DETERMINANTS OF FRAUDULENT FINANCIAL REPORTING AND WHISTLEBLOWING SYSTEM: APPLYING THEORY OF PLANNED BEHAVIOR

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Abstract: - The purpose of this study is to examine and analyze the influence of managerial attitudes toward fraudulent financial reporting, subjective norms of managers, perceived behavioral control, manager's moral obligation to the intention of managers to commit fraudulent financial reporting. Testing and analyzing the influence of the intention of managers to commit fraudulent financial reporting to the behavior of managers committing fraudulent financial reporting. Testing and analyzing whistleblowing system as moderating the relationship of intention of managers to commit fraudulent financial reporting to the behavior of managers doing fraudulent financial reporting. The method of data analysis in this study uses Structural Eqution Modeling. The data processing of this research uses Warp PLS application version 5.0. The research sample is managers accounting in state-owned enterprises throughout Indonesia. The results of hypothesis testing prove the manager's attitude towards fraudulent financial reporting does not significantly influence the intention of managers to commit fraudulent financial reporting. The results of this test prove that subjective norms, perceived behavioral control and manager's moral obligations have a significant negative effect on the intention of managers to commit financial reporting fraud. The intention of managers to commit financial reporting fraud has a significant positive effect on the behavior of managers doing fraudulent financial reporting. Whistleblowing system as a moderating variable is proven to weaken the relationship of intention of managers to commit fraudulent financial reporting to the behavior of managers committing fraudulent financial reporting.

Key-Words: - fraudulent financial reporting, behavior, whistleblowing system

1 Introduction

According to Associations of Certified Fraud Examiners (2016), of the 3 types of fraud that have the highest order contributes to the level of losses, namely fraudulent financial reporting. Financial reporting fraud caused a large loss of around $ 975,000, corruption caused a loss of around $ 200,000 and misuse of assets caused a loss of around $ 125,000. In 2012 to 2014, there was an increase in frequency related to financial reporting fraud cases of 1.4% and from 2014 to 2016 there was a frequency increase of 0.6% of fraud cases reaching a loss of $ 1,000,000 (Association of Certified Fraud Examiners, 2018). The increasing number of fraudulent cases of financial reporting is of particular concern and it is very urgent to know what factors have been the trigger for fraudulent financial reporting. This step is a way to minimize fraudulent financial reporting.

Financial reporting fraud has been a widespread concern globally in the past few decades. In the last 20 years, there has been a sharp increase in fraudulent financial reporting. For example, financial scandals in the United States. In 2001, the Enron company engineered a profit of $ 600 million in financial statements that actually the company was in a state of loss. Subsequent fraudulent financial reporting cases occurred at Toshiba Corporation in July 2015. Toshiba Corporation has been proven to inflate profits with a value of $ 1.22 billion over five years. WorldCom management engineered financial statements through inflating profits of $ 3,850,000. The impact of fraudulent financial reporting, WorldCom finally fell with debt reaching $ 41 million (Tuanakotta, 2010). Fraud of financial reporting has occurred in various parts of the world including countries in the Asian continent. As happened in Japan, in 2003 the Kanebo International company was known to commit financial reporting fraud. Fraud of financial reporting is done by manipulating non-actual profits of $ 2 billion over five years. Satyam Computer Services in India is also cheating financial reporting by manipulating 95% of bank funds around 50 billion rupees or around $ 1 billion.

State owned enterprises in Indonesia contribute to the increase in fraud cases. There are various forms of fraud that tarnish the trust of users of financial statements. For example, in 2005 there was data manipulation and fraudulent financial reporting at PT. KAI, which recorded a profit of Rp.6.9 billion, actually suffered a loss of Rp.63 billion. The fraud case in the SOE company was subsequently discovered by the BPK in 2014 which resulted in State losses of Rp.88.9 billion and indications that caused State losses amounting to Rp.692.2 billion. The BPK also stated that in the 37 objects examined there were 493 findings worth Rp.8.66 trillion which indicated 702 financial management fraud problems. Departing from the existence of various fraud cases, it was proved that fraudulent financial reporting was actually carried out by internal companies or at the manager level.

It is interesting to get attention in the context of efforts to control fraud in financial reporting, namely related to behavioral issues. The Theory of Planned Behavior is a concept that is able to reveal various factors that cause behavior to become a theoretical basis. This Theory of Planned Behavior assumes that individuals are rational, namely by considering and utilizing all available information and evaluating the possible implications of these actions before deciding to engage in certain behaviors. Someone behaves determined by the intention (Ajzen, 1991). Therefore, the behavior of managers in carrying out or not performing a form of fraudulent financial reporting initially depends on the intention and important values as determinants in developing behavioral intentions. So, intention is a phasing in making a person's decision. Intention can capture various factors that make motivation, which in turn affect behavior (Ajzen, 1991).

Situational factors are a situation or situation beyond the ability of individuals that can influence the process of intention into a manifest behavior (Carrington et al., 2010). Ethical culture is thought to moderate the relationship of intention of managers to commit fraudulent financial reporting to the behavior of managers committing fraudulent financial reporting. The need to consider the moderating variables in this study to answer and overcome the inconsistency of the results of previous studies. Furthermore, ethical culture has never been studied as a moderating variable on the relationship of intention of managers to commit fraudulent financial reporting to the behavior of managers doing fraudulent financial reporting.

2 Hypotheses Development

2.1 Attitudes toward Fraudulent Financial Reporting on Intentions to Fraudulent Financial Reporting

Theory of Planned Behavior states three factors supporting the intention of a person's behavior as follows: attitudes toward behavior, subjective norms and perceptions of behavioral control (Ajzen, 1991). The first antecedent factor of intention is attitude toward behavior. Attitudes toward behavior refer to the level of a person related to an assessment that supports the behavior being considered (Ajzen, 1991). In general, Theory of Planned Behavior states that an individual has a positive attitude towards certain behaviors when an individual believes if the behavior is in a positive direction. Likewise, vice versa, if an individual has a negative attitude towards certain behavior when an individual believes if the behavior is in a negative direction (Ajzen and Fishbein, 1975). Research conducted by Ajzen (1991; Armitage and Conner (2001); Carpenter and Reimers (2005); Chang (1998); Conner and Armitage (1998); Gillett and Uddin (2005); Jones (1991); Leung et al. (2005); Zawawi et al. (2011); Uddin and Gillett (2002) provide evidence that attitudes toward behavior have a significant effect on the intention of managers to commit financial reporting fraud. behavior shows as the main predictor of intention.

H1: Attitudes toward fraudulent financial reporting have a positive effect on manager intentions to fraudulent financial reporting.

2.2 Subjective Norms on Intentions to Fraudulent Financial Reporting

The second antecedent factor is the attitude toward behavior, which encourages one's intention towards behavior, namely subjective norms (Ajzen, 1991). Subjective norms are a person's view of other people's beliefs that influence one's intention to carry out a behavior that is considered. Theory of Planned Behavior generally states that if an individual has confidence in another person like someone who is important to him, people whose opinions are respected, respect and admire and like himself (boss, subordinate, coworkers). An individual motivated to be able to obey will think that an individual should do a certain behavior, then they will feel social pressure to do a certain behavior.

Various studies that examine the influence of subjective norms on managers' intentions to commit financial reporting fraud have been carried out. The results of the study (Awang et al., 2016; Conner and Armitage, 1998; Leung et al., 2005; McSwain et al., 2011) explain that subjective norms have a significant effect on the intention of managers to commit fraudulent financial reporting. Subjective norms of managers in this study are related to the influence of people who are important to him, people whose opinions are valued, respected and admired and who are like him. If the manager believes that the higher the influence of referents such as superiors, subordinates, coworkers, and most important people around him agree to not commit fraudulent financial reporting behavior. The higher the motivation to comply, not to commit fraudulent financial reporting, the more social pressure will be felt to decrease the intention of managers to commit fraudulent financial reporting.

H2: Subjective norms have a negative effect on intentions to fraudulent financial reporting

2.3 Perceived Behavioral Control on Intentions to Fraudulent Financial Reporting

The third antecedent factor that encourages intention to behavior based on Theory of Planned Behavior is that perceived behavioral control show a condition of an individual who feels that the emergence / absence of a behavior that is considered is under its control (Ajzen, 1991). Perceived behavioral control is an antecedent factor towards intention which is an additional factor from the Theory of Planned Behavior. Theory of Planned Behavior is an extension of the previous theory, namely Theory of Reasoned Action, which only has 2 antecedent factors towards intention, namely attitudes toward subjective behavior and norms. Someone tends not to form a high intention in showing a certain behavior if he believes that he does not have the resources or the opportunity to do so even though he actually has a positive attitude and believes that other people who are important to him will approve it (Ajzen, 1991).

The results of the study related to the influence of perceived behavioral control on managers' intentions to commit financial reporting fraud are still very limited. Perceived behavioral control is a variable that is classified as still rarely studied and unique because it is still debated by several researchers, including Ajzen, (1991); Broadhead-Fearn and White (2006) so that it becomes necessary to carry out further testing. Research that examines the perception of behavioral control over intentions of fraudulent behavior has been done by Alleyne et al. (2013) proves perceived behavioral control significantly influence fraud intention. Furthermore, research on financial reporting fraud conducted by managers relating to the Theory of Planned Behavior as its theoretical foundation with perceived behavioral control is still rarely done in Indonesia.

H3: Perceived behavioral control have a negative effect on intentions to fraudulent financial reporting.

2.4 Moral Obligations on Intentions to Fraudulent Financial Reporting

In general, Theory of Planned Behavior explains that moral obligation is a moral originating from each individual that the possibility of others not having it (Ajzen, 2001). In principle, Theory of Planned Behavior is open to the inclusion of additional predictor variables (Ajzen and Fishbein, 1975). Moral obligations can be used as additional constructs in the Theory of Planned Behavior in order to predict intentions (Harding et al., 2007). Furthermore, Passow et al. (2006) suggest that moral obligations can be considered as a deterrent to fraud. Stronger moral obligations will be able to increase the level of compliance. In cases of fraudulent financial reporting, the higher the manager's moral obligation to comply with the rules and code of ethics of the company, the lower the intention of managers to commit fraudulent financial reporting. Likewise, if the manager's moral obligation is lower to comply with the rules and code of ethics of the company cheating on financial reporting, it will make the manager's intention to commit financial reporting fraud higher.

H4: Moral obligation has a negative influence on the intention to fraudulent financial reporting.

2.5 Intentions to Fraudulent Financial Reporting on the Behavior of Fraudulent Financial Reporting

The main purpose of the Theory of Planned Behavior is to predict and explain individual behavior (Ajzen and Driver, 1992). Intention is considered to precede behavior as the main factor in the Theory of Planned Behavior model, intention is an intermediary for various motivational factors so that it impacts on the formation of certain behaviors (Ajzen, 1991). Intention in a person to realize a certain behavior, will play a role before the behavior is truly realized. Intention shows the level of courage someone is willing to try and how much effort is planned to do a certain behavior (Ajzen, 1991).

Theory of Planned Behavior is used to predict behavior contributing to 20 percent of the variance in the various actual behaviors of Armitage and Conner (2001). In line with the meta-analysis conducted by Armitage and Conner (2001), the results of this study support that intention can influence behavior. There are two empirical support that prove that intention is directly related to behavior (Henle et al., 2010; Park, 2009). According to Ajzen (2001), The higher the intention to do behavior, the higher the likelihood of the intention being actualized in the form of behavior. The Carpenter and Reimers (2005) study found a strong relationship between intention and subsequent behavior.

H5: Intention to fraudulent financial reporting has a positive effect on the behavior of fraudulent financial reporting

2.6 Whistleblowing System on Intentions to Fraudulent Financial Reporting and Behavior of Fraudulent Financial Reporting

Trevino (1986) argues that individual characteristics and situational factors moderate in ethical / unethical decision making processes. One of the situational factors that is thought to moderate in the decision-making process is the whistleblowing system in the relationship of intention of managers to commit fraudulent financial reporting and behavior of managers committing fraudulent financial reporting. Based on the National Committee on Governance Policy (2008) the benefits of implementing a whistleblowing system are reluctance to commit violations, due to the high level of trust in the whistleblowing system. Furthermore, a whistleblowing system can create a conducive climate and encourage reporting related to various things that make financial or non-financial losses.

The Whistleblowing system has various roles such as reporting channels for fraud and can be a form of supervision of fraud. Employees and members in an organization will be afraid to commit fraudulent financial reporting because the whistleblowing system can be utilized by all employees. With the existence of a whistleblowing system, among employees will supervise each other and fear if they do any form of fraud as small as possible. Whistleblowing system is one part of the company's internal control system, detection of fraud practices and has a purpose in strengthening the implementation of Good Corporate Governance (Pamungkas *et al*., 2017). Companies that have good corporate governance are expected to be able to present information in an accurate, relevant and timely manner so that every information conveyed by the company, especially earning, will be trusted by investors (Utomo et al., 2018). Whistleblowing systems are thought to weaken the relationship of intention of managers to commit fraudulent financial reporting to the behavior of managers committing fraudulent financial reporting. The Whistleblowing system will play a role in controlling the manager of the manager's intention process to fraudulently report the fraudulent behavior of actual financial reporting.

H6: Whistleblowing system weakens the relationship of intention of fraudulent financial reporting to the behavior of fraudulent financial reporting

3 Data and Methodology

3.1 Data Analysis Techniques

The data in this study uses a cross section and the survey method used in this study will not only give an overview of the phenomena that occur, but it can also be like testing hypotheses, explaining relationships, making predictions and getting meaning and implications of a problem that immediately wants to be solved . The target population of this study is managers accounting in state owned enterprises throughout Indonesia with the sample selection method using a purposive sampling method. The method of data analysis in this study uses Structural Eqution Modeling (SEM). Processing this research data using the Warp PLS application version 5.0.

3.2 Attitude Towards Behavior

Attitudes toward behavior is a degree or level where a person has an assessment of something that is considered positive or negative towards a particular behavior (Ajzen and Fishbein, 1975). Someone will give an assessment of likes or dislikes towards a certain behavior (Ajzen, 1991). The attitude of managers towards fraudulent financial reporting is a degree or degree where managers have an assessment of something that is considered positive for fraudulent financial reporting. The research instrument used 5 statements measuring manager attitude variables towards financial reporting fraud adopted from (Hays, 2013).

3.3 Subjective Norms

According to Ajzen (1991) subjective norms are a condition around individuals who will support or not support the behavior displayed. Subjective norms also mean how far individuals have motivation in following the views of others towards a certain behavior (normative belief). Subjective norms of manager is a manager's view of people who are important to him, people whose opinions are valued, respected and admired and who like himself around the environment of managers who will support not to commit fraudulent financial reporting and become the motivation of managers to follow these behaviors. The instrument of this study uses 4 statements to measure managers' subjective norms of fraudulent financial reporting adopted from (Hays, 2013).

3.4 Perceived Behavioral Control

Perceived behavioral control are interpreted as how strong a person feels he is able to control a certain behavior under consideration (Ajzen, 1991). The perception of managerial behavior control is how strong managers feel they are able to control or control themselves not to commit fraudulent financial reporting. The research instrument used 4 statements to measure the behavior control perceptions of managers adopted from (Hays, 2013).

3.5 Moral Obligations

Moral obligations are a person's personal feelings about the obligation to be involved or not involved in a particular behavior (Beck and Ajzen, 1991). The moral obligation of managers in this study is a personal feeling of a manager regarding the moral obligation not to be involved in fraudulent financial reporting. Financial reporting fraud is a violation that hides disclosure of liabilities, information about changes in assets that are not mentioned (Singleton and CISA, 2010). The research instrument used for the manager's moral obligation variable was measured using 3 statement items adopted (Yoon, 2011).

3.6 Intentions to Fraudulent Financial Reporting

Behavioral intention is defined as a person's subjective probability which is related to a particular behavior (Ajzen and Fishbein, 1975). Intention is a stage before realizing a behavior. Intention in a person to realize a certain behavior, will play a role before the behavior is truly realized. The intention of managers to commit financial reporting fraud is a desire or interest of managers to tend to commit fraudulent financial reporting. The research instrument used 4 statements to measure the intention of managers to commit financial reporting fraud adopted from (Hays, 2013; Machrus and Purwono, 2012).

3.7 Behavior of Fraudulent Financial Reporting

The behavior of managers doing fraudulent financial reporting in this study is a perception of managers to actually commit fraudulent financial reporting. A behavior can be categorized as fraudulent financial reporting if it violates changes to unpublished accounting methods, hides disclosure of liabilities, information about changes in assets that are not mentioned and hides other important information (Singleton and CISA, 2010). The research instrument used 3 item statements to measure the behavior variable of managers doing fraudulent financial reporting adopted from Machrus and Purwono, (2012) for measuring behavior based on the Target, Action, Context and Time approach, meeting these principles can detect the strong behavior of respondents.

3.8 Whistleblowing System

Whistleblowing system is a mechanism for disclosing violations or acts that are against the law, unethical acts or immoral acts or other actions that can harm the organization or stakeholders (Semendawai et al, 2011). The Whistleblowing system in this study is a manager's perception of the mechanism for disclosing violations or acts that are against the law, unethical acts or immoral actions in the work environment. The Whistleblowing system is measured using 7 statement items adopted the National Committee on Governance (2008).

Table 1 Model *Fit* and *Quality Indices*

Qualiy Indices	**Result**	**P-*Value***	**Information**
Average Path Coefficient (APC)	0.258	P =0.001	Model Fit
Average R-squared (ARS)	0.393	P <0.001	Model Fit
Average Adjusted R-Squared (AARS)	0.373	P <0.001	Model Fit
Average Block VIF (AVIF)	1.613	*acceptable if* <= 5, *ideally* <= 3.3	Model Fit
Average Full Collinearity VIF (AFVIF)	1.880	*acceptable if* <= 5, *ideally* <= 3.3	Model Fit
Tenenhaus Gof (Gof)	0.519	*small* >= 0.1, *medium* >= 0.25, *large* >= 0.36	Model Fit
Sympon's Paradox Ratio (SPR)	0.857	*Acceptable if* >=0.7, *Ideally* = 1	Model Fit
R-Square Contribution Ratio (RSCR)	0.974	*Acceptable if* >=0.9, *Ideally* = 1	Model Fit
Statistical Suppression Ratio (SSR)	0.857	*Acceptable if* >= 0.7	Model Fit
Non Linear Bivariate Causality Direction Ratio (NLBCDR)	1.000	*Acceptable if* >= 0.7	Model Fit

Source: Results of processing WarpPLS 5.0 (2019)

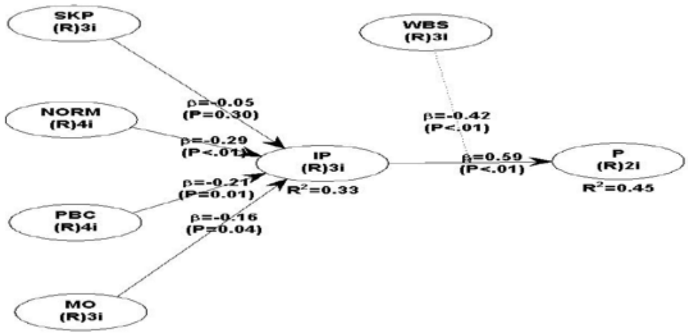

Figure 1 Results of Full Structural Equation Model

Table 2 Relations between Variables (Hypothesis Testing -> Sig. 5% one-tailed)

Hypothesis	***Relationship***	***Path Coeficients***	***Standar Error***	***P-Value***	***Sig. Direct Effect***
H1	SKP -> IP	-0.049	0.095	0.302	**Rejected**
H2	NORM -> IP	-0.292	0.089	<0.001	**Accepted**
H3	PBC -> IP	-0.212	0.091	0.010	**Accepted**
H4	MO -> IP	-0.163	0.092	0.040	**Accepted**
H5	IP -> P	0.583	0.082	<0.001	**Accepted**
H6	WBS*IP -> P	-0.429	0.086	<0.001	**Accepted**

Source: Results of processing WarpPLS 5.0 (2019)

4 Result and Discussion

4.1 Attitudes toward Fraudulent Financial Reporting on Intentions to Fraudulent Financial Reporting

Result of Model Fit and Quality Indices on Table 1. Based on Table 2 the results of statistical testing of hypothesis 1 show the estimated value of manager attitude variable coefficients toward fraudulent financial reporting towards the intention of managers to commit financial reporting fraud of -0.049, the standard error value of 0.095 and probability of 0.302 by referring to the significance level of 0.05. So, it can be concluded that there is strong empirical evidence to accept Ho. One of the underlying reasons is that managers accounting in state-owned companies in Indonesia do not have complete confidence and trust in fraudulent financial reporting which is something that is considered positive and provides positive outcomes for them. The results of this study are in line with the results of research by Rustiarini and Sunarsih, (2015) that attitudes toward behavior have no effect on behavioral intentions.

The manager's attitude toward fraudulent financial reporting has no effect on the intention of managers to commit fraudulent financial reporting indicating that the intention of managers to commit fraudulent financial reporting is not based on feelings of likes or dislikes, positive or negative feelings towards the intention of managers to commit fraudulent financial reporting. According to the results of this study, the intention of managers to commit financial reporting fraud is influenced by other factors / variables such as subjective norms of managers, perceptions of controlling managerial behavior, moral obligations of managers. In this study, managers' attitudes toward fraudulent financial reporting have no effect on the intention of managers to commit fraudulent financial reporting. Managers no longer see positive or negative related fraudulent financial reporting in deciding and determining the intention of managers to commit fraudulent financial reporting. Although managers have a higher positive assessment of fraudulent financial reporting, however, it will not have an effect until the intention stage of the manager to commit fraudulent financial reporting. Thus, a positive assessment or tendency to commit financial reporting fraud is only at the attitude stage, not until the next stage, namely intention to behave.

4.2 Subjective Norms on Intentions to Fraudulent Financial Reporting

Based on the structural model testing in Table 2 show that the results of statistical tests on the second hypothesis produce estimated values of managers subjective norm norms of -0.292 the value of standard errors is 0.089 and probability <0.001 with a significance level of 0.05, it can be concluded that there is strong empirical evidence to reject Ho. Based on Table 2 R-squared value of manager's subjective norm constructs is 0.330 (33%). This shows that the manager's intention to commit financial reporting fraud is only able to be explained by the manager's subjective norms, the manager's perception of managerial behavior and manager's moral obligation by 33%.

The results of this study are in line with the results of research conducted by (Ajzen, 1991; Alleyne et al., 2013; Awang et al., 2016; Carpenter and Reimers, 2005; Conner and Armitage, 1998; Harding et al., 2007; Leung et al. 2005; McSwain et al. 2011). Managers 'perceptions of the surrounding environment views related to fraudulent financial reporting have a role in influencing managers' intentions to commit financial reporting fraud. Someone will do a certain behavior by seeing something that is around it, because they believe that the people around the company's environment become a reference or reference for that individual. Subjective norms are factors outside the individual that indicate one's perception of the behavior carried out.

4.3 Perceived Behavioral Control on Intentions to Fraudulent Financial Reporting

The results of statistical testing of hypothesis 2 shows the value of coefficient estimation of managerial behavior control perception variable of -0.212 the value of standard error is 0.091 and probability of 0.010 with reference to the significance level of 0.05, it can be concluded that there is strong empirical evidence to reject Ho. The results of this study are in accordance with the Theory of Planned Behavior which states that the intention to commit fraudulent financial reporting depends on the resources and opportunities available so that it can achieve that behavior (Ajzen, 1991). The difficulties or risks inherent in carrying out these behaviors are called control factors.

This result is consistent with several previous studies. Finding perceptions of behavioral control is the strongest predictor of intention (Ponnu, 2008). Furthermore, it is in line with Park, (2009) and Ajzen (1991), individuals will have the intention to do a behavior when the individual has a perception of control of the behavior is easy to do because of things that support the behavior. In line with the results of Hays' research, (2013) stated that behavioral control perceptions have a strong relationship with intention to conduct behavior.

4.4 Moral Obligations on Intentions to Fraudulent Financial Reporting

The results of statistical testing of hypothesis 4 shows the estimated coefficient value of the manager's moral obligation variable of -0.163 the value of standard error 0.092 and probability of 0.040 with reference to the significance level of 0.05, it can be concluded that there is strong empirical evidence to reject Ho. The results of testing the fourth hypothesis of this study are consistent with the Theory of Planned Behavior. Moral obligation is a predictor that influences intention to conduct behavior (Beck and Ajzen, 1991). Different characteristics possessed by each individual in a moral obligation is the feeling of guilt that is owned by someone but not owned by another person (Beck and Ajzen, 1991).

The results of this study are in line with the results of the research conducted (Alleyne et al., 2013; Beck and Ajzen, 1991; Harding et al., 2007). The results of this study prove that managers' moral obligations influence the intention of managers to commit fraudulent financial reporting. Although broadly speaking dishonesty behavior is considered a common thing, it is undeniable that someone will surely feel guilty or ashamed when committing fraudulent financial reporting behavior. Every individual must have a moral sensitivity to a certain behavior. This shows that the feeling of guilt or moral obligation perceived by managers is increasingly influencing the lower intention of managers to commit fraudulent financial reporting.

4.5 Intention to Fraudulent Financial Reporting on Behavior of Fraudulent Financial Reporting

The results of statistical testing of hypothesis 5 indicate the estimated value of the intention variable coefficients of managers to commit financial reporting fraud of 0.583 standard error value 0.082 and probability <0.001. With reference to the 0.05 level of significance, it can be concluded that there is strong empirical evidence to reject Ho. The results of this study support the Theory of Planned Behavior which states intention is a determination to carry out certain activities in the future and has a close relationship with attitudes and behavior, so that it is an intermediate variable that causes behavior from an attitude or other variables. So it can be concluded that intention is the tendency of a person to choose to do a job and is assumed to be a motivating factor that exists in an individual that affects behavior.

The results of this study are also consistent and have supported the results of previous studies, namely the results of meta-analysis (Armitage and Conner, 2001; Henle et al., 2010; Park, 2009). From the results of these studies found empirical evidence that intention influences behavior. Individuals carry out a behavior starting with perceived intentions. Without the intention of a behavior, individuals will not do this behavior. Therefore, intention is an important predictor in predicting a person's behavior. This proves that in the Theory of Planned Behavior model, intention is the best indicator in predicting fraudulent financial reporting behavior.

4.6 Whistleblowing System on Intentions to Fraudulent Financial Reporting and Behavior of Fraudulent Financial Reporting

The results of statistical testing hypothesis 6 show the estimated value of the whistleblowing system variable coefficient of 0.429 the value of standard error 0.086 and probability <0.001 with reference to the significance level of 0.05, it can be concluded that there is no empirically strong evidence to reject Ho. The results of this study proved to support the perspective of the model of ethical decision making (Trevino, 1986). The intention of managers is to commit fraudulent financial reporting to the behavior of fraudulent financial reporting managers influenced by situational factors or variwhistleblowing systems in this study. Thus, it can be concluded that the whistleblowing system cannot moderate the relationship of intention of managers to commit fraudulent financial reporting to the behavior of fraudulent financial reporting. Whistleblowing system is a prevention program and identification of fraud in a particular organization or company. The same thing was also stated by Pamungkas et al. (2017) that a good whistleblowing system program could be an effective medium for preventing and detecting fraud.

5 Conclusion

The results prove that managers' attitudes toward fraudulent financial reporting have no significant effect on the intention of managers to commit fraudulent financial reporting. The results of this test prove that subjective norms, perceived behavioral control, manager's moral obligations have a significant negative effect on the intention of managers to commit financial reporting fraud. The results of this study prove that the intention of managers to commit financial reporting fraud has a significant positive effect on the behavior of managers doing fraudulent financial reporting. The results of this study prove that whistleblowing system as a moderating variable proved to be able to weaken the relationship of intention of managers to commit fraudulent financial reporting to the behavior of managers doing fraudulent financial reporting.

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