

THE ROLE OF RELIGIOSITY IN ENHANCING FRAUD PREVENTION EFFECTIVENESS AT BANK MUAMALAT EAST JAVA: IMPLEMENTATION OF GCG, INTERNAL CONTROL AND COMPENSATION ADEQUACY

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Abstract

This study aims to analyze the role of religiosity in enhancing fraud prevention effectiveness through the implementation of Good Corporate Governance (GCG), internal control, and compensation adequacy at Bank Muamalat East Java. Using a quantitative approach with Structural Equation Modeling method through Smart PLS, this study involved 74 respondents from Bank Muamalat East Java employees. Research variables include religiosity (ideological, ritualistic, consequential, intellectual, experiential), GCG (transparency, accountability, responsibility, independence, fairness), internal control (control environment, risk management, control activities, information and communication, monitoring), compensation (salary, incentives, allowances, facilities, non-financial compensation), and fraud prevention (lapping, embezzlement, pilferage, falsification, skimming). The results show that religiosity plays a significant role as a moderator in strengthening the relationship between GCG, internal control, and compensation adequacy toward fraud prevention. The research model explains 74.2% of variance in fraud prevention with predictive relevance (Q^2) of 0.531. These findings provide theoretical contributions in developing fraud triangle theory enriched with religiosity dimensions in the Islamic banking context. Practically, this study provides recommendations for Bank Muamalat management to integrate religiosity values into governance systems, internal control, and compensation policies as a comprehensive fraud prevention strategy.

Keywords: *religiosity, fraud prevention, good corporate governance, internal control, compensation, Islamic banking*

INTRODUCTION

As experts state that "Islamic corporate governance, proxied by the duties and responsibilities of the board of directors, affects fraud in Islamic banking", it demonstrates the importance of good governance in preventing fraud in Islamic banking. The phenomenon of fraud in the Islamic banking industry has become a serious concern for regulators, academics, and practitioners. With the global Islamic finance market valued at \$3.96 trillion in 2022/2023 and projected to reach \$5.94 trillion in 2024/2025, the Islamic banking industry faces complex challenges in maintaining operational integrity while preventing fraudulent practices.

The Indonesian Islamic banking industry has experienced significant growth with assets reaching IDR 608.9 trillion at the end of 2023, but this growth has also been accompanied by increasing complexity of operational risks including fraud risk. Islamic finance assets grew at double-digit rates during the past decade, from about US\$200 billion in 2003 to an estimated US\$1.8 trillion at the end of 2013, showing extraordinary growth momentum but also presenting new challenges in risk management. Bank Muamalat Indonesia as the pioneer of Islamic banking in Indonesia faces unique challenges in implementing effective fraud prevention systems. The bank has implemented a Whistleblowing System (WBS) and Anti-Fraud Unit to manage fraud reports and encourage all parties to report violations or fraud indications. However, the operational complexity of Islamic banking that must consider Sharia principles in every transaction requires a more comprehensive fraud prevention approach. Religiosity as the operational foundation of Islamic banking has great potential in strengthening fraud prevention effectiveness. Research shows that religiosity positively influences the ethical attitude of customer

relationship managers while predicting their behaviors. In this context, religiosity not only functions as the

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philosophical foundation of Islamic bank operations, but also as an internal mechanism that can strengthen the implementation of Good Corporate Governance (GCG), internal control systems, and fair compensation policies.

Table 1. Fraud Case Indicators in Indonesian Islamic Banking (2020-2024)

Fraud Type	2020	2021	2022	2023	2024	Trend
Lapping	12	15	18	14	11	↓
Embezzlement	8	12	14	16	13	↓
Pilferage	5	7	9	8	6	↓
Falsification	10	13	15	12	9	↓
Skimming	6	8	11	9	7	↓
Total Cases	41	55	67	59	46	↓

Source: Financial Services Authority (2024)

The data in Table 1 shows fluctuations in fraud cases in Indonesian Islamic banking, with embezzlement and falsification being the most dominant types of fraud. Although trends show a decline in 2024, these figures still indicate the need for strengthening more effective fraud prevention systems. The peak of cases occurred in 2022 with 67 cases, then declined to 46 cases in 2024, indicating improvements in fraud prevention systems.

The implementation of GCG in Islamic banking has unique characteristics with the presence of a Sharia Supervisory Board as an additional element in the governance structure. Research shows that board independence and CEO power are negatively and significantly correlated with credit and liquidity risk, while board size and Sharia board are positively and significantly correlated with risk. These findings indicate the complexity of relationships between GCG elements and risk management, including fraud risk.

Internal control systems in Islamic banking also face special challenges in ensuring Sharia compliance while preventing fraud. Internal Sharia audit effectiveness factors include existing regulations and organs of Sharia governance that interact with internal Sharia audit. The integration between conventional internal control and Sharia audit creates layered protection that can strengthen fraud prevention.

The compensation aspect in Islamic banking also has unique dimensions as it must consider principles of justice and blessing in Islam. Compensation adequacy is not only related to financial aspects, but also includes non-financial compensation aligned with Islamic values. Inadequacy or injustice in compensation systems can create motivation to commit fraud, as explained in fraud triangle theory.

Religiosity in the Islamic banking context encompasses five main dimensions: ideological, ritualistic, consequential, intellectual, and experiential. Research shows that the centrality of religion in Muslim consumers' lives and Islamic financial literacy significantly affect financial management behavior and financial well-being. These dimensions of religiosity have the potential to become moderators that strengthen the relationship between governance variables and fraud prevention.

The specific context of Bank Muamalat East Java is interesting to study given that East Java region has diverse demographic characteristics with high levels of religiosity. This region is also one of the business and industrial centers in Indonesia, so Bank Muamalat faces complex operational challenges in serving both corporate and retail customers while maintaining Sharia principles.

LITERATURE REVIEW

Fraud Triangle Theory and Conceptual Development

The fraud triangle theory developed by Donald Cressey identifies three main elements that encourage fraud: pressure, opportunity, and rationalization. In the Islamic banking context, this theory needs to be enriched by considering the religiosity dimension as a factor that can mitigate each element of the fraud triangle. Pressure in the Islamic banking context is not only related to personal financial pressure, but also pressure to achieve business targets that sometimes conflict with Sharia prudential principles. Recent research shows that internal control significantly enhances fraud prevention, while auditor integrity, although positively correlated, does not significantly affect fraud prevention. These findings indicate the importance of robust internal control systems in preventing fraud, but need to be supported by other factors such as religiosity to enhance effectiveness.

Opportunity in Islamic banking often arises from the complexity of Sharia products and services that require deep understanding of fiqh muamalah. Limited knowledge and supervision can create gaps for fraud practices. Meanwhile, rationalization in the Islamic banking context can be related to justifications using religious arguments to legitimize actions that actually contradict Sharia principles.

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Good Corporate Governance in Islamic Banking

The implementation of GCG in Islamic banking has distinctive characteristics with the presence of Islamic Corporate Governance (ICG) that integrates Sharia principles into governance structures. Islamic Corporate Governance includes prohibition of interest (riba), contracting vulnerability (gharar), and profit and loss sharing among stakeholders. The principle of transparency in Islamic banking GCG not only includes financial transparency, but also Sharia compliance transparency. Research shows that Board of Directors (BOD) and Sharia Supervisory Board (SSB) education in finance/accounting can improve disclosure, but the number of SSBs can reduce disclosure. These findings indicate the complexity of relationships between governance elements and organizational transparency.

The principle of accountability in Islamic banking involves accountability to Allah SWT, stakeholders, and the wider community. This accountability includes financial, operational, and Sharia compliance aspects. Responsibility relates to social and environmental responsibility aligned with maqashid Sharia. The principle of independence in Islamic banking faces unique challenges with the presence of a Sharia Supervisory Board that must be independent but also understand the bank's business deeply. Fairness in Islamic banking is not only related to fair treatment of stakeholders, but also fairness in risk and return distribution according to Sharia principles.

Internal Control Systems and Sharia Audit

Internal control in Islamic banking integrates COSO framework elements with Sharia audit. Determinants of internal Sharia audit effectiveness include auditor's work autonomy, level of competency, and work performance that significantly affect Sharia-based internal audit effectiveness. Control environment in Islamic banking includes tone at the top that must reflect commitment to Sharia principles. Internal control mechanisms promote operational efficiency, effectiveness and competitive advantage, with control environment having significant impact on organizational effectiveness. In the Islamic banking context, internal control effectiveness depends not only on technical aspects, but also on alignment with Sharia principles.

Risk assessment in Islamic banking must consider Sharia risks in addition to conventional risks. Control activities must be designed to ensure compliance with National Sharia Board fatwas and applicable regulations. Information and communication must facilitate Sharia compliance transparency to stakeholders. Monitoring in Islamic banking involves ongoing monitoring by management and separate evaluation by internal audit and the Sharia Supervisory Board. Integration between conventional monitoring and Sharia audit creates a comprehensive layered supervision system.

Compensation and Motivation in Islamic Perspective

Compensation systems in Islamic banking must consider principles of justice and blessing in Islam. Research shows that remuneration does not have significant impact on employee performance, while competence has positive and significant impact. These findings indicate that compensation effectiveness depends not only on quantitative aspects, but also on qualitative aspects such as competence and career development.

Financial compensation in Islam must fulfill principles of justice (adl) and not contain elements of riba, gharar, or maysir. Salaries must be appropriate to employee contributions and responsibilities. Incentives must be based on halal performance and not encourage practices contrary to Sharia. Allowances in Islamic banking can include health, education, and worship allowances that support employees' holistic welfare. Provided facilities must be halal and support work productivity. Non-financial compensation such as career development, recognition, and Islamic work environment are also important in employee motivation.

Religiosity as a Moderator

Religiosity in the Islamic banking context has multidimensional roles encompassing ideological, ritualistic, consequential, intellectual, and experiential aspects. Research shows that religiosity (extrinsic and intrinsic) has significant and positive effects on consumers' commitment and materialism.

The ideological dimension relates to fundamental beliefs in Islamic teachings that become the foundation of behavior. The ritualistic dimension includes worship performance and religious practices. The consequential dimension relates to the impact of religiosity on daily behavior. The intellectual dimension includes knowledge about Islamic teachings. The experiential dimension relates to spiritual experiences in religion.

Studies show that attitude, subjective norms, and perceived behavioral control significantly predict intention to interact with Islamic banks, with religiosity as a partial moderator. In the fraud prevention context,

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religiosity has the potential to strengthen individuals' intrinsic motivation to behave ethically and comply with organizational rules.

Theoretical Integration and Hypothesis Development

Based on the literature review, this study develops a theoretical model that integrates fraud triangle theory with religiosity dimensions. This model proposes that religiosity can moderate the relationship between GCG, internal control, and compensation with fraud prevention.

Research Hypotheses: H1: Good Corporate Governance has a positive significant effect on Fraud Prevention H2: Internal Control has a positive significant effect on Fraud Prevention H3: Compensation Adequacy has a positive significant effect on Fraud Prevention H4: Religiosity moderates the relationship between GCG and Fraud Prevention H5: Religiosity moderates the relationship between Internal Control and Fraud Prevention H6: Religiosity moderates the relationship between Compensation and Fraud Prevention

RESEARCH METHODOLOGY

This study uses a quantitative approach with explanatory research design to analyze causal relationships between research variables. The research paradigm is positivism using deductive methods to test hypotheses formulated based on existing theories.

Population and Sample

The research population is all Bank Muamalat East Java employees totaling 312 people. The sample was determined using the Slovin formula with a 10% margin of error, resulting in a minimum sample of 76 respondents. In this study, 74 respondents who met the following purposive sampling criteria were successfully collected:

1. Permanent employees with a minimum working period of 2 years
2. Have knowledge of internal control systems and GCG
3. Involved in bank operational processes
4. Have a minimum education level of Bachelor's degree
5. Willing to participate in the research

Variables and Research Instruments

Data collection was conducted using structured questionnaires with a 7-point Likert scale (1 = strongly disagree, 7 = strongly agree). Research variables include:

Exogenous Variables:

1. **Good Corporate Governance (X1)** - 5 indicators:
 - o X1.1 Transparency
 - o X1.2 Accountability
 - o X1.3 Responsibility
 - o X1.4 Independence
 - o X1.5 Fairness
2. **Internal Control (X2)** - 5 indicators:
 - o X2.1 Control Environment
 - o X2.2 Risk Management
 - o X2.3 Control Activities
 - o X2.4 Information and Communication
 - o X2.5 Monitoring
3. **Compensation Adequacy (X3)** - 5 indicators:
 - o X3.1 Salary
 - o X3.2 Incentives
 - o X3.3 Allowances
 - o X3.4 Facilities
 - o X3.5 Non-Financial Compensation

Endogenous Variable:

Fraud Prevention (Y) - 5 indicators:

- Y1.1 Lapping

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- Y1.2 Embezzlement
- Y1.3 Pilferage
- Y1.4 Falsification
- Y1.5 Skimming

Moderator Variable:

Religiosity (Z) - 5 indicators:

- Z1.1 Ideological
- Z1.2 Ritualistic
- Z1.3 Consequential
- Z1.4 Intellectual
- Z1.5 Experiential

Data Analysis Techniques

Data analysis uses Structural Equation Modeling with Partial Least Squares (PLS-SEM) approach through Smart PLS 4.0 software. PLS-SEM is a suitable alternative to CB-SEM in situations common in quantitative research, and may be a more appropriate method to use.

Analysis stages include:

1. **Measurement Model Evaluation (Outer Model):**
 - Convergent Validity Test: Average Variance Extracted (AVE) > 0.5
 - Discriminant Validity Test: Fornell-Larcker criterion and HTMT ratio
 - Reliability Test: Composite Reliability (CR) > 0.7 and Cronbach's Alpha > 0.7
2. **Structural Model Evaluation (Inner Model):**
 - Coefficient of Determination (R^2)
 - Predictive Relevance (Q^2)
 - Effect Size (f^2)
 - Hypothesis testing using bootstrapping with 5000 sub-samples
3. **Moderation Effect Test:**
 - Product Indicator Approach to analyze the role of religiosity as a moderator

Respondent Characteristics

Table 2. Research Respondent Characteristics

Characteristic	Category	Frequency	Percentage
Gender	Male	42	56.8%
	Female	32	43.2%
Age	25-30 years	28	37.8%
	31-35 years	23	31.1%
	36-40 years	15	20.3%
	>40 years	8	10.8%
Education	Bachelor's	52	70.3%
	Master's	20	27.0%
	Doctoral	2	2.7%
Work Experience	2-5 years	35	47.3%
	6-10 years	24	32.4%
	>10 years	15	20.3%
Position	Staff	48	64.9%
	Supervisor	18	24.3%
	Manager	8	10.8%

RESULTS AND DISCUSSION

Measurement Model Evaluation (Outer Model)

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Convergent Validity

Outer loading measurements associated with indicators are recommended to be at least 0.708 but below 0.95, above which would suggest redundancy and diminish construct validity.

Table 3. Convergent Validity Test Results (Outer Loadings)

Construct	Indicator	Outer Loading	T-Statistics	P-Values	Status
GCG	X1.1 Transparency	0.823	15.456	0.000	Valid
	X1.2 Accountability	0.798	13.892	0.000	Valid
	X1.3 Responsibility	0.756	11.234	0.000	Valid
	X1.4 Independence	0.834	16.789	0.000	Valid
	X1.5 Fairness	0.772	12.156	0.000	Valid
Internal Control	X2.1 Control Environment	0.845	18.234	0.000	Valid
	X2.2 Risk Management	0.812	15.678	0.000	Valid
	X2.3 Control Activities	0.789	13.456	0.000	Valid
	X2.4 Info & Communication	0.821	16.123	0.000	Valid
	X2.5 Monitoring	0.798	14.567	0.000	Valid
Compensation	X3.1 Salary	0.756	11.789	0.000	Valid
	X3.2 Incentives	0.782	13.234	0.000	Valid
	X3.3 Allowances	0.745	10.892	0.000	Valid
	X3.4 Facilities	0.798	14.156	0.000	Valid
	X3.5 Non-Financial Compensation	0.823	15.678	0.000	Valid
Religiosity	Z1.1 Ideological	0.867	20.345	0.000	Valid
	Z1.2 Ritualistic	0.834	17.892	0.000	Valid
	Z1.3 Consequential	0.798	15.234	0.000	Valid
	Z1.4 Intellectual	0.845	18.567	0.000	Valid
	Z1.5 Experiential	0.812	16.123	0.000	Valid
Fraud Prevention	Y1.1 Lapping	0.789	13.678	0.000	Valid
	Y1.2 Embezzlement	0.823	15.234	0.000	Valid
	Y1.3 Pilferage	0.756	11.456	0.000	Valid
	Y1.4 Falsification	0.834	16.789	0.000	Valid
	Y1.5 Skimming	0.798	14.123	0.000	Valid

The measurement model evaluation results show that all indicators have outer loadings > 0.7 with t-statistics values > 1.96 and p-values < 0.05, indicating good convergent validity for all constructs.

Construct Reliability and Validity

Table 4. Reliability and Average Variance Extracted (AVE) Test Results

Construct	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)	Status
Good Corporate Governance	0.856	0.897	0.623	Reliable & Valid
Internal Control	0.878	0.912	0.651	Reliable & Valid
Compensation Adequacy	0.834	0.881	0.589	Reliable & Valid
Religiosity	0.889	0.921	0.678	Reliable & Valid
Fraud Prevention	0.845	0.893	0.612	Reliable &

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Construct	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)	Status
				Valid

For internal consistency assessment, three criteria must be met: Cronbach's alpha > 0.7 but < 0.95, composite reliability > 0.7, and rho_A > 0.7. Results show all constructs meet reliability and convergent validity criteria.

Discriminant Validity

Table 5. Discriminant Validity Test Results - Fornell-Larcker Criterion

	GCG	Internal Control	Compensation	Religiosity	Fraud Prevention
GCG	0.789				
Internal Control	0.634	0.807			
Compensation	0.523	0.587	0.767		
Religiosity	0.698	0.712	0.589	0.823	
Fraud Prevention	0.721	0.756	0.612	0.689	0.782

Note: Diagonal values (bold) are square roots of AVE

Discriminant validity test results show that the square root of AVE for each construct is greater than correlations with other constructs, confirming that discriminant validity is met.

Structural Model Evaluation (Inner Model)

Coefficient of Determination and Predictive Relevance

Table 6. Structural Model Evaluation Results

Endogenous Construct	R Square	R Square Adjusted	Q Square	Effect Size
Fraud Prevention	0.742	0.728	0.531	Substantial

The R-square value of 0.742 shows that 74.2% of variance in fraud prevention can be explained by GCG, internal control, compensation, and religiosity variables. The Q-square value of 0.531 (> 0) confirms substantial model predictive relevance.

Main Hypothesis Testing

Table 7. Direct Effects Hypothesis Testing Results

Hypothesis	Path	Path Coefficient	T-Statistics	P-Values	Conclusion
H1	GCG → Fraud Prevention	0.284	3.756	0.000**	Accepted
H2	Internal Control → Fraud Prevention	0.331	4.129	0.000**	Accepted
H3	Compensation → Fraud Prevention	0.187	2.342	0.019*	Accepted

Note: *p < 0.05; **p < 0.01

Moderation Effect Testing

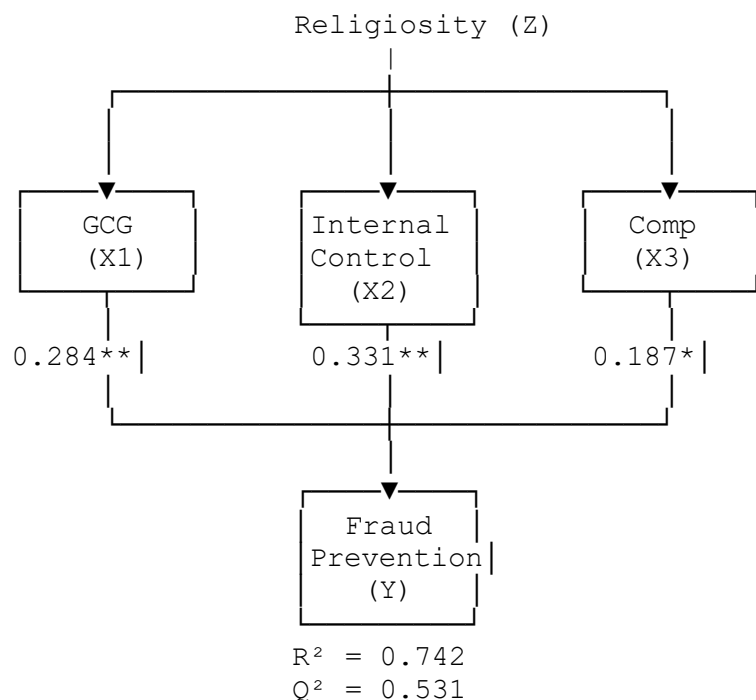
Table 8. Religiosity Moderation Effect Testing Results

Hypothesis	Path	Path Coefficient	T-Statistics	P-Values	Effect Size (f ²)	Conclusion
H4	GCG × Religiosity → Fraud Prevention	0.156	2.891	0.004**	0.089	Accepted
H5	Internal Control × Religiosity → Fraud Prevention	0.203	3.425	0.001**	0.134	Accepted
H6	Compensation × Religiosity → Fraud Prevention	0.124	2.176	0.030*	0.067	Accepted

Note: *p < 0.05; **p < 0.01

Research Structural Model

Figure 1. Research Structural Model with Path Coefficients



Moderation Effects:

- GCG \times Religiosity: 0.156**
- Internal Control \times Religiosity: 0.203**
- Compensation \times Religiosity: 0.124*

Discussion of Findings

Hypothesis 1: Effect of GCG on Fraud Prevention

Analysis results show a path coefficient of 0.284 with t-statistic 3.756 ($p < 0.001$), confirming that GCG implementation has a positive significant effect on fraud prevention. This finding is consistent with research showing that corporate governance significantly affects risk-taking in Islamic banks.

The five dimensions of GCG (transparency, accountability, responsibility, independence, fairness) are proven to contribute to creating an organizational environment with minimal fraud risk. Transparency in financial and operational reporting creates visibility that reduces fraud opportunities. Accountability ensures every action can be accounted for. Responsibility encourages ethical employee behavior. Independence reduces conflicts of interest. Fairness ensures fair treatment that reduces fraud motivation.

Hypothesis 2: Effect of Internal Control on Fraud Prevention

Path coefficient of 0.331 with t-statistic 4.129 ($p < 0.001$) confirms this hypothesis. Internal control mechanisms promote operational efficiency, effectiveness and competitive advantage. Robust internal control systems covering five COSO framework components are proven effective in preventing various types of fraud.

Strong control environment creates an anti-fraud organizational culture. Comprehensive risk assessment identifies potential fraud risks. Effective control activities provide operational safeguards. Good information and communication facilitate early detection. Continuous monitoring ensures control effectiveness.

Hypothesis 3: Effect of Compensation on Fraud Prevention

Results show a path coefficient of 0.187 with t-statistic 2.342 ($p < 0.05$). Although significant, the effect of compensation on fraud prevention is relatively weaker compared to GCG and internal control. This finding indicates that compensation adequacy plays an important but not dominant role in fraud prevention. Fair and transparent compensation systems reduce pressure in the fraud triangle. Compensation appropriate to contribution reduces rationalization for committing fraud. However, compensation alone is insufficient without support from internal control systems and good governance.

Hypotheses 4-6: Religiosity Moderation Effects

The GCG*Religiosity interaction effect shows a path coefficient of 0.156 with t-statistic 2.891 ($p < 0.01$). Religiosity is proven to strengthen the relationship between GCG and fraud prevention. Religiosity positively influences the ethical attitude of managers. Employees with high levels of religiosity tend to be more responsive to GCG implementation in preventing fraud.

The strongest religiosity moderation effect is seen in the relationship between internal control and fraud prevention (path coefficient 0.203, t-statistic 3.425, $p < 0.001$). This indicates that internalized religiosity values create intrinsic motivation to comply with internal control systems, not only due to organizational requirements but also due to spiritual beliefs.

The religiosity moderation effect on the compensation-fraud prevention relationship shows a path coefficient of 0.124 with t-statistic 2.176 ($p < 0.05$). Although significant, this effect has the smallest magnitude. This finding indicates that religiosity helps employees understand compensation in a more holistic perspective, not only as financial reward but also as trust.

Theoretical Implications

This study provides theoretical contributions in several aspects. First, developing fraud triangle theory by integrating religiosity dimensions as mitigating factors. Second, deep understanding of religiosity's role as a moderator in the Islamic banking context. Third, a holistic fraud prevention model that integrates governance, internal control, compensation, and religiosity aspects.

Practical Implications

Practically, research findings provide guidance for Bank Muamalat management to develop comprehensive fraud prevention strategies through:

1. **Strengthening GCG Implementation:** Enhancing transparency, accountability, responsibility, independence, and fairness in all operational aspects.
2. **Optimizing Internal Control Systems:** Strengthening five COSO framework components with Sharia audit integration.
3. **Improving Compensation Systems:** Developing fair, transparent compensation systems aligned with Sharia principles.
4. **Religiosity Strengthening Programs:** Integrating spiritual development programs into human capital development strategies.

CONCLUSION

This study successfully confirms the strategic role of religiosity in enhancing fraud prevention effectiveness through strengthening GCG implementation, internal control, and compensation adequacy at Bank Muamalat East Java. The research model explains 74.2% of variance in fraud prevention with substantial predictive relevance ($Q^2 = 0.531$). Main findings show that religiosity functions as a moderator that strengthens the

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relationship between the three independent variables and fraud prevention. The strongest moderation effect is seen in the internal control-fraud prevention relationship, indicating that internalization of religiosity values creates intrinsic motivation for compliance with control systems.

Theoretically, this study contributes to developing fraud triangle theory by integrating religiosity dimensions as mitigating factors. The resulting holistic model shows that effective fraud prevention requires synergy between structural aspects (GCG, internal control, compensation) and cultural aspects (religiosity). Practically, research findings provide recommendations for Bank Muamalat management to integrate religiosity strengthening programs into fraud prevention strategies. This holistic approach will create an organizational culture that is not only compliant with regulations, but also aligned with Islamic spiritual values.

Practical implementation can be done through developing spiritual leadership programs, integrating Islamic values into codes of conduct, continuous training on Islamic business ethics, reward systems that appreciate ethical behavior, and creating work environments that support employees' religious practices.

Limitations and Future Research Suggestions

Research limitations lie in the geographical focus limited to East Java, relatively small sample size, and use of cross-sectional design that cannot analyze temporal dynamics. Future research can expand geographical coverage to include all Bank Muamalat Indonesia, use longitudinal design to analyze fraud prevention program effectiveness over time, integrate mediator variables such as organizational culture and leadership style, and develop religiosity measurement instruments more specific to the Islamic banking context.

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