

The Role of Work Ethics in Mediating Accounting Competency and Fraud Prevention: A Qualitative Content Analysis

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ABSTRACT

Fraud remains a persistent challenge in organizations, occurring even in environments equipped with qualified accounting personnel and formal internal control systems, highlighting the limitations of technical and procedural measures alone. This study aims to examine the role of work ethics in mediating the influence of accounting human resource competency and internal control systems on fraud prevention. A literature-based methodology was employed, utilizing primary and secondary data from books, journals, research reports, and other scholarly publications relevant to accounting competency, ethical behavior, and organizational controls. The analysis was conducted using qualitative content analysis to identify patterns, relationships, and conceptual linkages among the variables. The findings indicate that accounting competency and internal control systems provide necessary structural and technical foundations but are insufficient for effective fraud prevention without ethical mediation. Work ethics serve as a critical behavioral mechanism, guiding moral judgment, reducing rationalization, and ensuring the responsible application of accounting knowledge and control practices. Consequently, the study concludes that sustainable fraud prevention requires an integrated approach in which ethical values, professional competency, and internal controls operate cohesively. By positioning work ethics as the central mediating factor, the research underscores the importance of ethical development in enhancing organizational integrity and minimizing fraud risk.

Keywords: Accounting Human Resource Competency, Fraud Prevention, Internal Control System, Work Ethics.

INTRODUCTION

Fraud remains a persistent and complex issue that threatens organizational sustainability, public trust, and financial integrity in both private and public sectors (Aristana & Utomo, 2025; Irianti et al., 2025). Despite continuous improvements in accounting standards, regulatory frameworks, and internal control systems, financial fraud cases are still widely reported, indicating that preventive mechanisms are not fully effective (Alasady et al., 2023). Fraud commonly appears in the form of financial statement manipulation, asset misappropriation, and corruption, often involving individuals with adequate technical knowledge of accounting systems. This situation creates a paradox in which accounting competence does not automatically guarantee ethical behavior or fraud prevention (Astuti, 2024).

Weak internal control systems, such as inadequate supervision, poor segregation of duties, and ineffective enforcement of ethical standards, can increase the risk of fraud. Beyond structural deficiencies, human behavioral factors strongly influence how accounting knowledge and control mechanisms are applied in practice. Ethical lapses and

tolerance toward misconduct may undermine even the most sophisticated controls. Therefore, fraud prevention should not be viewed solely as a technical issue but also as a behavioral and ethical concern, highlighting the need for an integrative approach that combines competency and ethical dimensions (Sinaga & Bukit, 2021; Soetikno, 2024; Mahardika et al., 2024; Hanif et al., 2025).

Existing literature has extensively discussed the role of accounting human resource competency and internal control systems in mitigating fraud risk, often emphasizing technical proficiency, compliance, and procedural safeguards as primary solutions (Puspita & Ratnadi, 2023). Prior studies generally suggest that competent accounting personnel are better equipped to detect irregularities, while robust internal control systems can reduce opportunities for fraudulent behavior (Novianti et al., 2024; Alfirdaus et al., 2025). However, empirical findings across different contexts have shown inconsistent results, with some studies reporting that high competency and strong controls do not always translate into effective fraud prevention (Eklom, 2002). This inconsistency indicates the presence of underlying factors that have not been adequately addressed by prevailing theoretical models. Many traditional theories, such as agency theory and internal control frameworks, tend to assume rational behavior and overlook ethical considerations that influence individual decision-making.

As a result, these theories often fail to explain why individuals with high levels of accounting expertise may still engage in or tolerate fraudulent activities. Recent behavioral and ethical studies suggest that work ethics may play a crucial role in shaping how competencies and control systems are exercised (Kamil et al., 2025). However, the mediating role of work ethics has not been sufficiently integrated into existing fraud prevention models. Consequently, there remains a theoretical gap in understanding how ethical values interact with accounting competencies and internal controls to influence fraud-related behavior. Addressing this gap is essential to developing a more comprehensive and realistic explanation of fraud prevention mechanisms within organizations (Harahap & Kuntadi, 2024).

This study argues that fraud prevention is ineffective when organizations rely solely on accounting competency and internal control systems without integrating employee ethics. While technical skills and formal controls provide procedures and safeguards, their effectiveness depends on ethical commitment. Work ethics act as a mediating factor that determines whether competencies and controls are used to prevent or enable fraud. By emphasizing responsibility, honesty, and accountability, this research advances a holistic fraud prevention approach that integrates human, ethical, and structural dimensions (Banjarnahor & Kuntadi, 2023; Isfani & Fadhillah, 2025).

Based on the empirical realities and theoretical gaps identified, this study is designed with the primary objective of examining the role of work ethics in mediating the influence of accounting human resource competency and internal control systems on fraud prevention. Specifically, the research aims to analyze whether accounting human resource competency directly contributes to fraud prevention or whether its effectiveness depends on the ethical orientation of individuals within the organization. Additionally, this study seeks to evaluate the extent to which internal control systems can prevent fraud when mediated by strong work ethics, rather than functioning as isolated procedural tools.

Another objective is to provide empirical evidence that clarifies the behavioral mechanisms through which ethical values shape the application of accounting knowledge and control practices. By focusing on work ethics as a mediating variable, this research intends to bridge the gap between technical and behavioral perspectives in fraud prevention studies. Furthermore, the study aims to contribute to the development of an integrated conceptual framework that aligns human resource competency, ethical behavior, and internal control effectiveness. Ultimately, the findings are expected to offer practical insights for organizational leaders and policymakers in designing fraud prevention strategies that go beyond compliance and technical training, emphasizing ethical development as a core component of organizational governance.

LITERATURE REVIEW

Conceptual Definition of Work Ethics

Work ethics is a fundamental concept in organizational and behavioral studies that refers to a set of moral principles, values, and norms guiding individual behavior in the workplace (Ajmal et al., 2024). It reflects an individual's internalized beliefs about what constitutes right and wrong conduct in carrying out professional responsibilities. In the context of organizational management, work ethics emphasizes honesty, integrity, responsibility, discipline, and commitment to organizational goals. Scholars often view work ethics as an internal control mechanism rooted in personal values rather than formal rules, making it a powerful determinant of behavior that operates even in the absence of supervision. Within accounting and financial environments, work ethics become particularly critical due to the high level of trust placed on accounting professionals in managing and reporting financial information.

Ethical work values influence how individuals interpret professional standards, respond to ethical dilemmas, and exercise judgment when facing pressure or an opportunity to commit misconduct. From a theoretical perspective, work ethics is closely related to moral reasoning theory and ethical decision-making models, which posit that ethical behavior results from the interaction between individual values and situational factors (Endenich & Trapp, 2020). Therefore, work ethics is not merely an abstract moral concept but a practical behavioral foundation that shapes how competencies and systems are utilized in organizational settings. Understanding work ethics conceptually provides an essential basis for examining its role in mediating organizational outcomes, including fraud prevention (Dwiyanti et al., 2022).

Categorization and Manifestation of Work Ethics

Work ethics manifest in various behavioral dimensions that can be observed and evaluated within organizational contexts. One common categorization of work ethics includes dimensions such as integrity, accountability, diligence, fairness, and respect for rules. Integrity reflects consistency between words and actions, particularly in upholding honesty when handling sensitive information. Accountability manifests through an individual's willingness to take responsibility for decisions and outcomes, including admitting errors and avoiding blame-shifting (Maulidi et al., 2024). Diligence is reflected in carefulness, thoroughness, and commitment to performing tasks accurately and completely, which is especially relevant in accounting-related work.

Fairness relates to impartial decision-making and avoidance of favoritism, while respect for rules involves adherence to organizational policies, professional standards, and legal requirements. In practice, these ethical dimensions are manifested through daily work behavior, such as accurate financial reporting, compliance with internal procedures, and refusal to manipulate data for personal or organizational gain (Rashid, 2022). Work ethics may also be reflected in an individual's response to ethical pressure, such as resisting directives that conflict with professional values. Importantly, work ethics is shaped by both personal moral development and organizational ethical climate, suggesting that ethical behavior is reinforced through consistent leadership and ethical culture. These manifestations highlight how work ethics operate as a behavioral mechanism that influences whether accounting competencies and internal controls are applied to prevent or enable fraud.

Conceptual Definition of Accounting Human Resource Competency

Accounting human resource competency refers to the combination of knowledge, skills, abilities, and professional attitudes possessed by individuals responsible for accounting and financial functions within an organization. This concept extends beyond technical accounting knowledge to include analytical skills, professional judgment, regulatory understanding, and ethical awareness. Competent accounting personnel are expected to understand accounting standards, financial reporting procedures, auditing processes, and internal control mechanisms. From a human capital perspective,

accounting competency represents an organizational asset that enhances decision quality, financial transparency, and risk management. Prior literature emphasizes that accounting competency enables individuals to identify anomalies, assess financial risks, and ensure compliance with applicable standards (Sahloul, 2019).

However, competency is not solely determined by formal education or certification but also by practical experience, continuous professional development, and adaptability to regulatory changes. In organizational contexts, accounting human resource competency is essential for maintaining reliable financial information systems and supporting effective governance (Musyoki, 2023). Theoretically, competency is often linked to performance outcomes, assuming that higher competency leads to better control and a reduced likelihood of errors or misconduct. Nevertheless, competency alone does not guarantee ethical behavior, as technically skilled individuals may still misuse their expertise. Therefore, understanding the accounting human resource competency conceptually is crucial for examining how it interacts with ethical factors in influencing fraud prevention.

Categorization and Manifestation of Accounting Human Resource Competency

Accounting human resource competency can be categorized into several interrelated dimensions, including technical competency, analytical competency, regulatory competency, and behavioral competency (Islam, 2022). Technical competency involves mastery of accounting principles, financial reporting standards, and accounting information systems. Analytical competency refers to the ability to interpret financial data, identify inconsistencies, and evaluate financial risks effectively. Regulatory competency encompasses understanding and applying relevant laws, regulations, and professional standards governing financial practices. Behavioral competency includes communication skills, professional judgment, and ethical sensitivity in handling accounting responsibilities.

These dimensions manifest in practical work outcomes, such as accurate financial statements, timely detection of irregular transactions, and effective implementation of internal control procedures. Competent accounting personnel are also expected to contribute to internal audits, risk assessments, and compliance monitoring (Hakim & Suryatimurm, 2022). However, empirical studies suggest that high competency can become a double-edged sword when not accompanied by strong ethical values, as individuals with advanced skills may exploit system weaknesses more effectively (Speklé & Widener, 2020). This manifestation underscores the importance of examining competency not as an isolated factor but as one that interacts with ethical orientation. By understanding the multidimensional nature of accounting human resource competency, researchers can better analyze its role in fraud prevention and the conditions under which it produces positive or negative outcomes.

Conceptual Definition of Fraud Prevention

Fraud prevention refers to a set of strategies, mechanisms, and actions designed to reduce the likelihood of fraudulent behavior occurring within an organization (Rashid et al., 2022). It encompasses proactive efforts aimed at identifying risk factors, minimizing opportunities for misconduct, and fostering an environment that discourages unethical behavior. From a conceptual standpoint, fraud prevention is rooted in the fraud triangle theory, which emphasizes pressure, opportunity, and rationalization as key drivers of fraud. Preventive measures seek to disrupt these elements by strengthening controls, enhancing ethical awareness, and promoting accountability.

Fraud prevention is not limited to detecting fraud after it occurs but focuses primarily on creating conditions that deter individuals from engaging in fraudulent acts. In organizational contexts, fraud prevention involves both formal mechanisms, such as policies and control systems, and informal mechanisms, such as ethical culture and leadership behavior. Effective fraud prevention requires integration between technical controls and human behavioral factors, recognizing that fraud is ultimately committed by individuals (Vousinas, 2019). Therefore, fraud prevention is a dynamic process that

evolves in response to organizational changes, regulatory developments, and emerging risks. Conceptually, fraud prevention serves as a key indicator of organizational integrity and governance quality (Sofyani et al., 2022).

RESEARCH METHODS

This research examines the persistent occurrence of fraud in organizations despite the presence of qualified accounting personnel and established internal control systems, emphasizing the behavioral and ethical dimensions, particularly the role of work ethics in applying competencies and controls. Fraud frequently involves individuals with sufficient accounting knowledge and system familiarity, raising concerns about the effectiveness of conventional prevention methods across both public and private sectors (Khusnah & Soewarno, 2022). Using a qualitative literature review approach, this study systematically analyzes the relationships among work ethics, accounting human resource competency, and fraud prevention by integrating peer-reviewed articles, theoretical studies, books, and research reports. The combination of primary and secondary sources enables triangulation, strengthens analytical depth, and identifies research gaps, thereby providing an integrative perspective on fraud prevention from ethical and competency-based viewpoints (Badamasia & Ahmadb, 2024).

The study employs a systematic review procedure to ensure methodological rigor and transparency by collecting literature from Google Scholar and indexed academic journals published between 2015 and 2025. The selection process involved keyword identification, abstract screening, full-text evaluation, and relevance assessment to include only credible and conceptually aligned studies. The theoretical foundation integrates several key perspectives on fraud behavior and ethical decision-making. The Fraud Triangle Theory proposed by Cressey (1953) explains fraud through the interaction of pressure, opportunity, and rationalization. Ethical Decision-Making Theory, developed by James Rest (1986), highlights moral awareness, judgment, intention, and action as determinants of ethical behavior. Additionally, Human Capital Theory, introduced by Becker (1989), conceptualizes accounting competency as a strategic organizational asset. These theories collectively provide the conceptual basis for examining the mediating role of work ethics in the relationship between competency, internal control systems, and fraud prevention (Apriyanto, 2025).

The research follows a systematic literature-based process, beginning with identifying themes and keywords related to work ethics, accounting competency, internal control systems, and fraud prevention. Academic sources are comprehensively searched, reviewed, and documented from textbooks, journals, research reports, and conference papers, selected for relevance and credibility. Collected literature is organized by variables and theoretical perspectives to ensure a comprehensive, focused dataset, enabling synthesis of existing knowledge and identification of conceptual linkages among key constructs (Nadirisyah et al., 2024).

This study applies qualitative content analysis to systematically review and interpret literature related to work ethics, accounting competency, and fraud prevention. Through coding, thematic categorization, and synthesis, key concepts and theoretical arguments are examined to identify recurring themes, gaps, and relationships, particularly concerning the mediating role of ethical factors. Inclusion criteria comprised peer-reviewed journal articles published in English or Indonesian that addressed at least two core variables, while non-academic, opinion-based, or duplicate sources were excluded. To ensure trustworthiness, the study employed source triangulation, systematic documentation of coding procedures, and consistency checks to maintain analytical transparency and conceptual coherence.

RESULTS

Fraud Prevention as a Behavioral and Organizational Outcome

The results of this literature-based study indicate that fraud prevention is a complex organizational outcome shaped by the interaction between technical systems and human

behavioral factors. A synthesis of prior studies demonstrates that fraud persists in many organizations despite the presence of qualified accounting personnel and formal internal control systems (Rashid, 2022). This finding suggests that fraud prevention cannot be fully explained by structural or procedural mechanisms alone. Instead, the literature consistently highlights the role of human behavior in determining whether accounting systems and controls function as intended. Fraud cases reviewed in prior research often involve individuals who possess sufficient accounting knowledge and understand internal control procedures, indicating that technical competence does not automatically translate into ethical conduct. These findings reveal a fundamental gap between formal compliance and actual behavioral practice. The results emphasize that fraud prevention effectiveness depends on how individuals interpret their responsibilities and exercise discretion within accounting roles. Consequently, fraud prevention emerges as a behavioral outcome influenced by moral values, professional judgment, and ethical awareness (Endenich & Trapp, 2020). This general pattern across the literature provides a foundation for examining work ethics as a central explanatory factor in fraud prevention.

The literature review results further reveal that work ethics consistently appear as a strong determinant of ethical behavior in accounting and financial contexts. Studies indicate that individuals with high work ethics demonstrate greater commitment to honesty, responsibility, and adherence to professional standards. These ethical values influence how accounting personnel respond to ethical dilemmas, organizational pressure, and opportunities for misconduct (Dwiyanti et al., 2022). Research findings show that strong work ethics reduce the likelihood of rationalizing unethical actions, even when individuals face financial or performance-related pressure. Work ethics functions as an internal moral control that guides behavior beyond formal rules and supervision. The literature also highlights that ethical behavior is more stable when work ethics are deeply internalized rather than imposed through external enforcement (Kramar, 2022). These findings suggest that work ethics play a preventive role by shaping moral reasoning and ethical sensitivity in decision-making processes. As a result, work ethics contribute directly to fraud prevention by influencing individual attitudes toward integrity and accountability. The consistency of these findings across different organizational settings reinforces the importance of work ethics as a key variable in understanding fraud prevention outcomes.

Table 1. The Role of Work Ethics in Fraud Prevention Mechanisms

Role of Work Ethics	Mechanism		Impact on Fraud Prevention	Implications
Shapes Individual Behavior	Internal commitment over formal rules	moral over	Reduces rationalization in the fraud triangle	Prioritizes integrity in ethical dilemmas
Internalized Control	Continuous conscience-based guidance		Resists unethical pressure without supervision	Lowers fraud risk through self-regulation
Enhances Ethical Sensitivity	Heightens awareness and recognition	moral and	Promotes proactive ethical decision-making	Prevents fraud before its occurrence
Builds Ethical Culture	Creates shared norms and collective pressure		Strengthens informal organizational controls	Aligns behavior with values for sustained prevention
Central Fraud Prevention Pillar	Moral foundation for competencies and systems	for and	Makes mechanisms robust against manipulation	Essential for a comprehensive anti-fraud strategy

Table 1 demonstrates that work ethics play a central and foundational role in fraud prevention by influencing both individual behavior and organizational mechanisms. It shapes internal moral commitment that reduces rationalization, functions as a conscience-based control that resists unethical pressure without supervision, and enhances ethical sensitivity to enable proactive decision-making before fraud occurs. At the organizational level, work ethics fosters a shared ethical culture that strengthens informal controls and

aligns behavior with core values. Overall, it serves as a moral pillar that reinforces competencies and internal control systems, making fraud prevention mechanisms more robust and sustainable.

The Dual Role of Competency and Internal Control Systems

The results related to accounting human resource competency show that technical expertise is a necessary but insufficient condition for effective fraud prevention. Prior studies consistently report that competent accounting personnel are better equipped to understand financial systems, detect anomalies, and implement accounting standards (Banjarnahor & Kuntadi, 2023). However, the literature also reveals that high competency does not always lead to ethical outcomes. Several studies document cases in which individuals with advanced accounting skills exploit their knowledge to manipulate financial data or bypass controls (Alfirdaus et al., 2025). This duality highlights that competency can function as both a preventive and risk-enhancing factor. The findings indicate that competency enhances fraud prevention only when accompanied by ethical commitment. Without ethical grounding, technical skills may increase the sophistication of fraudulent behavior. These results challenge the assumption that improving competency alone will reduce fraud risk. Instead, they suggest that competency must be aligned with ethical values to produce positive outcomes. This nuanced understanding of competency provides critical insight into why fraud continues to occur in organizations with highly skilled accounting personnel.

The analysis of internal control systems in the literature reveals that formal controls play a significant role in reducing opportunities for fraud. Internal controls such as segregation of duties, authorization procedures, and monitoring mechanisms are widely recognized as essential components of fraud prevention frameworks (Musyoki, 2023). Studies consistently show that strong internal control systems improve transparency and accountability in financial processes. However, the results also indicate that internal controls are vulnerable to human manipulation when ethical standards are weak. Many fraud cases documented in the literature involve control override, collusion, or intentional noncompliance by individuals in positions of authority (Nadirsyah et al., 2024). These findings suggest that internal control effectiveness is highly dependent on the ethical behavior of those responsible for implementing and monitoring controls. Internal controls provide structure and guidance, but they cannot fully prevent fraud in the absence of ethical commitment. The literature thus positions internal controls as necessary but not self-sufficient mechanisms. Their preventive impact is realized only when supported by ethical values that discourage misuse and manipulation.

The results further demonstrate a conditional relationship between accounting human resource competency and fraud prevention. While competency improves technical capacity for fraud detection and compliance, its actual impact varies across ethical contexts. Studies indicate that when accounting personnel possess strong ethical values, higher competency strengthens fraud prevention by enabling accurate analysis and responsible decision-making (Sinaga & Bukit, 2021). In contrast, when ethical awareness is low, competency may facilitate fraud by increasing individuals' ability to conceal misconduct. This conditional relationship explains inconsistencies in empirical findings across prior studies. The literature suggests that competency does not operate independently but interacts with individual moral orientation. These findings highlight the importance of considering ethical variables when evaluating the effectiveness of accounting competencies. As a result, competency should be viewed as a neutral resource whose outcomes depend on ethical direction. This perspective supports the argument that ethical mediation is essential for translating competency into effective fraud prevention.

The Mediating Role of Work Ethics in Fraud Prevention

The literature also reveals a strong and consistent relationship between work ethics and fraud prevention outcomes. Organizations that emphasize ethical values tend to report lower levels of fraud and misconduct. Studies indicate that work ethics reduce fraud risk

by limiting rationalization and increasing moral resistance to unethical behavior (Khusnah & Soewarno, 2022). Ethical individuals are more likely to comply with rules, report irregularities, and resist pressure to manipulate information. These behaviors contribute directly to fraud prevention by strengthening informal control mechanisms. The findings further suggest that work ethics shape organizational culture, influencing collective norms and expectations (Que et al., 2025). When ethical conduct is valued and reinforced, employees are more likely to internalize integrity as a professional standard. This collective ethical orientation enhances fraud prevention by creating a shared commitment to honesty and accountability. The consistency of these findings underscores the central role of work ethics in shaping preventive behavior.

One of the most significant results of this study is the identification of work ethics as a mediating variable between accounting human resource competency, internal control systems, and fraud prevention. The literature indicates that work ethics determine how competencies and controls are applied in practice. Ethical values influence whether individuals use their skills to uphold integrity or exploit system weaknesses. Similarly, work ethics affect compliance with internal controls and willingness to enforce rules consistently. These findings explain why similar levels of competency and control effectiveness may produce different fraud outcomes across organizations (Novatiani et al., 2024). Work ethics serves as the behavioral mechanism that translates technical capacity into ethical action. This mediating role provides a coherent explanation for inconsistencies in prior research and highlights ethics as the missing link in fraud prevention models.

The synthesis of findings reveals an integrated outcome in which fraud prevention is achieved through the alignment of ethical values, technical competence, and control mechanisms. Work ethics function as the connecting element that harmonizes accounting expertise with moral responsibility. Internal controls provide formal structure, competency provides technical capability, and ethics provides behavioral direction. When these elements are aligned, fraud prevention effectiveness increases significantly. Conversely, misalignment weakens preventive efforts. This integrated perspective reflects a holistic understanding of fraud prevention as both a technical and ethical process. The results suggest that isolated improvements in systems or skills are insufficient without ethical integration (Vousinas, 2019). This finding reinforces the need for a comprehensive approach to fraud prevention.

The results also highlight the importance of ethical culture in sustaining fraud prevention efforts. Literature findings indicate that ethical values are reinforced through leadership behavior, organizational norms, and consistent enforcement of ethical standards. Ethical culture strengthens work ethics by providing clear expectations and role models. This cultural dimension enhances the mediating role of work ethics by embedding ethical behavior into daily practices (Ployhart & Moliterno, 2011; Apriyanto, 2025). As a result, fraud prevention becomes a shared responsibility rather than an individual burden. These findings emphasize that ethics must be institutionalized to achieve long-term preventive impact.

DISCUSSION

This study explains the persistence of fraud despite formal controls and competent personnel by interpreting the findings through the Fraud Triangle Theory of Donald R. Cressey (1953), particularly the rationalization dimension. While opportunity and pressure may be structurally addressed, rationalization reflects an internal moral process that cannot be eliminated by controls alone. The findings suggest that strong work ethics weaken fraud propensity by limiting individuals' ability to justify misconduct. This interpretation aligns with James Rest's (1986) ethical decision-making framework, which emphasizes moral awareness and judgment as precursors to ethical action. Empirical evidence supports this view: Khusnah and Soewarno (2022) show that moral reasoning and integrity mediate ethical culture and fraud prevention, while Badamasia and Ahmadb (2024) highlight ethical conduct as a mechanism strengthening monitoring and audit

effectiveness. Recent studies on workplace ethics by Ajmal et al. (2024) and ethical implications in management control by Eendenich and Trapp (2020) further confirm that technical systems require moral internalization to function effectively. Thus, work ethics operates as a behavioral control system complementing formal governance mechanisms.

From a contextual standpoint, these findings are particularly relevant in emerging governance environments where institutional enforcement may be uneven. Studies in Indonesia and other developing contexts (Sinaga & Bukit, 2021; Mahardika & Widanaputra, 2024) confirm that individual morality significantly moderates fraud tendencies. Hence, this study contributes by positioning work ethics not merely as an individual trait but as a structural complement to fraud theory, extending the fraud triangle toward a more behaviorally integrated model.

Addressing the second research question, accounting competency viewed through Becker's (1989) Human Capital Theory as a value-generating asset is found to be ethically contingent. At the same time, competence improves fraud detection and control quality (Banjarnahor & Kuntadi, 2023; Novatiani et al., 2024). It may also facilitate misconduct when moral restraint is weak, consistent with Vousinas' (2019) SCORE model that frames capability as either preventive or enabling, depending on ethical orientation. The analysis of internal control systems reinforces this contingency perspective. Consistent with Rashid (2022) and Musyoki (2023), strong controls reduce opportunity. Public-sector studies by Nadirsyah et al. (2024) and Hanif et al. (2025) confirm their preventive contribution. Yet cases of control override and collusion demonstrate that systems are vulnerable without ethical compliance. This interpretation aligns with Maulidi et al. (2024), who show that organizational control interacts with moral and cultural variables in shaping fraud awareness. Therefore, internal control effectiveness is not autonomous; it is behaviorally mediated.

Importantly, these findings clarify inconsistencies in prior empirical results, where competency and control did not uniformly reduce fraud (Puspita & Ratnadi, 2023; Isfani & Fadhilah, 2025). Theoretically, this study explains such inconsistencies by introducing ethical contingency: competency provides capability, controls provide structure, but ethics determines direction. This integrative explanation extends beyond linear models and contributes to a more nuanced fraud prevention framework.

The most significant theoretical contribution lies in articulating work ethics as a mediating construct linking competency and control systems to fraud prevention outcomes. This mediating mechanism resonates with recent behavioral accounting transformations highlighted by Apriyanto (2025), which emphasize the strategic role of human resources in preventing fraud within digitalized environments. It also complements sustainable human resource management perspectives that advocate embedding ethical values into organizational systems to ensure long-term governance effectiveness (Aycan, 2006; Kramar, 2022).

By integrating classical fraud theory by Cressey (1953), moral development theory by Rest (1986), and human capital theory by Becker (1989), this study advances a holistic fraud prevention model. Rather than viewing fraud prevention as merely procedural or technical, the discussion demonstrates that ethical mediation aligns human capital with control structures, explaining why similar governance frameworks may produce different outcomes across organizations (Apristiana & Utomo, 2025). Practically, these findings justify a shift from compliance-based strategies toward ethics-integrated capacity building, underscoring moral agency as the decisive factor in translating governance mechanisms into sustainable fraud prevention outcomes.

CONCLUSION

This study concludes that fraud prevention cannot be effectively achieved through accounting competency and internal control systems alone without the mediating role of work ethics. Although technical expertise and formal controls provide structural safeguards, their effectiveness depends on the ethical orientation of the individuals who design, implement, and monitor them. Work ethics functions as a behavioral mechanism

that shapes moral judgment, limits rationalization, and directs the responsible use of professional knowledge. By positioning work ethics as a mediating variable, this study explains why similar levels of competency and control may produce different fraud outcomes across organizations.

The findings imply that organizations should move beyond compliance-based strategies and adopt ethics-integrated capacity building. Fraud prevention policies should incorporate ethical training, value-based leadership, and cultural reinforcement alongside technical skill development and control enhancement. Embedding ethical values within human resource management and governance systems can strengthen the alignment between capability, structure, and integrity.

This research is based on a qualitative literature review, which relies on prior studies and does not include primary empirical data. As a result, conclusions are conceptually derived and may not capture contextual variations across industries or institutional settings. Future studies are encouraged to empirically test the mediating role of work ethics using quantitative or mixed-method approaches across different sectors and governance environments. Comparative cross-country research and longitudinal designs would further enrich understanding of how ethical culture evolves and sustains fraud prevention over time.

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