

The Effect of Asymmetric Information Towards Tendency of Accounting Fraud (Case Study of West Sulawesi Provincial Government)

Jumardi

Accounting Study Program Faculty of Economics University of West Sulawesi, Indonesia

ARTICLE INFO

Article history:

Received Mar 30, 2023

Revised Apr 15, 2023

Accepted Apr 25, 2023

Keywords:

Marketing 5.0,
Data Driven Marketing,
Predictive marketing,
Augmented Marketing,
Contextual Marketing, Agile
Marketing, Instagram Filter,
Brand Awareness.

ABSTRACT

This study aims to determine the effect of information asymmetry on accounting fraud tendencies in the West Sulawesi provincial government. This type of research uses a quantitative approach. This study uses primary data. Collecting data using questionnaires. The population in this study were government structural officials with the rank of echelon II, echelon III, and echelon IV, totaling 813 people. Sampling used the slovin formula method, so that a sample of 89 was obtained. This study used a simple linear regression analysis approach. The results of the study show that information asymmetry has a positive effect on the tendency of accounting fraud

This is an open access article under the [CC BY-NC](https://creativecommons.org/licenses/by-nc/4.0/) license.



Corresponding Author:

Jumardi

Accounting Study Program Faculty of Economics

University of West Sulawesi

Jl. Prof. Dr. Baharuddin Lopam SH, Talumung, Majene Regency, West Sulawesi, 91412.

Email: jumardi_sanjaya@yahoo.com

1. INTRODUCTION

Fraudulent behavior is something that has been happening in private sector institutions and government agencies, including central and regional. Good governance is a condition that must be achieved in order to fulfill the aspirations of the people and the ideals of the nation and state. In order to realize good governance as it is intended to achieve, a Regional Apparatus Organization (OPD) is needed that has qualified qualifications. OPD is a regional level government entity or institution that receives and manages the budget in carrying out its functions and duties. Regional Apparatus Organizations have an obligation to make accountable financial reports.

The government's financial report is a description of the financial condition and transactions carried out by the government. The content in the form of financial statement information is very important, because it can be used as a basis or benchmark in making decisions in future periods. Therefore, the preparation of the financial statements should have used the applicable standards and be free from accounting deviations that lead to intentional misstatements.

Fraud in accounting is an act that is not justified, because the output resulting from this behavior is not the truth. Accounting fraud can occur due to the desire that the financial statements produced by the entity appear to be in good condition. Signs of a tendency for accounting fraud to occur can be reviewed based on intentional policies and actions aimed at manipulating or fraudulent efforts that can harm various parties (Amalia, 2018: 1).

The existence of accounting fraud results in organizations or public service agencies experiencing losses. Fraud can occur usually because of misstatements in the financial statements.

In addition, the fraud factor from the fraud triangle concept, namely in the form of pressure, opportunity, and rationalization, Diyah (2019: 1).

One example of a case of accounting fraud is the allegation of alleged fraud or corruption committed in connection with the construction of the class III Mamuju Women's Penitentiary (LPP) in 2018 which caused losses to state finances of approximately Rp. 1.6 Billion (National Kompas)

In 2018, the Provincial Government of West Sulawesi received an unqualified opinion (WTP) from the Supreme Audit Agency (BPK) for the 2017 financial statements. This is a good achievement for the Provincial Government of West Sulawesi. However, even though this has reached a WTP opinion, it does not mean that there are no problems found by the BPK. Based on the Summary of Semester II Examination Results (IHPS), the BPK found compliance problems with laws regarding the object of auditing Regional Expenditures for the Fiscal Year.

Table 1. auditing Regional Expenditures for the Fiscal Year

No. Entity	NO. Examination Object	Province / Entity	Examination Object	Non-compliance with the Provisions of Laws and Regulations and 3E (Value in IDR million)									
				Total Non-compliance And 3E		Lack of volume of work and/or goods		Excess payment for work, but payment has not been made to partners		Overpaid in addition to undervolume		Other non-compliance issues and 3E	
				Problems		Problems		Problems		Problems		Problems	
				Amount	Mark	Amount	Mark	Amount	Mark	Amount	Mark	Amount	Mark
		West Sulawesi Province											
103	1	Sulawesi Provincial Government West	Regional Expenditures for the Provincial Government of West Sulawesi for the 2018 Fiscal Year in Mamuju	15	281.44	1	25.53	4	30,61	2	44,92	8	182.38

One of the causes of accounting fraud behavior is information asymmetry. Information asymmetry occurs when the agent has better information than the principal. Information asymmetry arises when managers understand internal information and future prospects better than shareholders and other stakeholders (Manosso Hendrik, 2016:66). The existence of information asymmetry can lead to fraud. Usually such fraud occurs at the beginning and end of the budget period.

The emergence of information asymmetry is when a manager, who in this case is the actor who prepares financial reports, has information and prospects regarding the entity in the future, compared to other stakeholders. In circumstances like this, managers can potentially be influenced to make changes and manipulate financial statements in the interests of a group (Manosso, 2016: 67). This has an effect on decreasing the quality of financial reports and raises moral problems which will lead to information asymmetry because the information obtained by stakeholders is not in a perfect state. Things that happen like that can give rise to the potential for accounting fraud to cover up the actual financial situation by manipulating finances in their presentation for personal gain or some groups. In the public sector environment, the occurrence of this information asymmetry has the potential to result in acts of fraud between regional governments and regional parliaments with the existence of information dissimilarities in budgeting which makes the capital expenditure budget in OPD inappropriate.

The occurrence of information asymmetry has an influence on the tendency of accounting fraud. This is based on the results of previous research conducted by Randiza Ichsan (2016) and Linda Ni Komang Lestari (2017). They argue that information asymmetry influences the tendency of

accounting fraud. This means, if information asymmetry increases, the potential for accounting fraud tendencies also increases. On the other hand, research conducted by Arjun Yulianto (2020) concluded that information asymmetry has no effect on the level of tendency for accounting fraud

2. RESEARCH METHODS

Contains the main materials used in research and methods used in solving problems including analytical methods. Components of supporting equipment do not need to be written down. Research methods include place, time, sampling method, research implementation, analysis methods, and other related matters. It must be detailed and clear so that competent people can carry out the same research (repeatable and reproducible). Statistical analysis is included, including the formulas used and the literature sources are listed.

The type of research used in this research is quantitative research. According to Sugiyono (2018: 8) argued, quantitative research is a research method based on the philosophy of positivism. This research was conducted in the West Sulawesi Provincial Government. Sampling in this study used the Slovin formula with an error tolerance level of 10%, so that a total of 89 respondents were obtained. This research was conducted by distributing questionnaires to respondents. The data analysis technique in this study used simple linear regression analysis. The regression equation used is as follows:

$$Y = \alpha + \beta_1 X + e$$

Information:

Y : Tendency of Accounting Fraud
 α : Constant
 β_1 : Regression Coefficient
 e : Confounding variable

3. RESULTS AND DISCUSSIONS

3.1 Validity Test

The purpose of the validity test is to determine the quality measure of a questionnaire used as a research instrument, so that it can be said that the instrument is valid. This study uses a validity test by comparing the value of r count (Total Correlation) with r table for a significance level of 5%. Based on the results of the research, it is known that the items in the study have invalid data. This invalid data is eliminated and tested for validity again. After re-testing, the results obtained were that all items tested were valid again.

3.2 Reliability test is

The reliability test is calculated by referring to the Cronbach Alpha value of each variable in the study. If the Cronbach's Alpha value is > 0.70 , then it can be declared reliable. Conversely, if the Cronbach's Alpha value is lower than 0.70, it is declared unreliable. In this study, the value of Cronbach's Alpha on the variables of information asymmetry and the tendency of accounting fraud is above 0.70. That is, the statement items from the variables X and Y are reliable.

3.3 Normality test

The normality test is carried out using the One Sample Kolmogorov-Smirnov Z method. The basis for making a decision is if the Asymp. Sig. (2-Tailed) $>$ from α (0.05), then the data can be declared normally distributed. Conversely, if the Asymp. Sig. (2-Tailed) $<$ from α (0.05), then the data is declared not normally distributed.

Table of Normality Test Results

Table 2. Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		80
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	6.07948329
	Absolute	.146
Most Extreme Differences	Positive	.085
	Negative	-.146
Kolmogorov-Smirnov Z		1.310
Asymp. Sig. (2-tailed)		.065

a. Test distribution is Normal.

b. Calculated from data.

Based on the test above, the Asymp. Sig. (2-Tailed) is 0.065. this means that the Asymp. Sig. (2-Tailed) > from α (0.05). Thus, the data can be said to be normally distributed.

3.4 Heteroscedasticity Test

The heteroscedasticity test is intended to test whether a regression model has an inequality of variance from residual observations to other observations. In this study, heteroscedasticity testing was carried out using the Spearman's rho method, with the basis of decision making considering its significant value. If the significance value is greater than 0.05, then the data is said to have no heteroscedasticity. However, if the significance value is less than 0.05, it means that the research data is said to have heteroscedasticity.

Table 3. Heteroscedasticity Test Results correlations

			INFORMATION ASYMMETRY	Unstandardized Residuals
Spearman's rho	INFORMATI	Correlation	1,000	-.090
	ON	Coefficient		
	ASYMMETR	Sig. (2-tailed)	.	.425
	Y	N	80	80
		Correlation	-.090	1,000
		Coefficient		
	Unstandardized Residuals	Sig. (2-tailed)	.425	.
		N	80	80

Based on the test results in the table above, it is known that the significance value of the Information Asymmetry table is 0.425. This value is greater than 0.05, which can be concluded that the research data does not have symptoms of heteroscedasticity.

3.5 Simple Linear Regression Analysis

Simple linear regression analysis is intended to determine the effect between the independent and dependent variables. In this study, the results of simple linear regression analysis can be seen in the following table:

Table 4. Simple Linear Regression Analysis Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	std. Error	Betas		
(Constant)	11083	4,469		2,480	.015
¹ INFORMATION ASYMMETRY	.274	.087	.338	3.168	.002

a. Dependent Variable: KKA

3.6 T test

Testing the level of significance is done by comparing the value of t count and t table by taking into account the following criteria:

- If the value of t count < t table and sig value > 0.05, then it is stated that H₀ is accepted and H₁ is rejected.
- If the t count > t table and the sig value < 0.05, it can be stated that H₀ is rejected and H₁ is accepted.

The value of t table is obtained by using the degree of freedom (df) = n-2, namely 80-2 = 78 with a value of Sig . of 0.05. So that the t table obtained is 1.99085. The results of simple linear regression analysis in table 4.21 show the t table value of 3.168 and the Sig . of 0.002. This shows that H₀ is rejected and H₁ is accepted, which means that there is an effect of information asymmetry on the tendency of accounting fraud. Thus, it can be concluded that the higher the information asymmetry that occurs, the greater the tendency for accounting fraud to occur.

3.7 Discussion

Based on the results of the tests that have been carried out, the results of the information asymmetry variable have a significance value of 0.002 < 0.05 (Sig. < α), and the value of t count is 3.168 > 1.99085 (t count > t table). This means that the Information Asymmetry variable (X) has a significant influence on the Accounting Fraud Tendency variable (Y). so that the assumption is obtained that the greater the information asymmetry that occurs, the tendency for accounting fraud will also increase. Information asymmetry is a condition where the lower party has better information than the superior. Information asymmetry can occur when a subordinate understands the information better. Situations like this can give rise to the potential for deviant behavior, one of which is by committing fraud. In relation to accounting fraud, parties that have links with budget management, from preparation, implementation to presentation of financial reports, if these parties have more information than colleagues and superiors, then this can be an opportunity for financial reports to be presented. which is not in accordance with the actual situation. If this happens, it has the potential to cause losses to the entity, because it will cause information discrepancies with the actual situation, and may affect decision making for the future.

Information asymmetry can be a factor that causes a person's tendency to commit accounting fraud. This is because the level of ownership and quality of information owned by everyone in an organization is not evenly distributed, so that parties with better information can take advantage of the imbalances that occur to gain personal benefits or certain groups that have the opportunity to harm the entity that is their area of responsibility. The potential impact that can occur if there is an information imbalance is the manipulation of financial reports and the information in them, even criminal acts of corruption (Suryandari & Ediana, 2019: 56).

Results of this study can be taken into consideration by practitioners and academics as input, that information asymmetry has the potential to lead to acts of fraudulent behavior within an institution, including in the public sector or government. Therefore, information disclosure between employees is needed to reduce the potential for accounting fraud in these institutions.

The results of the analysis showing that there is an influence between information asymmetry on the tendency of accounting fraud in this study are in line with previous studies, namely Randiza (2016), Lestari, et al (2017), Amalia (2018), and Adwitya and Sari (2020) which state that information asymmetry has an influence on the tendency of accounting fraud. However, the results of this study

are not in line with Andrianto's research (2020) which states that information asymmetry does not affect the tendency of accounting fraud.

4. CONCLUSION

Based on the results of the research and data analysis, it is concluded that information asymmetry has a positive effect on the tendency of accounting fraud, with indicators that have a high influence is information owned by subordinates and superiors. This means that the higher the information gap, the tendency for accounting fraud also increases.

REFERENCES

- A Amalia, Rizky. 2018. Pengaruh Asimetri Informasi, Moralitas Pimpinan, Kesesuaian Kompensasi, Efektivitas Pengendalian Internal, Good Governance, dan Keadilan Organisasi Terhadap Kecenderungan Kecurangan Akuntansi. Fakultas Ekonomi. Skripsi Universitas Islam Indonesia.
- Amalia, Sisca. 2018. Pengaruh Efektivitas Pengendalian Internal, Asimetri Informasi, Ketaatan Aturan Akuntansi dan Implementaasi Good Governance Terhadap Kecenderungan Kecurangan Akuntansi. Fakultas Ekonomi dan Bisnis. Skripsi Universitas Muhammadiyah Magelang.
- Arthaswadaya, Agum. 2015. Pengaruh Partisipasi Anggaran Terhadap Budgetary Slack dengan Self Esteem Sebagai Variable Pemoderasi. Skripsi. Fakultas Ekonomi. Universitas Negeri Yogyakarta.
- Badan Pemeriksa Keuangan. Ikhtisar Hasil Pemeriksaan (IHSP) 2. 2018. <https://www.bpk.go.id/ihaps/2018/II>. Diakses pada Senin, 7 Juni 2021.
- Badan Pemeriksa Keuangan. Ikhtisar Hasil Pemeriksaan (IHSP) 1. 2019. <https://www.bpk.go.id/ihaps/2019/I>. Diakses pada Senin, 26 Juli 2022.
- Bahasoan, A. N., Hasanuddin, R., Said, S., & Silvia, S. (2023). The Influence of organizational culture and Work Environment on Employee Performance in Campalagian District Office. *ProBisnis: Jurnal Manajemen*, 14(2), 276-284.
- Budiono, Vinie Shabrina, dkk. 2018. Analisis Pengaruh Pendidikan dan Pelatihan, Pengalaman Kerja Serta Pemanfaatan Teknologi Informasin Terhadap Kualitas Laporan Keuangan Pemerintah Daerah. *Jurnal. Universitas Pancasila*.
- Diyah W, Oktviani. 2019. Pengaruh Pengendalian Internal. Asimetri Informasi, dan Budaya Etis Organisasi Terhadap Kecurangan Akuntansi. Fakultas Ekonomi dan Bisnis. Skripsi Universitas Muhammadiyah Magelang.
- Ghozali, Imam. 2018. Aplikasi Analisis Multivariate Dengan Program IBM SPSS 25. Badan penerbit Universitas Diponegoro: Semarang.
- Gudono. 2012. Teori Organisasi. Yogyakarta: BPFE.
- Hardani, dkk. 2020. Metode Penelitian Kualitatif dan Kuantitatif. Yogyakarta: CV.Pustaka ilmu Group. https://www.bps.go.id/indikator/indikator/view_data_pub/7600/api_pub/TEJrTHhZODZmSXhobIFvSGtlbkFMQT09/da_02/2
- Ikatan Akuntan Indonesia. 2011. Standar Profesional Akuntan Publik. Jakarta: Salemba Empat.
- Komala, Rina. Piturungsih, Endar. Firmansyah, M. 2019. Pengaruh Asimetri Informasi, Moralitas Individu, dan Pengendalian Internal Terhadap Kecenderungan Kecurangan Akuntansi. Fakultas Ekonomi dan Bisnis. *Jurnal Universitas Mataram*.
- Lestari, Ni Komang Linda. Supadmi, Ni Luh. 2017. Pengaruh Pengendalian Internal, Integritas, dan Asimetri Informasi Pada Kecurangan Akuntansi. Fakultas Ekonomi dan Bsnis. *Jurnal Universitas Udayana (Udud) Bali*.
- Listriani, Hefi. 2016. Partisipasi Anggaran, Komitmen Organisasi dan Asimetri Informasi Serta Pengaruhnya Terhadap Senjangan Anggaran. Fakultas Ekonomi dan Bisnis. Skripsi Universitas Muhammadiyah Yogyakarta.
- Majid, Jamaluddin. 2019. Akuntansi Sektor Publik. Gowa. Pusaka Almaida.
- Mandasari, Zayanti. 2020. Keterbukaan Informasi Publik dan Percepatan Reformasi Birokrasi. <https://ombudsman.go.id/artikel/r/artikel--keterbukaan-informasi-publik-dan-percepatan->

- reformasi-birokrasi---Diakses pada Kamis, 11 Agustus 2022.
- Manosso, Hendrik. 2016. Good Corporate Governance Untuk Meningkatkan Kualitas Laporan Keuangan. PT. Norlive Kharisma Indonesia.
- Mardiasmo. 2018. Akuntansi Sektor Publik. Penerbit Andi Yogyakarta
- Sadewo, J.R. 2017. Pengaruh Pengendalian Internal dan Kepuasan Kerja Terhadap Kecurangan Akuntansi Pada Dinas Perindustrian Perdagangan Koperasi dan UMKM Daerah Istimewa Yogyakarta. Fakultas Ekonomi. Skripsi Universitas Negeri Yogyakarta.
- Saftarini, R., Yuniarta, G. A., & Sinarwati, N. K. 2015. Pengaruh Efektifitas Pengendalian Internal, Asimetri Informasi, dan Implementasi Good Governance Terhadap Kecenderungan Kecurangan (Fraud) Akuntansi (Studi Empiris pada SKPD di Kabupaten Bangli). Jurnal Universitas Pendidikan Ganesha.
- Sugiyono. 2019. Metode Penelitian Kuantitatif dan Kualitatif dan R&D. Bandung Alfabeta.
- Suryandari, Ni Nyoman Ayu. Ediana, I Dewa Made. 2019. Fraudulent Financial Statement. Badung Bali: CV. Noah Aletheia.
- Udayani, A.A.K.F. 2016. Pengaruh Pengendalian Internal dan Moralitas Individu pada Kecenderungan Kecurangan Akuntansi. Fakultas Ekonomi dan Bisnis. Skripsi Universitas Udayana.
- Widjajanti, Arie. Wahyuni, Wiwin. 2019. Pengaruh Moralitas Aparat dan Asimetri Informasi Terhadap Kecenderungan Kecurangan Akuntansi. Jurnal Universitas Wijaya Kusuma Surabaya.
- Yamin, S. Kurniawan, H. 2014. SPSS Complete (Teknik Analisis Statistik Terlengkap Dengan Software SPSS). Jakarta Selatan: Salemba Infotek.
- Yuesti, Anik. Dkk. 2020. Akuntansi Sektor Publik.. Badung Bali: CV. Noah Aletheia.
- Yusran, Muhammad. 2021. Determinan Kualitas Audit Terhadap Kepuasan Auditee Dengan Sikap Responsif Auditor Sebagai Intervening (Studi Kasus di OPD Kabupaten Majene). Jurnal STIE Sultan Agung.