

UNDERSTANDING ACCOUNTING FRAUD MOTIVATION, PROTECTION PROCEDURES, AND FIRMS' PERFORMANCE: EXTERNAL AUDITORS' PERSPECTIVE

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Abstract

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This paper explores accounting fraud motivation, protection procedures, and the impact on firms' performance from the perspective of external auditors. Data were collected through semi-structured interviews with highly experienced external public auditors. This paper highlights personal and environmental factors as the two most essential fraud motivations. Examining and checking on the internal audit system's strengths and weaknesses are more important in detecting fraud than training and auditing procedures. Besides, the findings show that modern technology can minimize the chances of fraud by providing efficient and timely preventive measures (Halbouni et al., 2016). However, it is difficult for software developers to create systems that address new types of fraud, explaining why human auditing skills are vital in detecting procedures. The findings highlight similarities and differences in technology use in the private and public sectors' fraud protection procedures. Furthermore, fraud activities, directly and indirectly, affect revenues, reputation, and customer trust, respectively (Omar et al., 2016). By understanding the motivations for fraud, protection procedures, and the impact on firms' performance, this study has the potential to contribute to the development of best practices and effective strategies for preventing, detecting, and managing accounting fraud.

Keywords: Fraud Motivation, Fraud Protection, Firms' Performance, Auditors

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1. INTRODUCTION

Nowadays, many organizations struggle to address accounting fraud concerns and its impact on their performance. Firms' performance may depend highly on accounting fraud practices, which can negatively influence their reputation. Scholars argue, Fraud may be one of the most severe problems and challenges in the current business environment; organizations cannot remain healthy and competitive if fraud goes undetected (Halbouni, 2015). As firms attempt to address these concerns, applying an effective due-diligence process is essential given possible links between fraud motives, commitment, and firms' performance. Firms need to set up prevention, detection, and correction measures to handle any fraud red flags. Several previous studies investigate factors influencing the possibility of material misstatements in financial statements (Doan & Ta, 2023), assess different fraud prevention procedures and their relationships with fraud motives (Abdullahi & Mansor, 2015; Omar et al., 2016; Indmto & Ghozali, 2016; Ruankaew, 2016). Besides, scholars discuss the relationships between fraud detection and fraud commitment (Albashrawi, 2016; Halbouni, 2015; Shanmugam et al., 2012; DiNapoli, 2010), the relationships between fraud correction procedures and fraud motives (Rezaee, 2002), fraud risk judgment measurement (Julian et al., 2022), forensic accounting and the level of disclosure of fraud (Laupé et al., 2022), audit quality and earnings management (Hasnan et al., 2022). Other previous studies show the relationships between modern technology and fraud prevention, detection, and correction procedures (Halbouni et al., 2016; Rosnidah et al., 2022; Stanton, 2012).

Accounting fraud usually takes many forms and consistently adopts creative ways. The continuous manifestation of accounting fraud increases our interest in exploring new approaches to fraud resistance. The motivation of this paper rests in the continuous need to find innovative ways to track accounting fraud activities and raise potential red flags. Accounting fraud may negatively influence firms' performance and lead to shutting down the whole business operations. Firms have to be aware of the extent of fraud practices and their consequences on performance, considering devoting additional costs to implementing multiple procedures to eliminate the fraud consequences. Therefore, the primary purpose of the paper is to investigate appropriate prevention, detection, and correction procedures to enhance fraud resistance. This paper attempts to answer the following research questions:

RQ1: What are the most important motives for fraud commitment?

RQ2: What are the current accounting fraud prevention, detection, and correction procedures?

RQ3: What is the impact of modern technology on fraud prevention, detection, and correction procedures?

RQ4: What are the main consequences of accounting fraud practices on firms' performance?

This paper adds to the existing literature in four ways. First, it focuses on fraud prevention, detection, and correction procedures in the public sector, in contrast to previous studies that deal with only the private sector. Second, it uses an in-depth

interview instrument to explore accounting fraud activities' underlying mechanisms, unlike previous studies that use surveys to collect feedback. Third, it directly links modern technology aspects with fraud prevention, detection, and correction procedures. Fourth, it explores the direct and indirect impact of accounting fraud on firm performance. Thus, this paper provides more understanding of recent changes in the field, more insights into underlying mechanisms of fraud activities, and opens up new ways to identify fraud red flags. The empirical findings of the paper reveal that personal motives are the primary factor that leads to fraud commitment. Participants highlight that a robust internal control system is the most effective fraud prevention and detecting procedure, while recovery and follow-up are the most significant fraud correction procedures. The use of modern technology in prevention, detection, and correction procedures will primarily reduce accounting fraud occurrence. Finally, findings show that accounting fraud activities harm firms' revenues and reputation. Overall, this paper contributes to the literature and practice in the field of accounting fraud by exploring fraud motivation, protection procedures, and the impact on firms' performance; from the perspective of external auditors and in a public sector organization located in an emerging market.

The remainder of this paper is structured as follows. Section 2 shows the literature review. Section 3 provides the methodology and data collection. Section 4 presents the analysis and discussions. Section 5 has the conclusion and recommendations for future studies.

2. LITERATURE REVIEW

Based on previous literature, this paper identifies three main research themes as detailed below.

2.1. Fraud protection

There are three fraud protection procedures in practice, including prevention, detection, and correction activities. First, accounting fraud is a severe problem for different firms in the private and public sectors. It is essential to understand the factors that may motivate employees to commit fraud to prevent this damaging activity.

2.1.1. Fraud prevention

Organizations and firms should try hard to minimize these factors to prevent fraud. This paper uses the fraud diamond theory of Wolfe and Hermanson (2004) to explain the findings of this research. This theory consists of four elements: perceived pressure, perceived opportunities, rationalization, and capacity. These elements represent employees' motivations for fraud commitment and help undertake counter procedures. First, perceived pressure is the motivation that leads the perpetrator to engage in unethical behaviours (Abdullahi & Mansor, 2015). Fraud will not occur without the individual's ability. It is the redundant pressure on an employee from management to meet the work expectations and provide the best performance (Indmto & Ghozali, 2016). Perceived pressure consists of two types: social pressure and

financial pressure (Abdullahi & Mansor, 2015). The former is the pressure that can lead to fraudulent activity, such as family responsibilities, because the employee will be under pressure, and fraudulent activity will be the only path. Second, perceived opportunities are the situation that opens the opportunity to allow fraud to occur (Abdullahi & Mansor, 2015). Individuals may undertake fraud activities when there is a chance or an opportunity, and this activity is associated with the internal control system's weakness, such as no separation of duties (Omar et al., 2016). In a similar vein, Rashid et al. (2022) asserted that internal control systems are the most efficient means of preventing and identifying corporate fraud, which is a necessary element of good governance. Third, rationalization is an attitude; a character that allows certain parties to commit acts of fraud (Abdullahi & Mansor, 2015). Rationalization allows individuals to see their fraudulent activities as legal and acceptable (Ruankaew, 2016). Fourth, fraud motivation capability is the nature and the ability of individuals who have a big role which enables fraud (Abdullahi & Mansor, 2015). An individual work position can lead to fraud because of the firm's high authority and prominent role. This traditional role can lead to highly fraudulent activities. Therefore, this paper answers the first research question.

2.1.2. Fraud detection

Fraud detection procedures are methods employed by companies to identify 'red flags' — a signal of unethical behaviour — among employees (DiNapoli, 2010). Some scholars argue that financial fraud detection tools facilitate early recognition of firms' fraud problems. For example, Shanmugam et al. (2012) argue that proper fraud detection procedures at the introductory level might assist in early exposure to fraud activities. Firms often employ a variety of fraud detection procedures to detect fraud, such as searching for red flags, which are unusual circumstances or unnatural behaviour or any variation in normal activities, they should not be ignored as they could be an indicator of fraud (DiNapoli, 2010). Pramuki and Agustine (2023) have similarly elucidated that red flags are indicators or warnings that an auditor must identify during the process of auditing financial statements. Examples of red flags include a lack of supporting documentation for entries, incomplete bank reconciliations, forgery, stealing of any kind, and lifestyle problems (DiNapoli, 2010). The primary signal to detect accounting fraud reflects financial statements where accounting anomalies occur and growing revenues without a corresponding increase in cash (DiNapoli, 2010). Albashrawi (2016) argues, that this information is usually evident from audit reports on bank statements, red flags such as missing receipts and other financial records.

2.1.3. Fraud correction

Fraud correction is the reactive steps taken by companies to eliminate the committed fraud and its impacts on the quality, reliability, and integrity of financial statements and to prevent further occurrences in the future (Rezaee, 2002). Mwangi and Ndegwa (2020) argued that taking corrective

action through internal disciplines, such as suspending or terminating a fraudster, can create a sense of fear and dissuade future fraudsters from engaging in fraudulent acts. Correction procedures take two steps. First, firms recover fraud activities by restating the current year's financial statements. Financial fraud recovery will rebuild public confidence in the integrity, reliability, and quality of financial statements (Mwangi & Ndegwa, 2020). However, Rezaee (2002) argues that restating fraudulent financial statements for the current year is not adequate; it should restate the current year's and the prior year's statements. Second, financial fraud following-up is a self-assessment of motives and opportunities contributed to the commission of financial statement fraud (Rezaee, 2002). After competent authorities have concluded the fraud investigation, the firm should follow up and conduct any processes, procedures, or controls connected to the fraud. Therefore, this paper answers the second research question.

2.2. Modern technology

Technology can significantly assist in the prevention, detection, and correction of fraudulent behavior. Juhandi et al. (2020) suggest that using information technology, as a managerial decision can be an effective measure to prevent fraud within a company. Due to the extensive nature of financial reconciliations, auditors have developed the use of technology such as auditing software that monitors all records and transactions and provides automated reports that may flag suspicious transactions. The most frequently used techniques are logistic models and neural networks (Halbouni et al., 2016). Furthermore, Stanton (2012) supports this view by stating that information technology solutions such as audit software, test data, can be utilized for fraud prevention and detection). Second, technology assists in effective detection procedures to identify acts of fraud. Some of the essential fraud detection techniques include data mining, test data, and advanced enterprise resource planning (ERP) that contains control monitoring that can facilitate early detection of fraud (Stanton, 2012). The inclusion of new techniques and up-to-date resources in an audit is necessary for the final audit's efficiency and effectiveness, especially for detecting fraud (Stanton, 2012). Third, correction procedures are essential as they allow companies to take effective action against wrongdoings and bring their funds back. Finally, Bao et al. (2022) state that the emergence of big data and artificial intelligence has created new possibilities for utilizing sophisticated machine learning models in detecting fraudulent activities. Based on previous literature available, there is no evidence of using technology to correct acts of fraud. This paper answers the third research question.

2.3. Fraud and firm performance

Fraudulent acts will mostly affect the net income by either increasing the expenses or reducing the revenue, which will provide incorrect profit (Shanmugam et al., 2012). According to a study conducted by Wahyuni-TD et al. (2021), the performance of institutions is significantly influenced by good governance and fraud prevention measures. Fraud affects the net income in two ways:

underestimating the revenue if the employee takes the money from the incoming cash to the company, or exaggerating the expenses if the employee spends the existing money on his interest (Shanmugam et al., 2012). Both ways will result in a misstatement of net income. Halbouni (2015) states that the Statement of Audit Standards (SAS) defines fraud as an intentional act that findings in a material misstatement in financial statements that are the subject of an audit. However, if the fraud news becomes public, it may harm the company's reputation and lose customers (Omar et al., 2016). Halbouni (2015) found that a misstatement of financial statements negatively affects accounting information users as they depend on unreliable information. Omar et al. (2016) show that the increase in fraud cases may jeopardize the firm's performance and lead to an unhealthy company-customer relationship. Moreover, Halbouni (2015) shows that fraudulent behavior can severely damage the company's reputation, erode shareholder confidence and lead to the collapse of major corporations.

3. RESEARCH METHODOLOGY

The purpose of this paper is to conduct exploratory research for a problem, which is not well researched before, demands priorities, generates operational definitions, and provides a better-researched model (Saunders et al., 2007). The research approach followed in this paper was an inductive approach using qualitative data sources. Qualitative research refers to the broadest sense to research that produces descriptive data — people's own written or spoken words and observational behavior (Taylor et al., 2015). The strengths of qualitative research are useful for simplifying the data and managing the information without removing the main context, and it is highly suitable for questions where the preemptive decreasing of the data will deny discovery (Atieno, 2009).

Data collection depends on semi-structured interviews conducted during October 2019.

The researchers conducted seven semi-structured interviews that consisted of open-ended questions with the auditors and controllers and senior staff of the chosen public audit organization, as a case study (Table 1). The interviewees have different and rich backgrounds, highly years of experience (some of them have more than 20 years of experience), and hold the local nationality. Each interview lasted for 25 to 30 minutes. In-depth interviews are personal and unstructured interviews, whose aim is to identify participant's emotions, feelings, and opinions regarding a particular research subject (Langos, 2014). In the current paper, in-depth interviews were conducted with seven external public auditors. These auditors have more experience that comes from auditing many public organizations compared to the internal auditors, probably their experience is limited to one organization.

This paper uses content analysis to understand the meanings and answer the study questions. Bengtsson (2016) states that content analysis is a research method that provides a systematic and objective means to make valid inferences from verbal, visual, or written data in order to describe and quantify specific phenomena. This analysis will go through several steps: reduce the text-collected volume, identify and group categories, and seek some understanding of it. Hence, this study used content analysis; coding by sentences, and developing the main themes. In this paper, the researchers also followed the main phases to analyze qualitative data (Abdalla et al., 2022), which include the following. First, reading and referring back many times to the transcripts of the interviews to identify key issues and major themes. Second, highlighting the differences and similarities between the interviews. Third, writing a thick description of the key themes as what came out from the fieldwork. Since most previous literature focused on the private sector, this paper focuses on one as a case study.

Table 1. List of interviewees

<i>Interviewee position and number</i>	<i>Interview date and time</i>
Senior auditor (Interviewee No. 1)	7 October 2019, 12:00 PM
Senior controller (Interviewee No. 2)	10 October 2019, 12:30 PM
Controller (Interviewee No. 3)	13 October 2019, 01:10 PM
Controller (Interviewee No. 4)	16 October 2019, 01:44 PM
Auditor (Interviewee No. 5)	19 October 2019, 02:10 PM
Senior auditor (Interviewee No. 6)	23 October 2019, 02:30 PM
Auditor (Interviewee No. 7)	31 October 2019, 02:50 PM

4. FINDINGS AND DISCUSSIONS

4.1. Accounting fraud motives

The empirical findings in this paper highlight two main accounting fraud motivations: personal and environmental. All interviewees mention that personal factors, such as the need for money and lack of job promotion are the main antecedents of accounting fraud. Interviewee No. 2 added a new religious factor stating, "An employee may conduct fraud if he or she has no integrity, even if he or she is in a high position, and was not raised in and did not follow the religious foundation". Besides, interviewee

No. 3 mentioned, "Motives do not have a relationship with the internal control system; it is all about the personal factor". The personal factor is consistent with Abdullahi and Mansor (2015). The second main motive is the environment. For example, interviewee No. 1 argued that if there were weaknesses in internal control, this situation would allow the fraudster to do fraud. Other interviewees indicate that if the employees have a considerable opportunity, fraud will be occurring. For example, interviewee No. 7 stated, "Most of the work environment they have weaknesses that can allow the fraudster and he or she take it in action". This finding is also consistent with Abdullahi and

Mansor (2015). Interviewee No. 1 mentioned, “*We measure motivation to fraud on personal and environmental factors*”. Also, our findings are consistent with the fraud diamond theory relied on for this work as two of the main components of this theory are perceived pressure and capacity. These two factors are validated through our findings in the form of personal motivation which relates to the perceived pressure either in the form of financial pressure, the lust for leisure, debt burden, etc., and the environmental motivation in the form of weaknesses in the internal control system of the organizations which eventually generates the capacity for fraudsters.

4.2. Fraud and protection procedures

The findings in this paper show that interviewees provide different fraud prevention procedures. They argue that there are structural procedures, which start first with financial supervision departmental checks on the internal audit system, and if they find any weaknesses, they start giving the other department recommendation to treat and solve these weaknesses. Then, they go deeper and see whether these weaknesses made problems. If yes, they will start searching and asking the why and how questions. Interviewee No. 2 indicated another procedure, which allows all transactions through digital cards, reducing the risk of carrying money and dealing with money manually. Interviewees argue that to prevent fraud, it must be through internal control procedures. For example, interviewee No. 3 highlighted, “*The internal control procedures are a group of ways and procedures that companies put in order to save the fixed assets and to prevent fraud*”. One of the procedures he mentions is separating the duties, consistent with Omar et al. (2016). One interviewee points out that the internal audit system must be developed and enhanced. For example, he stated, “*We try to prevent fraud by strengthening the internal control systems or searching for the department’s weaknesses, and we requested this department to solve these weaknesses*”.

In addition, interviewees indicate that one of the essential procedures to detect fraud is to examine and check the internal control system. Precisely, this procedure locates the strength and weakness of the system, which determines the sample size. For example, interviewee No. 3 emphasized, “*Checking on or examining the internal audit system to choose the auditing sample size; if it is strong a small auditing sample size is chosen, and if weak a big sample size is audited*”. However, adequate training seems to be the most crucial procedure in fraud detection, as further explained by interviewee No. 4, “*All the auditors are trained well on all the required procedures, and managing audit of all types of accounts is the fundamental step in fraud detection*”. Interviewees No. 5 and No. 7 highlighted the importance of the auditing procedures, “*The most important thing when it comes to audit procedure is to put more effort until we detect the fraud*”, and “*We put more effort in the auditing to uncover the ways of fraud*”. Interviewee No. 6 has an opposite opinion about the auditing procedures as he argued, “*Most fraud cases happen in the circulation of cash, in this case, we do not put the great effort in the audit, but we carry out*

inventories and audits on receipts, treasuries and bank deposits”. This finding is consistent with previous studies, such as Albashrawi (2016). Based on these answers, examining and checking the internal audit system’s strengths and weaknesses are more important in detecting fraud than training and auditing procedures. These findings are consistent with the elements of the fraud diamond theory — if the internal control systems of organizations are stringent to monitor, detect and ultimately prevent the fraudulent activities to happen, it would minimize or eradicate the effect of opportunity and capacity of the fraud predators.

Furthermore, most interviewees agree that there are two procedures to correct fraud: recovery procedure and following up. Interviewee No. 5 stressed, “*The most important thing we care about is the organization should recover the fraudulent money, then we follow-up by giving them the recommendation to search for the reasons that lead to commit the fraud and wipe these reasons*”. Few interviewees mention the recovery procedure, and they discuss it in detail by dividing it into two parts. First, the money should return to the company and second, the fraudster has to move away from the financial work. Interviewee No. 4 pointed out, “*We are interested in one thing, the money should return, and the fraudulent has to get away from financial work*”. Another interviewee mentions the follow-up procedure, as he says, “*We should know the reasons of the fraud or how it had committed, to write a recommendation on our report that the organization should correct the fraud to not result in repeating it*”. These findings require further testing and validation through future research in this area, which can be conducted to enhance the scope of this research work.

4.3. Fraud and technology

The analysis of the findings reveals that modern technology reduces the chances of fraud. Some of the interviewees agree that technology helps prevent data manipulation is more accurate than people are and minimizes the effort and time required in fraud prevention. Interviewees No. 1 and No. 4 pointed out, “*It can help in reducing the chance of fraud but cannot prevent it*” and “*It reduces time and effort*”. Interviewee No. 7 clearly stated that technology could prevent fraud, “*It can prevent fraud if the system was used in the right way, and all entry and transaction are done right*”. Therefore, the findings of this paper show that modern technology can minimize the chances of fraud by providing efficient and timely preventive measures which is consistent with the earlier research work of Halbouni et al. (2016). Nevertheless, modern technology is less effective in fraud detection than fraud prevention. Unlike the earlier literature work of Stanton (2012), several of the interviewees agreed that these applications cannot detect fraud, and they only help in sample size selection, where the financial analysis and fraud detection procedures are done manually. Interviewees No. 3 and No. 4 also agreed with the previous findings, but point out, “*Examining and choosing the right system can help*” and “*Strengthening the internal audit system helps in detecting errors, which helps in reducing the chance of fraud to happen*”. As a result, the findings

indicate that it is difficult for software developers to create systems that address new types of fraud, explaining why human auditing skills are vital in this detecting procedure. Furthermore, the findings indicate that all interviewees agree on no relationship between technology and fraud correction procedures. Interviewee No. 1 mentioned, *“There is no clear relationship, or there is no relationship at all between the technology and the correction”*. Interviewees justify the reasons for not using the technology in the correction procedure. For example, the first reason is that they communicate with organizations in fraud manually because of privacy reasons, as emphasized by Interviewee No. 2, *“We officially inform the organization by closed envelope that could be open just by the CEO”*. The second justification is that searching for fraud cannot be done by technology; it needs a human mind to think about it. Interviewee No. 1 further highlighted, *“We are the ones who think about the reasons”*. On the other hand, interviewee No. 5 agreed on no relationship between technology and fraud correction. However, then he adds that there could be a relationship if we are talking about the implementation of wiping the reasons that led to committing fraud, and he gives an example, *“If it is about a weakness in the system and we use the technology to develop our system, then we correct the fraud reason using the technology”*. To explore and investigate the aspect of the existence of a relationship between technology and fraud correction, further research is required in the future.

4.4. Fraud and firm performance

The findings of this paper indicate that most interviewees highlight the direct effect of fraud on revenues. For example, interviewee No. 3) clearly stated, *“The fraudster is stealing the revenue; of course the revenues will decrease”*. Other interviewees opined about the indirect impact of fraud on organizations’ reputation and customer trust. Interviewee No. 6 argued, *“If the fraud news spreads, then it will affect the reputation of the company. Dealing with the public will become harder, and it will be no trust”*. However, Interviewee No. 4 disagreed as he argued, *“It will not affect, because dealing with the fraud is very confidential”*. These findings are consistent with previous studies, such as Shanmugam et al. (2012), Halbouni (2015), and Omar et al. (2016). Moreover, keeping in view the four main elements of the fraud diamond theory, i.e., incentive pressure, opportunity, rationalization, and capacity which motivate the fraudster to commit fraud, would ultimately lead toward the vulnerable firm’s performance, in case the aforementioned elements are successfully practiced by the fraud predators.

5. CONCLUSION

This paper sought to explore accounting fraud motives, protection procedures, and fraud’s impact on firm performance. The findings of the paper show that personal and environmental factors are the most critical accounting fraud motivations. Based on the aforementioned analysis of the findings, we can conclude that examining and checking the internal audit system’s strengths and

weaknesses is more important in detecting fraud than training and auditing procedures. Moreover, recovery and follow-up procedures are the most significant measures to correct fraud activities. Nevertheless, it is difficult for software developers to create systems that address new types of fraud, which ultimately emphasized the importance of human auditing skills in detecting procedures.

From the above findings, it can also be concluded that there is no relationship between technology and fraud correction procedures, however, the effective implementation of modern technology can reduce the chances of fraud by providing efficient and timely preventive measures. The use of technology in the prevention and correction procedures in private and public sectors is the same, while the detection technology differs between both sectors. The private sector uses software programs to select the auditing sample size based on specific characteristics, while this program is not used in the public sector until now and could be a beneficial technology to increase the accuracy of the sample size. The findings also indicated that fraud activities directly affect revenues and indirectly impact reputation and customer trust.

The practical implications of these findings are essential for professional accountants and auditors. For example, electronic cash is essential to prevention procedures to eliminate the risk of cash fraud. Auditors’ effort volume and accumulated experience on the job are the main aspects that influence the detection procedures. Therefore, professional auditors should focus on giving more time for auditing and extend the training period to increase the auditor experience. The use of technology can add value to sample selection in the public sector. Among the corrective measures that firms may need to adopt are those related to the adoption of technology, especially considering that the world has made significant milestones in developing and adopting different technology forms to detect fraud-related behavior.

To sum up, it can be established that although the existence and penetration of fraudsters in an organization regardless of its nature (private vs. public) is not invented yesterday, the enormous number of accounting scandals in the 21st century have forced organizations’ leadership to take steps to combat such fraudulent activities. The financial, and non-financial systems of organizations, rules, regulations, policies and procedures, and use of technology play significant roles in addressing such fraudulent activities by taking measures for detecting, correcting, and preventive actions. However, the motivation for fraudulent activities even at materialistically significant or non-significant levels cannot be rationalized in any society or religion. Therefore, if the workforce rendering services to any organization may follow the basic humanity norms and values and is less self-oriented it can eliminate the administrative burden of the organizations for setting extensive control measures to combat fraudulent activities. In this way, the whole financial and non-financial system would leverage and add value to society.

The limitations of the paper include a small number of interviewees; this is due to some constraints and limited access to interviewees. In addition, each participant was interviewed once.

For future research, a longitudinal study approach can be adopted. For example, the number of interviewees can be increased, as well as each participant can be interviewed twice over a certain period of time. This study also suffers from the classic common limitation of case study

research, namely, the issue of generalizability. The study focuses on one public sector organization. Future studies should use a multiple-case strategy rather than one case study. Moreover, future studies should include how fraud may affect the performance of the employee within the organization.

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