure responsible financial management.

## ORCID

Ach Maulidi http://orcid.org/0000-0002-1963-7808
Muhammad Wisnu Girindratama http://orcid.org/0000-0003-2565-3676
Anton Robiansyah Putra http://orcid.org/0000-0002-7958-2589
Rida Perwita Sari http://orcid.org/0000-0002-5393-702X
Dian Anita Nuswantara http://orcid.org/0000-0002-7124-3099

## Data availability statement

Data and materials supporting the results or analyses presented in the paper are available upon reasonable request.

## References

Abdelsalam, O., Dimitropoulos, P., Elnahass, M., & Leventis, S. (2016). Earnings management behaviors under different monitoring mechanisms: The case of Islamic and conventional banks. *Journal of Economic Behavior & Organization*, *132*, 1–23. https://doi.org/10.1016/j.jebo.2016.04.022

Abdo, M., Feghali, K., & Zgheib, M. A. (2022). The role of emotional intelligence and personality on the overall internal control effectiveness: applied on internal audit team member's behavior in Lebanese companies. *Asian Journal of Accounting Research*, *7*(2), 195–207. https://doi.org/10.1108/AJAR-04-2021-0048

Adeel, N., Patel, C., Martinov-Bennie, N., & Ying, S. X. (2022). Islamic religiosity and auditors' judgements: Evidence from Pakistan. *Journal of Business Ethics*, *179*(2), 551–572. https://doi.org/10.1007/s10551-021-04829-w

Afriyie, S. O., Akomeah, M. O., Amoakohene, G., Ampimah, B. C., Ocloo, C. E., & Kyei, M. O. (2022). Forensic accounting: A novel paradigm and relevant knowledge in fraud detection and prevention. *International Journal of Public Administration*, *46*(9), 615–624. https://doi.org/10.1080/01900692.2021.2009855

Alazzabi, W. Y. E., Mustafa, H., & Karage, A. I. (2023). Risk management, top management support, internal audit activities and fraud mitigation. *Journal of Financial Crime*, *30*(2), 569–582. https://doi.org/10.1108/JFC-11-2019-0147

Álvarez-Foronda, R., De-Pablos-Heredero, C., & Rodríguez-Sánchez, J. L. (2023). Implementation model of data analytics as a tool for improving internal audit processes. *Frontiers in Psychology*, *14*, 1140972. https://doi.org/10.3389/fpsyg.2023.1140972

Arli, D., van Esch, P., & Cui, Y. (2023). Who cares more about the environment, those with an intrinsic, an extrinsic, a quest, or an atheistic religious orientation?: Investigating the effect of religious ad appeals on attitudes toward the environment. *Journal of Business Ethics: JBE*, *185*(2), 427–448. https://doi.org/10.1007/s10551-022-05164-4

Barafort, B., Mesquida, A. L., & Mas, A. (2019). ISO 31000-based integrated risk management process assessment model for IT organizations. *Journal of Software: Evolution and Process*, *31*(1), e1984.

Blum, E. S., Hatfield, R. C., & Houston, R. W. (2022). The effect of staff auditor reputation on audit quality enhancing actions. *The Accounting Review*, *97*(1), 75–97. https://doi.org/10.2308/TAR-2019-0341

Boeije, H. (2002). A purposeful approach to the constant comparative method in the analysis of qualitative interviews. *Quality and Quantity*, *36*(4), 391–409. https://doi.org/10.1023/A:1020909529486

Bourke, B. (2014). Positionality: Reflecting on the research process. *The Qualitative Report*, *19*(33), 1–9. https://doi.org/10.46743/2160-3715/2014.1026

Bukamal, H. (2022). Deconstructing insider–outsider researcher positionality. *British Journal of Special Education*, *49*(3), 327–349. https://doi.org/10.1111/1467-8578.12426

Cai, Y., Kim, Y., Li, S., & Pan, C. (2019). Tone at the top: CEOs' religious beliefs and earnings management. *Journal of Banking & Finance*, *106*, 195–213. https://doi.org/10.1016/j.jbankfin.2019.06.002

Cai, G., Li, W., & Tang, Z. (2020). Religion and the method of earnings management: Evidence from China. *Journal of Business Ethics*, *161*(1), 71–90. https://doi.org/10.1007/s10551-018-3971-6

Callen, J. L., Morel, M., & Richardson, G. (2011). Do culture and religion mitigate earnings management? Evidence from a cross-country analysis. *International Journal of Disclosure and Governance*, *8*(2), 103–121. https://doi.org/10.1057/jdg.2010.31

Castro, A., Phillips, N., & Ansari, S. (2020). Corporate corruption: A review and an agenda for future research. *Academy of Management Annals*, *14*(2), 935–968. https://doi.org/10.5465/annals.2018.0156

Chang, Y. T., Chen, H., Cheng, R. K., & Chi, W. (2019). The impact of internal audit attributes on the effectiveness of internal control over operations and compliance. *Journal of Contemporary Accounting & Economics*, *15*(1), 1–19. https://doi.org/10.1016/j.jcae.2018.11.002

Davis, J. S., & Pesch, H. L. (2013). Fraud dynamics and controls in organizations. *Accounting, Organizations and Society*, *38*(6-7), 469–483. https://doi.org/10.1016/j.aos.2012.07.005

Donelson, D. C., Ege, M. S., & McInnis, J. M. (2017). Internal control weaknesses and financial reporting fraud. *AUDITING: A Journal of Practice & Theory*, *36*(3), 45–69. https://doi.org/10.2308/ajpt-51608

Du, X., Jian, W., Lai, S., Du, Y., & Pei, H. (2015). Does religion mitigate earnings management? Evidence from China. *Journal of Business Ethics*, *131*(3), 699–749. https://doi.org/10.1007/s10551-014-2290-9

Dugar, A., & Gujarathi, M. R. (2018). Toshiba's creative accounting for construction contracts. *Issues in Accounting Education*, *33*(3), 117–134. https://doi.org/10.2308/iace-52127

Elnahass, M., Salama, A., & Yusuf, N. (2022). Earnings management and internal governance mechanisms: The role of religiosity. *Research in International Business and Finance*, *59*, 101565. https://doi.org/10.1016/j.ribaf.2021.101565

Farrar, J., & King, T. (2022). To punish or not to punish? The impact of tax fraud punishment on observers' tax compliance. *Journal of Business Ethics*, *183*(1), 289–311. https://doi.org/10.1007/s10551-022-05061-w

Fazekas, M., Sberna, S., & Vannucci, A. (2022). The extra-legal governance of corruption: Tracing the organization of corruption in public procurement. *Governance*, *35*(4), 1139–1161. https://doi.org/10.1111/gove.12648

Grabiński, K., & Wójtowicz, P. (2022). The impact of catholic religion on earnings management: A case of Poland. *Journal of International Financial Management & Accounting*, *33*(1), 18–56. https://doi.org/10.1111/jifm.12141

Gramling, A., & Schneider, A. (2018). Effects of reporting relationship and type of internal control deficiency on internal auditors' internal control evaluations. *Managerial Auditing Journal*, *33*(3), 318–335. https://doi.org/10.1108/MAJ-07-2017-1606

Hashim, H. A., Salleh, Z., Shuhaimi, I., & Ismail, N. A. N. (2020). The risk of financial fraud: a management perspective. *Journal of Financial Crime*, *27*(4), 1143–1159. https://doi.org/10.1108/JFC-04-2020-0062

Hazami-Ammar, S. (2019). Internal auditors' perceptions of the function's ability to investigate fraud. *Journal of Applied Accounting Research*, *20*(2), 134–153. https://doi.org/10.1108/JAAR-09-2017-0098

Heese, J., Krishnan, R., & Ramasubramanian, H. (2021). The Department of Justice as a gatekeeper in whistleblower-initiated corporate fraud enforcement: Drivers and consequences. *Journal of Accounting and Economics*, *71*(1), 101357. https://doi.org/10.1016/j.jacceco.2020.101357

Howlett, M., Leong, C., & Sahu, S. (2022). Managing internal policy risk: Australia, the UK and the US compared. *Policy Design and Practice*, *5*(2), 152–163. https://doi.org/10.1080/25741292.2022.2065716

Hu, K. H., Chen, F. H., Hsu, M. F., & Tzeng, G. H. (2023). Governance of artificial intelligence applications in a business audit via a fusion fuzzy multiple rule-based decision-making model. *Financial Innovation*, *9*(1), 117. https://doi.org/10.1186/s40854-022-00436-4

Irvine, A., Drew, P., & Sainsbury, R. (2013). 'Am I not answering your questions properly?' Clarification, adequacy and responsiveness in semi-structured telephone and face-to-face interviews. *Qualitative Research*, *13*(1), 87–106. https://doi.org/10.1177/1468794112439086

Jancsics, D. (2019). Corruption as resource transfer: An interdisciplinary synthesis. *Public Administration Review*, *79*(4), 523–537. https://doi.org/10.1111/puar.13024

Karanja, E. (2017). Does the hiring of chief risk officers align with the COSO/ISO enterprise risk management frameworks? *International Journal of Accounting & Information Management*, *25*(3), 274–295. https://doi.org/10.1108/IJAIM-04-2016-0037

Kaur, B., Sood, K., & Grima, S. (2023). A systematic review on forensic accounting and its contribution towards fraud detection and prevention. *Journal of Financial Regulation and Compliance*, *31*(1), 60–95. https://doi.org/10.1108/JFRC-02-2022-0015

Kotb, A., Elbardan, H., & Halabi, H. (2020). Mapping of internal audit research: A post-Enron structured literature review. *Accounting, Auditing & Accountability Journal*, *33*(8), 1969–1996. https://doi.org/10.1108/AAAJ-07-2018-3581

Koutoupis, A., Pazarskis, M., & Drogalas, G. (2018). Auditing corporate governance statements in Greece–The role of internal auditors. *Corporate Governance: The International Journal of Business in Society*, *18*(5), 1007–1020. https://doi.org/10.1108/CG-02-2018-0095

Krügel, S., & Uhl, M. (2023). Internal whistleblowing systems without proper sanctions may backfire. *Journal of Business Economics*, *93*(8), 1355–1383. https://doi.org/10.1007/s11573-023-01144-w

Kuang, Y. F., Lee, G., & Qin, B. (2021). Whistleblowing allegations, audit fees, and internal control deficiencies. *Contemporary Accounting Research*, *38*(1), 32–62. https://doi.org/10.1111/1911-3846.12619

Lino, A. F., de Azevedo, R. R., de Aquino, A. C. B., & Steccolini, I. (2022). Fighting or supporting corruption? The role of public sector audit organizations in Brazil. *Critical Perspectives on Accounting*, *83*, 102384. https://doi.org/10.1016/j.cpa.2021.102384

Liston-Heyes, C., & Juillet, L. (2023). Does increasing auditors' independence lead to more forceful public auditing? A study of a Canadian internal audit reform. *Public Administration*, 1–24. https://doi.org/10.1111/padm.12964

Lu, H., & Hodge, W. A. (2019). Toward multi-dimensional and developmental notion of researcher positionality. *Qualitative Research Journal*, *19*(3), 225–235. https://doi.org/10.1108/QRJ-D-18-00029

Madawaki, A., Ahmi, A., & Ahmad, H. N. (2022). Internal audit functions, financial reporting quality and moderating effect of senior management support. *Meditari Accountancy Research*, *30*(2), 342–372. https://doi.org/10.1108/MEDAR-04-2020-0852

Maduku, H., & Zerihun, M. F. (2022). Qualitative analysis of transiting from informal to formal sector: The case of manufacturing and service businesses in Gauteng province of South Africa. *Cogent Economics & Finance*, *10*(1), 2095765. https://doi.org/10.1080/23322039.2022.2095765

Matheson, J. L. (2007). The voice transcription technique: Use of voice recognition software to transcribe digital interview data in qualitative research. *Qualitative Report*, *12*(4), 547–560.
Maulidi, A. (2020). When and why (honest) people commit fraudulent behaviours? Extending the fraud triangle as a predictor of fraudulent behaviours. *Journal of Financial Crime*, *27*(2), 541–559. https://doi.org/10.1108/JFC-05-2019-0058
Maulidi, A., & Ansell, J. (2021a). Tackling practical issues in fraud control: A practice-based study. *Journal of Financial Crime*, *28*(2), 493–512. https://doi.org/10.1108/JFC-07-2020-0150
Maulidi, A., & Ansell, J. (2021b). The conception of organisational fraud: The need for rejuvenation of fraud theory. *Journal of Financial Crime*, *28*(3), 784–796. https://doi.org/10.1108/JFC-09-2020-0180
Maung, M., Tang, Z., Wilson, C., & Xu, X. (2021). Religion, risk aversion, and cross border mergers and acquisitions. *Journal of International Financial Markets, Institutions and Money*, *70*, 101262. https://doi.org/10.1016/j.intfin.2020.101262
Mishra, M., Ghosh, K., & Sharma, D. (2021). Unethical pro-organizational behavior: A systematic review and future research agenda. *Journal of Business Ethics*, *179*(1), 63–87. https://doi.org/10.1007/s10551-021-04764-w
Mostafa, D., Hussain, M., & Mohamed, E. K. (2020). The effect of religiosity–morality interaction on auditor independence in Egypt. *Managerial Auditing Journal*, *35*(8), 1009–1031. https://doi.org/10.1108/MAJ-04-2019-2267
Norman, C. S., Rose, A. M., & Rose, J. M. (2010). Internal audit reporting lines, fraud risk decomposition, and assessments of fraud risk. *Accounting, Organizations and Society*, *35*(5), 546–557. https://doi.org/10.1016/j.aos.2009.12.003
Nunhes, T. V., Bernardo, M., & Oliveira, O. J. D. (2020). Rethinking the way of doing business: A reframe of management structures for developing corporate sustainability. *Sustainability*, *12*(3), 1177. https://doi.org/10.3390/su12031177
Previtali, P., & Cerchiello, P. (2022). Organizational determinants of whistleblowing. A study of italian municipalities. *Public Organization Review*, *22*(4), 903–918. https://doi.org/10.1007/s11115-021-00554-0
Quick, R., & Henrizi, P. (2019). Experimental evidence on external auditor reliance on the internal audit. *Review of Managerial Science*, *13*(5), 1143–1176. https://doi.org/10.1007/s11846-018-0285-0
Rabionet, S. E. (2011). How I learned to design and conduct semi-structured interviews: an ongoing and continuous journey. *Qualitative Report*, *16*(2), 563–566.
Reinsberg, B., Stubbs, T., Kentikelenis, A., & King, L. (2020). Bad governance: How privatization increases corruption in the developing world. *Regulation & Governance*, *14*(4), 698–717. https://doi.org/10.1111/rego.12265
Runyan, R. C., Huddleston, P., & Swinney, J. L. (2007). A resource-based view of the small firm: Using a qualitative approach to uncover small firm resources. *Qualitative Market Research: An International Journal*, *10*(4), 390–402. https://doi.org/10.1108/13522750710819720
Saber, A. M., & Sassine, M. E. (2022). Reflections on internal control and internal audit roles for ensuring financial transparency toward Lebanese NGOs financial donors. *EuroMed Journal of Management*, *4*(3), 186–198. https://doi.org/10.1504/EMJM.2022.123912
Sakawa, H., & Watanabel, N. (2021). Earnings quality and internal control in bank-dominated corporate governance. *Asian Business & Management*, *20*(2), 188–220. https://doi.org/10.1057/s41291-019-00100-3
Schmidt, C. (2004). The analysis of semi-structured interviews. In U. Flick, E. von Kardoff, & I. Steinke (Eds.), A companion to qualitative research (pp. 253–259). Rowohlt Taschenbuch Verlag GmbH.
Stubben, S. R., & Welch, K. T. (2020). Evidence on the use and efficacy of internal whistleblowing systems. *Journal of Accounting Research*, *58*(2), 473–518. https://doi.org/10.1111/1475-679X.12303
Suh, J. B., Nicolaides, R., & Trafford, R. (2019). The effects of reducing opportunity and fraud risk factors on the occurrence of occupational fraud in financial institutions. *International Journal of Law, Crime and Justice*, *56*, 79–88. https://doi.org/10.1016/j.ijlcj.2019.01.002
Wang, X., Ferreira, F. A., & Yan, P. (2023). A multi-objective optimization approach for integrated risk-based internal audit planning. *Annals of Operations Research*, 1–29. https://doi.org/10.1007/s10479-023-05228-2
Wans, N. (2020). Corporate social responsibility and market-based consequences of adverse corporate events: Evidence from restatement announcements. *Journal of Accounting, Auditing & Finance*, *35*(2), 231–262. https://doi.org/10.1177/0148558X17725968
White, S., Bailey, S., & Asenova, D. (2020). Blurred lines: Exploring internal auditor involvement in the local authority risk management function. *Public Money & Management*, *40*(2), 102–112. https://doi.org/10.1080/09540962.2019.1667682