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FRAUD HEXAGON IN STATE-LEVEL AUDITING: EVIDENCE FROM INDONESIA'S SUPREME AUDIT INSTITUTION

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Abstract

Fraud cases involving public-sector auditors raise concerns about the integrity of institutions overseeing public finances. The study aims at examining the relationships between the six dimensions of the Fraud Hexagon, namely pressure, capability, collusion, opportunity, rationalization, and ego, and auditors' perceptions of fraud tendency at the Audit Board of the Republic of Indonesia (BPK RI). Survey data from BPK RI auditors were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with WarpPLS 8.0. The findings show that collusion, opportunity, and rationalization are positively and significantly associated with fraud tendency perception, whereas pressure, capability, and ego are not significantly associated. Collusion has the largest path coefficient. The study extends the Fraud Hexagon framework to a public-sector audit institution and highlights the importance of auditor independence, integrity, effective supervision, and ethical standards in audit practice.

INTRODUCTION

Fraud has become a concern in organizational management because it can cause harm to other parties. Association of Certified Fraud Examiners (ACFE) classifies fraud into three categories: corruption, asset misappropriation, and financial statement fraud. According to the ACFE Indonesia (2025) survey, corruption represents the largest proportion of reported fraud cases (47.6%), followed by asset misappropriation (40.2%) and financial statement fraud (12.2%). These findings highlight the relevance of fraud risk in the management of public funds, which involves complex processes and

institutional responsibilities (Sargiacomo et al., 2024). These findings show that the misuse of official power remains a major form of fraud in government institutions. They also indicate that strengthening public governance requires not only effective internal control systems but also strong integrity standards among personnel responsible for public sector oversight.

As Indonesia's Supreme Audit Institution (SAI), the Audit Board of the Republic of Indonesia (BPK RI) is mandated to audit the management and accountability of state finances. Its audit responsibilities encompass financial, performance, and special-purpose audits, conducted in accordance with the State Financial Audit Standards (Standar Pemeriksaan Keuangan Negara) (SPKN, 2017). As the state's supreme audit institution, BPK RI is responsible not only for issuing opinions on government financial statements but also for preventing irregularities, detecting indications of fraud, and strengthening public integrity through performance audits and special-purpose audits. Through these functions, BPK RI is expected to help reduce opportunities for fraud and enhance public trust in the management of public finances (Mardawi et al., 2023; Tatiana, n.d.).

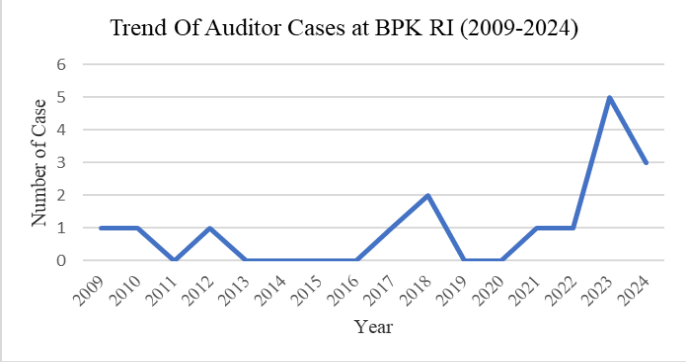

Figure 1. Trend of Auditor Fraud Cases at BPK RI (2009–2024)
Source: Processed from various news reports and court decisions (2026)

However, empirical data demonstrate that malfeasance among BPK RI personnel did happen. The worse is, it emerged systemically rather than anomalously. As shown in Figure 1, the upward trajectory of deceptive practices by BPK auditors since 2018 indicates that professional misconduct persists despite ongoing governance updates. Next, in Figure 2, it reveals that most offenders are Junior Auditors (Team Members) and Senior Auditors (Team Leaders). These echelons feature concentrated face-to-face auditee engagement, extensive operational autonomy, and direct ownership of audit determinations variables that amplify vulnerability to fraud. Consequently, auditor transgressions represent systemic behavioral phenomena driven by occupational mandates and institutional culture, rather than isolated moral failures.

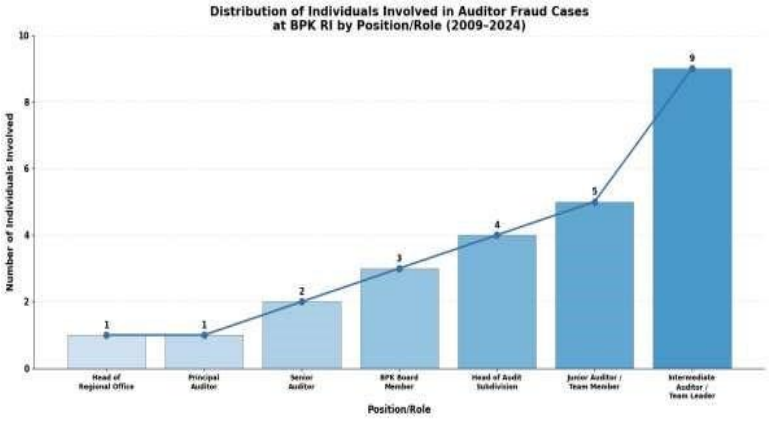

Figure 2. Distribution of Individuals Involved in Auditor Fraud Cases at BPK RI by Position
Source: Processed from various news reports and court decisions (2026)

A sequence of high-profile integrity breaches further accentuates these institutional issues, notably the corrupt practices involving BPK officials in Sorong, Bogor, the Meranti Islands, Lampung, and various other jurisdictions (Kumparan, 2024). These occurrences expose an intrinsic paradox inside the auditing profession: while auditors are legally tasked with unearthing and preventing malfeasance, the systemic authority, expert discretion, and confidential access inherent to their position simultaneously expose them to unethical temptations. Consequently, supervisory agents should be analyzed not merely as instruments of fraud detection, but as potential actors who are themselves susceptible to becoming perpetrators of fraud.

This professional dichotomy has received increasing attention in contemporary accounting literature. Jeppesen (2019) examines the role of auditing in addressing corruption and discusses how conventional financial auditing may overlook corrupt practices when they are treated primarily as non-compliance with laws and regulations rather than as fraud. In the Indonesian public sector, Sumiyana et al. 2023) demonstrate how political hegemony and intervention can undermine public-sector auditors' independence and impair audit quality within Indonesia's Supreme Audit Institution. From an individual-behavior perspective, Andre & Mutmainah (2025) found that time budget pressure was positively associated with dysfunctional audit behavior among government auditors. Although these studies address different aspects of auditing, they highlight challenges related to audit approaches, institutional pressures, and auditors' professional conduct. This context provides a rationale for examining auditors not only as agents responsible for detecting fraud, but also as individuals whose professional behavior warrants attention.

In line with these developments in the literature, recent studies have increasingly moved beyond examining auditors' traditional role as external investigators to explore the behavioral and situational factors that shape their professional judgments and decisions. Prior research suggests that institutional pressures, conflicting interests, organizational environments, and cognitive rationalizations may influence auditors' ethical judgments and professional conduct (Campa et al., 2023; Harun et al., 2024; Kassem, 2022; Mardawi et al., 2023).

Nevertheless, this shift has not yet received sufficient contextual development, as previous studies have examined various aspects of public sector auditing, including audit quality (Sumiyana et al., 2023), auditors' fraud detection capabilities (Indriani et al., 2022), structural weaknesses in auditing and control systems (Minelli et al., 2009), and the role of public auditing in corruption control (Kurniawati & Pratama, 2021; Tadida, 2023). However, these areas of research have paid less attention to the behavioral processes underlying auditors' own potential involvement in misconduct. Deceptive conduct may develop through a gradual cognitive process in which individuals assess potential risks, rationalize inappropriate actions, and form behavioral intentions before engaging in misconduct. Empirical studies suggest that moral values are associated with auditors' perceptions of fraud tendency, while behavioral and systemic factors may jointly shape individuals' orientation toward deception (Sahla & Ardianto, 2023; Setiawan & Soewarno, 2025). Accordingly, this study addresses this research gap by examining auditors' perceptions of fraud tendency and the factors that may shape them. From this perspective, Fraud Tendency Perception may provide insight into how professionals cognitively assess the possibility of engaging in misconduct, potentially offering a basis for identifying behavioral risk factors before misconduct occurs.

In accordance with this, this study deploys the Fraud Hexagon Theory pioneered by Vousinas (2019) as the analytical model to get a clear picture of such perception. Moving past foundational fraud frameworks, the Fraud Hexagon broadens analytical boundaries by introducing collusion as a core parameter, in addition to the five other dimensions (Vousinas, 2019), acknowledging that fraudulent enterprises frequently depend on cooperative networks to exploit internal control vulnerabilities. This paradigm is profoundly applicable to public sector auditing, an environment defined by collaborative teamwork, subjective professional judgments, prolonged contact with auditees, and vast discretionary power.

However, despite its promising analytical usage, empirical evaluations of the Fraud Hexagon exhibit varied results. A few studies demonstrate that all six vectors decisively govern fraudulent inclinations, whereas other research isolates only specific dimensions as meaningful predictors

(Awalluddin et al., 2022; Sahla & Ardianto, 2023a; Setiawan & Soewarno, 2025). Moreover, those studies focused only on private corporations, municipal administrations, or distinct institutional settings. Contextual evidence from Supreme Audit Institutions remains highly scarce, particularly concerning the operationalization of an auditor's Fraud Tendency Perception as a predictive early warning indicator. Addressing these prominent research voids, this study tests the impacts of the six Fraud Hexagon pillars: pressure, capability, collusion, opportunity, rationalization, and ego on Fraud Tendency Perception among personnel within the Audit Board of the Republic of Indonesia (BPK RI). Transferring the Fraud Hexagon Theory to a Supreme Audit Institution advances the literature on auditor deviance and offers actionable strategies to strengthen fraud prevention by utilizing the model to predict misconduct potential.

Within state oversight settings, the Fraud Hexagon Theory vectors (Vousinas, 2019) yield a promising all-encompassing framework for explaining how psychological and structural factors impact an auditor's Fraud Tendency Perception. Consequently, the conceptual linkages between each dimension of the Fraud Hexagon and Fraud Tendency Perception are established through the following theoretical hypotheses.

Pressure is a factor that may lead individuals to consider fraudulent actions when facing demands or needs they perceive as difficult to meet (Vousinas, 2019). Among BPK RI auditors, pressure may arise from workload demands, personal and family financial circumstances, external pressures, and professional competition (Sahla & Ardianto, 2023; Setiawan & Soewarno, 2025). Several studies have found an association between pressure and fraud (Aghghaleh et al., 2014; Albrecht et al., 2019; Fitriyah et al., 2021; Lisa et al., 2025), although Said et al. (2017) found that pressure did not have a significant effect on the likelihood of fraud among bank employees in Malaysia. These mixed findings indicate the need for further examination across different occupational contexts. Accordingly, the higher the pressure perceived by auditors, the higher their perceived tendency toward fraud.

Capability refers to an individual’s knowledge, skills, position, and ability to recognize and exploit opportunities for fraud (Vousinas, 2019; Wolfe & Hermanson, 2004). Among BPK RI auditors, capability is reflected in their understanding of audit procedures, technical expertise, and access to information and authority, which may enable them to identify weaknesses in audit procedures and internal controls hig (Kassem & Higson, 2016; Sahla & Ardianto, 2023; Setiawan & Soewarno, 2025). Previous studies have found a positive relationship between capability and fraudulent behavior or tendencies (Yadiati et al., 2023). However, Mintara & Hapsari (2021) found a positive but insignificant relationship between capability and financial statement fraud, suggesting that individual capability does not necessarily translate directly into fraudulent tendencies across different contexts. Accordingly, greater auditor capability may increase the capacity to engage in misconduct if such knowledge, skills, and authority are misused.

Collusion refers to cooperation between two or more individuals to commit or conceal fraudulent acts (Vousinas, 2019). In the context of public sector auditing, collusion between auditors and auditees, or among audit team members, may weaken oversight and create opportunities for misconduct. Previous studies have shown that collusion can facilitate fraud through mutual protection among perpetrators, concealment of irregularities, and weakened controls (Indrijawati et al., 2025; Lan & Rao, 2025; Sukmadilaga et al., 2022). However, Setiawan & Soewarno (2025) found that collusion did not have a direct effect on managers’ fraud tendencies. Meanwhile, Achmadet al. (2022) found that political connections, used as a proxy for collusion, did not have a significant effect on fraudulent financial reporting in Indonesian state-owned enterprises. These differing findings indicate that the relationship between collusion and fraud tendency warrants further examination in the context of public sector auditing, particularly among BPK RI auditors.

Opportunity refers to conditions that enable fraud to occur, particularly when internal controls and oversight are ineffective (Vousinas, 2019). In BPK RI audits, opportunities may arise from weaknesses in audit procedures and discretionary authority that allow irregularities to go undetected (Sahla & Ardianto, 2023). Previous studies have found a positive effect of opportunity on fraud (Said et al., 2017; Yadiati et al., 2023). However, (Mintara & Hapsari 2021) found that the results varied depending on the proxy used to measure opportunity, while (Aghghaleh et al., 2014) reported a negative

relationship. These differences suggest that the relationship between opportunity and fraud may depend on the nature of the opportunity and the effectiveness of oversight.

Rationalization refers to the process of justifying fraudulent acts that violate organizational rules and norms (Vousinas, 2019). Individuals may rationalize misconduct by perceiving it as temporary or acceptable under certain circumstances (Peprah, 2018; Fitri et al., 2019). In the auditing context, rationalization may involve justifying deviations from audit procedures or actions that violate professional ethics. Previous studies have reported mixed findings. Said et al. (2017) found that rationalization influenced fraud, whereas Apriliana & Agustina (2017) and Sahla & Ardianto (2023) found no significant effect. These differences suggest that the relationship between rationalization and fraud may depend on individual characteristics and organizational context.

Ego or arrogance reflects an individual's sense of superiority and belief that rules and controls do not fully apply to them (Vousinas, 2019). In the auditing context, this attitude may arise when auditors perceive themselves as having greater authority or status than auditees, potentially encouraging misconduct. Previous studies have reported mixed findings. Apriliana & Agustina (2017); Sahla & Ardianto (2023) found a positive relationship between ego or arrogance and fraud or auditors' perceptions of fraud tendency. Conversely, Achmad et al., (2022); Mintara & Hapsari (2021); Setiawan & Soewarno (2025); Yadiati et al. (2023) found no significant effect. These differing findings indicate the need for further examination in the context of public sector auditors.

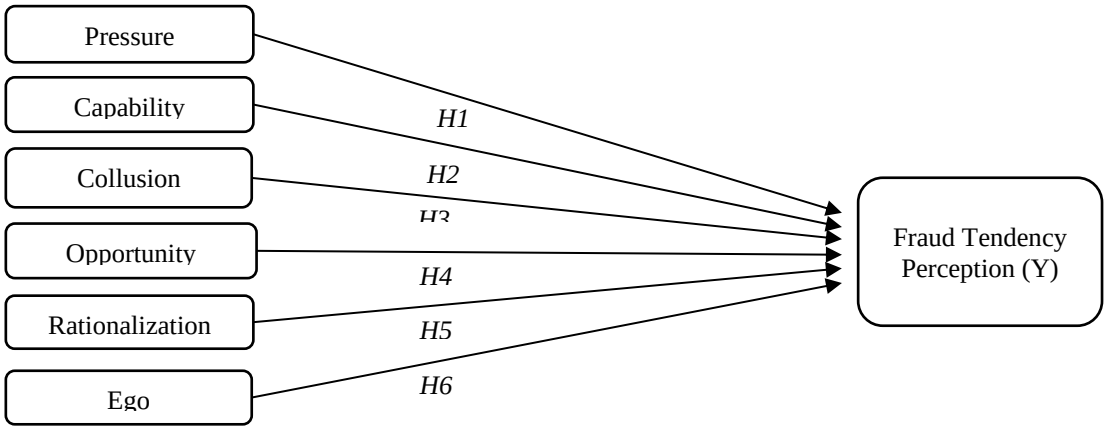

Figure 3. Research Model

Hypothesis:

H1: Pressure has a positive effect on Fraud Tendency Perception.
H2: Capability has a positive effect on Fraud Tendency Perception.
H3: Collusion has a positive effect on Fraud Tendency Perception.
H4: Opportunity has a positive effect on Fraud Tendency Perception.
H5: Rationalization has a positive effect on Fraud Tendency Perception.
H6: Ego has a positive effect on Fraud Tendency Perception.

METHOD

A quantitative survey design was employed to examine the relationships between the Fraud Hexagon dimensions and auditors' perceptions of fraud tendency. Primary data were collected through a structured online questionnaire distributed via Google Forms from January to June 2026. The questionnaire consisted of closed-ended items measured on a five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree).

The target population comprised auditors working at regional representative offices of the BPK RI nationwide. Respondents were selected using non-probability purposive sampling (Sekaran & Bougie, 2016), based on three criteria: (1) holding the professional rank of Junior Auditor (Pemeriksa

Ahli Pertama) or Senior Auditor (Pemeriksa Ahli Muda); (2) having at least one year of field auditing experience; and (3) being actively involved in state financial audits. These ranks were selected because the auditors are directly involved in audit engagements, interact with auditees, and participate in audit procedures and professional judgments that contribute to audit conclusions and opinions. Such involvement provides relevant exposure to audit situations involving potential fraud risks. Since purposive sampling is non-probabilistic, the findings should be generalized to the broader population of BPK RI auditors with caution.

A total of 308 completed questionnaires were received. Following data screening, including the identification and removal of extreme statistical outliers, 286 valid responses were retained for analysis. The data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with WarpPLS 8.0. PLS-SEM was selected because the study examines relationships among multiple latent constructs and assesses their contribution to explaining variance in the endogenous construct. It also enables the simultaneous evaluation of the measurement and structural models, consistent with the study's research objectives and model characteristics (Hair et al., 2019).

The structural model is expressed as follows:

$$PFT = \beta 0 + \beta 1PR + \beta 2CA + \beta 3CO + \beta 4OP + \beta 5RA + \beta 6EG + e \quad \text{.....(1)}$$

where PFT represents Perception of Fraud Tendency; PR, Pressure; CA, Capability; CO, Collusion; OP, Opportunity; RA, Rationalization; and EG, Ego. The coefficients β_1 to β_6 represent the estimated path coefficients, β_0 is the intercept, and ε is the error term. The analysis comprised two stages. First, the measurement model (outer model) was evaluated in terms of indicator reliability, convergent validity, discriminant validity, and construct reliability. Second, the structural model (inner model) was assessed using model fit indices, path coefficients, and hypothesis testing.

Table 1. Variable Measurement

Variable	Definition	Indicator
Pressure (X1)	Conditions of work, financial, and professional pressure that may influence auditors' behavior.	• Work pressure • Financial pressure • Bureaucratic/political pressure • Professional competition. (Adapted Sahla & Ardianto, 2023; Setiawan & Soewarno, 2025)
Capability (X2)	Individual capacity, knowledge, skills, authority, and personal characteristics that enable an individual to commit fraud effectively.	1. Self-control and courage; 2. Deviant strategies; 3. Ability to justify actions; 4. Understanding audit loopholes; 5. Exploitation of work situations. (Adapted Sahla & Ardianto, 2023; Setiawan & Soewarno, 2025)
Collusion (X3)	Cooperation between two or more parties to conduct and conceal fraudulent actions for mutual benefit.	a. Acceptance of incentives; b. Close relationship with auditees; c. Cooperation among auditors in procedural deviations. (Adapted Sahla & Ardianto, 2023; Setiawan & Soewarno, 2025)
Opportunity (X4)	Conditions that enable individuals to commit fraud due to weaknesses in controls, supervision, or organizational procedures.	a. Auditor independence; b. Competency-based assignment; c. Internal supervision; d. Code of ethics. (Adapted Sahla & Ardianto, 2023; Setiawan & Soewarno, 2025)
Rationalization (X5)	A cognitive process through which individuals justify unethical or fraudulent actions as acceptable.	a. Justification of minor deviations; b. Justification of procedural relaxation; c. Justification of receiving gifts; d. Tolerance of rule violations. (Adapted Sahla & Ardianto, 2023; Setiawan & Soewarno, 2025)

Ego (X6)	Excessive self-confidence or superiority that leads individuals to perceive that rules and controls do not apply to them.	a. Authority superiority; b. Normalization of deviations; c. Auditor authority dominance; d. Auditee deference; e. Auditee fear. (Adapted Sahla & Ardianto, 2023; Setiawan & Soewarno, 2025)
Fraud Tendency Perception (Y)	Auditors' perception of the acceptability of fraudulent practices within their professional environment.	1. Tolerance of audit-finding adjustments; 2. Tolerance of compromised auditor independence; 3. Tolerance of inappropriate assistance in preparing audit documents. (Adapted Sahla & Ardianto, 2023; Setiawan & Soewarno, 2025)

Source: Data Processed, 2026

Table 1 presents the operational definitions and measurement indicators of all research variables, comprising the six dimensions of the Fraud Hexagon and Fraud Tendency Perception. The measurement indicators were adapted from Sahla and Ardianto (2023) and Setiawan and Soewarno (2025), with adjustments to the context of public-sector auditing at BPK RI.

Empirical data evaluation was executed via Partial Least Squares Structural Equation Modeling (PLS-SEM) utilizing the WarpPLS 8.0 software package. The analytical roadmap progressed through two discrete steps: an examination of the measurement framework (outer model) followed by an evaluation of the structural architecture (inner model). The outer model's integrity was verified by examining convergent validity, discriminant validity, and construct reliability metrics. For convergent validity, assessment parameters centered on item loading values and the Average Variance Extracted (AVE). Item loading values of 0.70 or above were classified as acceptable, whereas individual indicators presenting loadings between 0.40 and 0.70 were preserved only if their exclusion failed to optimize the model's overall measurement quality. Concurrently, an AVE baseline of 0.50 or higher was established as the threshold for acceptability.

Discriminant validity was established via the Fornell-Larcker criterion, requiring the square root of each latent construct's AVE to surpass its correlation coefficients with all other structural variables. To assess construct reliability, Composite Reliability and Cronbach's Alpha metrics were utilized, applying minimum acceptance thresholds of 0.70 and 0.60, respectively (Hair et al., 2019). Lastly, the structural model was verified using overall model fit parameters and the resulting path coefficients. Theoretical hypotheses were deemed statistically supported if the corresponding p-value was less than or equal to 0.05 (Hair et al., 2019).

RESULTS

The demographic distribution of the 286 participating practitioners is compiled in Table 2. In terms of gender balance, male professionals constituted the clear majority of the sample at 55.9%, while the dominant age bracket was concentrated between 31 and 40 years old, representing 54.2% of the cohort. Regarding educational attainment, the vast majority of the respondents had completed a Bachelor's degree (72.0%), with the remaining 28.0% possessing postgraduate qualifications at either the Master's or Doctoral level. Analyzing their occupational history revealed that nearly half of the surveyed auditors possessed a career tenure of five years or less (49.7%), followed closely by practitioners with an experience span ranging from 6 to 10 years (22.7%). Synthesizing these metrics, the overall demographic blueprint reveals a sample primarily populated by auditors in their fourth decade of life who hold undergraduate degrees and possess relatively brief professional tenures in the field.

Table 2. Profile of Respondents

Descriptive		N	%
Gender	Male	160	55.9%
	Female	126	44.1%
Age	≤30 years	77	26.9%
	31-40 years	155	54.2%
	41-50 years	49	17.1%
	>50 years	5	1.7%
Education	Bachelor's	206	72%
	Master's/Doctoral	80	28%
Experience as an auditor	≤5Tahun	142	49.7%
	6-10 Years	65	22.7%
	11-15 Years	30	10.5%
	16- 20 Years	42	14.7%
	>20 Years	7	2.4%
Total		286	100%

Source: Data Processed, 2026

The statistical indicators for convergent validity along with the internal consistency reliability metrics across all evaluated research constructs are detailed in Table 3. The individual outer item loadings span from 0.510 to 0.889, while the corresponding Average Variance Extracted (AVE) indicators range from 0.501 to 0.650, thereby ensuring that every latent variable surpasses the baseline standard of 0.50. Furthermore, the Composite Reliability indices range between 0.793 and 0.884, successfully exceeding the widely recommended evaluation benchmark of 0.70. Although three specific latent constructs- Collusion, Opportunity, and Rationalization exhibit Cronbach's Alpha coefficients falling below the 0.70 mark, these specific metrics remain safely positioned above the minimum permitted tolerance floor of 0.60, confirming their statistical admissibility. Synthesizing these mathematical outcomes, the empirical evidence demonstrates that all structural constructs satisfy the required conditions for convergent validity and reliability, rendering them fully appropriate for subsequent inner model path modeling evaluations (Hair et al., 2019).

Table 3. Convergent Validity and Reliability

Variable	Outer Loading	AVE	Composite Reliability	Cronbach's Alpha
Fraud Tendency Perception (PFT)	0.618-0.889	0.650	0.844	0.719
Pressure (PR)	0.542-0.878	0.566	0.884	0.838
Capability (CA)	0.558-0.837	0.507	0.834	0.749
Collusion (CO)	0.695-0.839	0.582	0.806	0.637
Opportunity (OP)	0.510-0.831	0.514	0.804	0.673
Rationalization (RA)	0.513-0.851	0.501	0.793	0.648
Ego (EG)	0.721-0.796	0.586	0.850	0.764

Source: data processed using Warp-PLS 8.0 application

The analytical output of the discriminant validity evaluation, executed through the Fornell-Larcker protocol, is summarized in Table 4. The square root values of the Average Variance Extracted (AVE), distributed across the main diagonal, systematically exceed the correlation coefficients computed between that specific latent variable and all other structural constructs. This pattern confirms that each conceptual variable accounts for a greater proportion of variance among its designated item

indicators than it shares with separate constructs in the framework. Consequently, every latent construct fulfills the operational requirements of the Fornell-Larcker baseline, establishing robust and acceptable discriminant validity across the model (Hair et al., 2019).

Table 4. Discriminant Validity (Fornell-Larcker Criterion)

	PFT	PR	CA	CO	OP	RA	EG
PFT	**0.806**						
PR	0.12	**0.753**					
CA	0.149	0.14	**0.712**				
CO	0.534	0.113	0.149	**0.763**			
OP	0.375	0.097	-0.01	0.36	**0.717**		
RA	0.383	0.206	0.223	0.467	0.287	**0.708**	
EG	0.135	0.125	0.25	0.154	-0.038	0.29	**0.766**

Source: data processed using Warp-PLS 8.0 application

Table 5 presents the model fit and quality indices. The Average Path Coefficient (APC) was 0.138 ($p = 0.004$), the Average R-squared (ARS) was 0.356 ($p < 0.001$), and the Average Adjusted R-squared (AARS) was 0.342 ($p < 0.001$). The p-values for these three indices meet the significance criteria recommended for WarpPLS model evaluation (Kock, 2025). Since the model includes one endogenous construct, the ARS value of 0.356 represents the R^2 of auditors' perceptions of fraud tendency, indicating that the six Fraud Hexagon dimensions collectively explain 35.6% of its variance. The remaining 64.4% is not explained by the predictors included in the model and may be associated with factors beyond the scope of this study (Hair et al., 2019). The AVIF value of 1.284 and AFVIF value of 1.420 are below the acceptable threshold of 5, indicating acceptable collinearity diagnostics. Meanwhile, the Tenenhaus GoF value of 0.454 exceeds the 0.36 threshold commonly used for the large category. Nevertheless, GoF is treated as a supplementary measure and is not used as the sole basis for concluding that the overall model fit is adequate(Kock, 2025).

Table 5. Model Fit and Quality Indices

Model Fit and Quality Indices	Value	Criteria	Result
Average Path Coefficient (APC)	0.138 (P = 0.004)	P-value should be < 0.05	Significant average path coefficient
Average R-squared (ARS)	0.356 (P < 0.001)	P-value should be < 0.05	Significant average explanatory power
Average Adjusted R-squared (AARS)	0.342 (P < 0.001)	P-value should be < 0.05	Significant average adjusted explanatory power
Average Block VIF (AVIF)	1.284	Acceptable if ≤ 5; ideally ≤ 3.3	Acceptable
Average Full Collinearity VIF (AFVIF)	1.420	Acceptable if ≤ 5; ideally ≤ 3.3	Acceptable
Tenenhaus GoF (GoF)	0.454	Small ≥ 0.1, medium ≥ 0.25, large ≥ 0.36	Large according to the stated benchmark

Source: Data processed using the Warp-PLS 8.0 application

The empirical outcomes derived from the inner model path analysis are detailed in Table 6. Among the six theoretical hypotheses evaluated within this structural framework, four received statistically significant validation, whereas the remaining two failed to meet the verification thresholds. Specifically, pressure (PR), collusion (CO), opportunity (OP), and rationalization (RA) demonstrated direct, positive, and statistically significant influences on the Fraud Tendency Perception (PFT) of the

participants. Conversely, capability (CA) and ego (EG) manifested no statistically meaningful effects on shaping individuals' internal perceptions regarding the likelihood of fraud.

Table 6. Result of Structural Model Analysis

Construct	Path to PFT (β)	p-value	Result
Direct Effects			
Pressure (PR) → PFT	0.096	0.050	Not Supported
Capability (CA) → PFT	0.052	0.190	Not Supported
Collusion (CO) → PFT	0.397	<0.001	Supported
Opportunity (OP) → PFT	0.183	<0.001	Supported
Rationalization (RA) → PFT	0.099	0.044	Supported
Ego (EG) → PFT	-0.003	0.482	Not Supported

Source: Data processed using Warp-PLS 8.0 application

DISCUSSION

The results indicate that pressure has a positive but statistically insignificant effect on auditors' perceptions of fraud tendency (β = 0.096; p = 0.050); therefore, H1 is not supported. This finding is consistent with Sahla & Ardianto (2023, who found no significant effect of pressure on external auditors' fraud tendency perceptions, and Anindya & Adhariani (2019), who reported no significant relationship between pressure and employees' tendency to commit fraud. Similarly, Said et al., (2017) found that pressure did not significantly affect employee fraud in Malaysian banks, while Sukmadilaga et al., (2022) reported no significant effect of pressure on fraudulent financial reporting in Indonesian government institutions. These findings can be further explained through Situational Strength Theory, which suggests that clear organizational rules, procedures, and expectations constrain the extent to which individual characteristics and situational pressures are expressed in behavior (Mischel, 1977). In the BPK RI context, professional standards, ethical requirements, supervisory procedures, and accountability mechanisms may limit the extent to which workload demands, financial responsibilities, and external expectations translate into higher fraud tendency perceptions. Thus, auditors' perceptions may also be shaped by other individual and organizational factors.

Conversely, capability does not have a statistically significant effect on Fraud Tendency Perception, indicating that H2 is not supported. This finding suggests that an auditor's technical knowledge, professional experience, expertise, and institutional access do not automatically increase the perceived feasibility of fraudulent conduct. The result is consistent with Setiawan& Soewarno (2025) and Achmad et al. (2022). This finding can be further explained through Situational Strength Theory, which proposes that strong situations characterized by clear norms, constraints, and consequences can restrict the behavioral expression of individual characteristics (Mischel, 1977). Recent evidence supports this proposition, showing that strong situations can reduce behavioral variation across individuals (Li & Wilt, 2025). In organizational settings, situational constraints may therefore limit the extent to which individual capabilities are translated into behavioral tendencies (Ouellette et al., 2024). In the context of BPK RI, professional standards, codes of ethics, supervisory procedures, hierarchical review mechanisms, and accountability requirements may constrain the use of auditors' capabilities for deviant purposes. Thus, although auditors may possess the competence and access to identify control weaknesses, such capability does not necessarily increase their Fraud Tendency Perception.

Collusion demonstrates a direct, positive, and highly significant impact on Fraud Tendency Perception, rendering strong empirical backing for H3. This correlation proves that a heightened potential for clandestine, collaborative networks among actors is intimately bound to an elevated individual perception of fraudulent feasibility. This finding solidifies the structural validity of the Fraud Hexagon Theory (Vousinas, 2019), which differentiates collusion as an independent vector of institutional deception, and mirrors prior scholarly assertions (Indriaty & Thomas, 2023; Sukmadilaga

et al., 2022). In the daily execution of BPK RI oversight, face-to-face engagements between auditors and auditees, alongside intense collaboration within internal audit teams, are foundational elements of the profession. Absent a rigid commitment to integrity, autonomy, and cross-cutting supervision, these prolonged relationships can foster a climate ripe for collusive understandings, systematically eroding professional objectivity and inflating perceived fraud risks.

Furthermore, the data reveal that opportunity exercises a positive and significant effect on Fraud Tendency Perception, providing clear validation for H4. This implies that expanded structural loopholes or perceived gaps in oversight architectures directly heighten an auditor's cognitive inclination toward fraudulent avenues. This trajectory matches the foundational tenets of the Fraud Hexagon Theory (Vousinas, 2019) and mirrors established accounting literature (Awalluddin et al., 2022; Roffia & Poffo, 2025; Setiawan & Soewarno, 2025). Within BPK RI, these opportunities may manifest not merely from fundamental cracks in internal accounting controls, but from execution vulnerabilities in organizational autonomy guidelines, competence-based allocation systems, multi-tiered supervisory review protocols, and professional codes of conduct. If these institutional safety valves operate inefficiently, practitioners are highly likely to perceive a fertile landscape for engaging in illicit deviations.

Rationalization similarly establishes a positive and statistically significant relationship with Fraud Tendency Perception, generating empirical confirmation for H5. This finding points out that auditors who harbor a psychological propensity to design moral justifications for rule-breaking practices tend to exhibit a significantly higher perception of fraudulent feasibility. This dynamic supports the conceptual framework of the Fraud Hexagon Theory (Vousinas, 2019), which maintains that rationalization allows individuals to psychologically reframe non-compliant choices as acceptable or necessary alternatives, matching recent academic evidence (Dias-Oliveira et al., 2024; Setiawan & Soewarno, 2025). Within the BPK RI climate, when professionals begin to mentally dismiss procedural infractions or minor non-compliance as harmless custom, their internal moral boundaries dissolve, heightening their overall receptivity to fraud.

In contrast, ego does not have a statistically significant effect on Fraud Tendency Perception; therefore, H6 is not supported. This finding indicates that an auditor’s sense of superiority, professional status, or administrative authority does not necessarily increase the perceived feasibility of fraudulent conduct. The result is consistent with Setiawan & Soewarno (2025), who found that high levels of ego do not necessarily generate fraudulent inclinations under strong organizational oversight and compliance requirements. The finding can also be understood through Situational Strength Theory, which suggests that strong situations can constrain the behavioral expression of individual dispositions (Mischel, 1977). Recent research further indicates that situational strength can restrict behavioral differences across individuals, while the expression of personality characteristics depends on contextual cues (Li & Wilt, 2025). In the BPK RI context, professional standards, ethical requirements, supervisory mechanisms, hierarchical reviews, and accountability structures may limit the extent to which individual ego influences auditors’ fraud perceptions. Therefore, even auditors with strong professional status or self-confidence may not develop higher Fraud Tendency Perception because their professional conduct is constrained by a highly structured and regulated institutional environment.

CONCLUSION

This study examines the relationships between the six dimensions of the Fraud Hexagon and auditors’ perceptions of fraud tendency in the context of the Audit Board of the Republic of Indonesia (BPK RI). The findings demonstrate that the dimensions of the Fraud Hexagon do not contribute equally to explaining auditors’ perceptions of fraud tendency. Collusion, opportunity, and rationalization exhibit positive and statistically significant relationships with fraud tendency perception, whereas pressure, capability, and ego do not show statistically significant relationships.

Among the six dimensions, collusion has the largest positive path coefficient, indicating the strongest statistical association with auditors’ perceptions of fraud tendency in the proposed model. This finding highlights the relevance of collaborative relationships in understanding perceived fraud tendency, particularly in an audit environment where interactions between auditors and auditees, as well

as coordination among audit team members, are integral to the examination process. Opportunity and rationalization are also positively associated with fraud tendency perception, suggesting that perceived weaknesses in oversight and the justification of inappropriate practices are relevant to understanding auditors' perceptions.

In contrast, pressure, capability, and ego do not demonstrate statistically significant relationships with fraud tendency perception. These findings suggest that work-related or personal pressures, professional capabilities, and feelings of superiority do not necessarily correspond to higher perceptions of fraud tendency among BPK RI auditors. The nonsignificant findings for capability and ego may be interpreted through Situational Strength Theory, which emphasizes how clear organizational norms, formal procedures, supervision, and accountability mechanisms can constrain the expression of individual characteristics. Similarly, institutional rules and professional requirements may limit the association between situational pressures and perceived fraud tendency. These explanations, however, should be understood as contextual interpretations rather than directly tested causal mechanisms.

Overall, the findings provide partial empirical support for the Fraud Hexagon framework in explaining auditors' perceptions of fraud tendency within a public-sector audit institution. The study extends the application of the framework to the context of BPK RI and contributes to understanding fraud tendency from auditors' own perspectives, rather than focusing exclusively on fraud committed by auditees. The findings also highlight the importance of maintaining auditor independence and integrity, strengthening supervisory and review mechanisms, and reinforcing ethical standards in audit practice.

This study has a limitation related to potential response bias, as the research topic involves sensitive issues concerning both the professional integrity of auditors and the institutional reputation of BPK RI. Respondents may have been inclined to provide socially desirable answers, potentially influencing the accuracy of their reported perceptions. Future research is therefore encouraged to adopt a mixed-methods approach by combining survey data with in-depth interviews to obtain more comprehensive insights and a deeper understanding of the factors underlying auditors' perceptions of fraud tendency.

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