

Honesty-Based Accounting in BOS Fund Management: An Effort to Prevent Fraud in Vocational High Schools

Karlina Ghazalah Rahman

Institut Teknologi dan Bisnis Nobel Indonesia, Indonesia

DOI: <https://doi.org/10.32939/dhb.v7i1.5027>

E-Journal Al-Dzahab
Vol. 07 Issue 01
March. 2026
Pp. 47-55

Article Info:

Received : Apr 8, 2025
Revised : Sep 21, 2025
Accepted : Feb 20, 2026

Keywords:

Honesty-Based Accounting;
Bantuan Operasional
Sekolah Fund; Fraud
Prevention; Educational
Financial Governance

Correspondent:

[karlina@stienobel-
indonesia.ac.id](mailto:karlina@stienobel-indonesia.ac.id)

ABSTRACT

Purpose: *This study aims to examine the role of honesty-based accounting in preventing fraud in the management of School Operational Assistance (BOS) funds in vocational high schools. The study also explores supporting factors, including leadership integrity and organizational culture, that strengthen ethical financial governance in educational institutions.*

Design/Methodology/Approach: *This research adopts a qualitative approach with a phenomenological design to understand the lived experiences of actors involved in BOS fund management. Data were collected through in-depth interviews and analyzed using the interactive model proposed by Matthew B. Miles and A. Michael Huberman, which includes data reduction, data display, and conclusion drawing.*

Findings: *The findings indicate that honesty-based accounting—implemented through the principles of transparency, moral accountability, integrity, and ethical awareness—plays an important role in preventing fraud in BOS fund management. Integrity-based leadership acts as a tone at the top that reinforces ethical behavior among staff, while an organizational culture that discourages misconduct strengthens internal control practices. Furthermore, the study integrates Attribution Theory to explain how internal moral responsibility and ethical awareness influence honest behavior beyond procedural compliance. Ethics training in accounting practices was also found to support the development of internal accountability among financial administrators.*

Research Implications: *This study contributes to the literature by integrating honesty-based accounting, local ethical values such as Lempu' and Ada' Tongeng, and Attribution Theory in the context of educational financial governance. Practically, the findings suggest that ethics training and value-based financial management programs should be strengthened to improve transparency and accountability in BOS fund management in vocational high schools.*

This is an open access article distributed under the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.



INTRODUCTION

The School Operational Assistance (Bantuan Operasional Sekolah – BOS) program is one of the Indonesian government's major policy instruments for improving access to and the quality of education. Through this program, the government allocates operational funding to primary and secondary schools to support teaching activities, administrative expenses, infrastructure maintenance, and educational programs. The program plays a crucial role in ensuring the sustainability of learning activities, particularly in schools with limited financial capacity. Proper management of BOS funds therefore becomes a key element in promoting transparency, accountability, and effective governance within educational institutions (Saifrizal & Yusuf, 2023).

Despite its strategic role, the management of educational operational funds continues to face significant governance challenges. Cases of budget manipulation, misuse of funds, weak reporting practices, and limited oversight mechanisms have been reported in several educational institutions. Such problems indicate that formal regulations and technical guidelines alone are insufficient to guarantee accountable financial management. Weak internal control systems, limited managerial capacity among school administrators, and the absence of

effective monitoring mechanisms often create opportunities for fraud in the management of public funds (Astriani & Hanun, 2025). Previous studies have emphasized the importance of governance mechanisms such as transparency, accountability, internal control systems, and public participation in preventing fraud in educational financial management. Strong governance structures and effective control environments can significantly reduce the risk of financial irregularities and improve institutional credibility (Fauziah et al., 2025; Jumailia, 2025). Similarly, research in accounting ethics suggests that organizational integrity, ethical leadership, and moral sensitivity are critical factors in preventing fraudulent behavior in financial management (Ginting et al., 2023). However, the existing literature tends to focus predominantly on structural and procedural mechanisms of fraud prevention, such as internal control systems and regulatory compliance. While these mechanisms are important, they often overlook the behavioral and moral dimensions that influence individual decision-making in financial management. Fraud frequently arises not only from weak control systems but also from rationalization and ethical failure at the individual level. Studies on fraud prevention increasingly highlight the importance of ethical values, integrity, and moral awareness as key elements that shape responsible financial behavior (Anggiriawan et al., 2023).

In the Indonesian socio-cultural context, ethical values rooted in local wisdom—such as Lempu' and Ada' Tonggeng, which emphasize honesty and moral integrity—may provide a valuable normative foundation for strengthening financial governance in educational institutions. Integrating these values into accounting practices may encourage responsible financial behavior and reduce the likelihood of misconduct. Nevertheless, empirical research that explicitly examines the integration of honesty values into accounting practices in the context of school financial management remains limited. Therefore, a significant research gap exists regarding how honesty-based accounting can function as an intrinsic mechanism for fraud prevention in the management of educational operational funds. Most previous studies emphasize formal governance mechanisms, whereas the role of internal ethical values in shaping financial accountability has received less attention. Understanding how honesty values can be operationalized in financial reporting and accountability practices is therefore essential for strengthening governance in educational institutions.

Based on this gap, this study aims to analyze the role of honesty-based accounting in preventing fraud in the management of School Operational Assistance funds in vocational high schools. The study also explores how honesty values can be internalized in financial reporting and accountability practices, as well as identifying supporting factors such as integrity-based leadership and ethical organizational culture that contribute to fraud prevention.

This study contributes to the literature on educational financial governance by integrating honesty-based accounting with socio-cultural ethical values as a framework for fraud prevention in school financial management. Unlike previous studies that primarily focus on technical governance mechanisms, this research highlights the role of internal moral values and ethical awareness in shaping accountable financial behavior. By combining accounting ethics, local cultural values, and fraud prevention perspectives, this study offers a value-based approach to strengthening transparency and accountability in the management of educational operational funds.

LITERATURE REVIEW

Fraud Theory

Fraud refers to intentional acts of deception carried out to obtain unlawful financial or personal benefits. In accounting and governance literature, fraud is commonly explained through the Fraud Triangle, which states that fraudulent behavior arises when three elements coexist: pressure, opportunity, and rationalization. The theory was first introduced by Donald R. Cressey and has since become one of the most widely used frameworks for explaining

financial misconduct in organizations. Subsequent developments expanded this framework into the Fraud Diamond and later the Fraud Hexagon, which incorporate additional factors such as capability, arrogance, and collusion to better explain complex fraud cases in modern institutions. These models emphasize that fraud is not only the result of weak control systems but also influenced by behavioral and organizational factors (Vousinas, 2019). In the context of public sector organizations, including educational institutions, opportunities for fraud may emerge when monitoring mechanisms are weak, financial management capacity is limited, and ethical awareness among administrators is insufficient. Understanding fraud through these theoretical perspectives highlights the importance of integrating both structural control mechanisms and ethical values in organizational governance. Without strong ethical values, individuals may rationalize unethical actions even when formal control systems exist.

Fraud Prevention

Fraud prevention involves strategies designed to minimize opportunities and motivations for fraudulent behavior. One widely recognized framework is the Committee of Sponsoring Organizations of the Treadway Commission internal control model, which emphasizes five key components: control environment, risk assessment, control activities, information and communication, and monitoring. These components provide a systematic approach for strengthening accountability and financial governance within organizations.

Empirical studies suggest that strong internal control systems significantly reduce the likelihood of fraud in both public and private sector organizations. For instance, research shows that effective governance mechanisms, transparent reporting, and independent oversight structures play a critical role in detecting and preventing financial irregularities (Free, 2019). However, recent literature also emphasizes that structural mechanisms alone may not be sufficient. Fraud prevention requires the development of ethical organizational cultures that encourage honesty, integrity, and accountability among employees. In educational institutions, financial governance is particularly vulnerable because financial administration is often handled by personnel without specialized accounting training. As a result, strengthening ethical awareness and internal values becomes an essential complement to formal control systems.

Honesty-Based Accounting

Honesty-based accounting refers to the integration of ethical values—particularly honesty, integrity, and transparency—into accounting practices and financial reporting processes. Unlike purely procedural approaches to accounting, honesty-based accounting emphasizes the internal moral responsibility of individuals involved in financial management. Ethical accounting practices help ensure that financial reports reflect actual economic conditions rather than manipulated or distorted information.

Research in accounting ethics demonstrates that ethical values play an important role in shaping responsible financial behavior. Organizations that promote ethical awareness and integrity among financial managers tend to produce more transparent and reliable financial reports (Armstrong et al., 2020). Ethical leadership and moral commitment also strengthen trust between organizations and stakeholders by reinforcing accountability in financial management processes. In educational settings, the application of honesty-based accounting may encourage administrators to prioritize transparency and responsibility in managing public funds. Integrating ethical values into financial practices can therefore serve as an intrinsic mechanism for reducing the risk of fraud.

School Operational Assistance Fund (BOS)

The School Operational Assistance (BOS) fund is a government program designed to support operational expenses in primary and secondary education in Indonesia. The program

aims to improve access to education and ensure the sustainability of learning activities by providing financial assistance for school operations. BOS funds are typically allocated for various purposes, including teaching materials, school maintenance, extracurricular activities, and partial compensation for non-civil servant teachers.

Although the program plays a vital role in supporting educational development, several governance challenges remain. Studies on public sector financial management indicate that government funding programs are often vulnerable to inefficiencies and misuse if transparency and accountability mechanisms are weak (Suryanto et al., 2017). In many cases, limitations in administrative capacity and monitoring systems create opportunities for financial mismanagement. Consequently, improving financial governance in educational institutions requires not only stronger regulatory frameworks but also the development of ethical values among financial administrators. Integrating honesty-based accounting with formal financial governance mechanisms may therefore provide a more sustainable approach to preventing fraud in the management of educational operational funds.

METHODS

This study employs a qualitative research design with a phenomenological approach to explore the experiences and perceptions of key actors involved in the management of School Operational Assistance (BOS) funds in vocational high schools. The phenomenological approach is appropriate because it allows researchers to understand how individuals interpret and implement honesty-based accounting practices within the context of financial management. The research was conducted at SMK Karya Dua, a vocational high school located in Palopo City, South Sulawesi, Indonesia. Data collection took place for approximately one month in October 2022. The study focused on individuals directly involved in the management and supervision of BOS funds within the school. The research informants consisted of the BOS fund treasurer of SMK Karya Dua, the principal of SMK Karya Dua, and the chairman of the SMK Karya Dua foundation. These informants were selected using purposive sampling because they hold key roles in financial decision-making and accountability processes related to BOS fund management. Data were collected through in-depth interviews and documentation analysis. Interviews were conducted to obtain detailed insights into the implementation of financial management practices, ethical values, and mechanisms for preventing fraud. Meanwhile, documentation analysis was used to examine financial reports, school budget plans, and other administrative records related to BOS fund management. The data were analyzed using the interactive analysis model developed by Matthew B. Miles and A. Michael Huberman. This analytical process consists of three main stages: data reduction, data display, and conclusion drawing/verification. Data reduction involves selecting and simplifying relevant information obtained from interviews and documents. Data display is carried out by organizing the data into structured narratives or thematic categories to facilitate interpretation. Finally, conclusions are drawn through an iterative process that continuously verifies the consistency of the findings with the collected data. Through this methodological approach, the study aims to provide an in-depth understanding of how honesty-based accounting practices are implemented and how they contribute to fraud prevention in the management of BOS funds in vocational high schools.

RESULT AND DISCUSSION

Transparency in Financial Reporting of BOS Funds

The findings indicate that SMK Karya Dua has implemented formal transparency mechanisms in managing School Operational Assistance (BOS) funds. These mechanisms include quarterly financial reporting to the regional education office (UPTD) and the publication of budget allocations on the school information board. These practices aim to

ensure that financial activities can be monitored by both authorities and the public. However, the interviews reveal that transparency practices remain largely procedural and administrative rather than substantive. The school treasurer explained that financial reports are often prepared based on standard templates required for fund disbursement, while detailed information regarding expenditure items is sometimes documented separately.

Verbatim statement – School Treasurer:

“Every quarter we submit the report to the education office because it is required for fund disbursement. But the report itself usually follows a standard template. For example, if it says ‘laboratory materials’, the details are not always written unless someone specifically asks for them.”

This finding suggests that transparency is still interpreted mainly as administrative compliance rather than a commitment to presenting comprehensive financial information. Nevertheless, the school leadership emphasizes the importance of openness as a principle of honesty in financial management.

Verbatim statement – Principal:

“I always remind the treasurer that if we are honest, we should not be afraid to open the information to teachers or even parents. BOS funds belong to the public, not to the foundation.”

These findings indicate that transparency grounded in honesty contributes to building trust rather than merely fulfilling regulatory requirements.

Accountability as a Moral Responsibility

Another important theme emerging from the interviews is the perception of accountability as a moral obligation. While financial reporting is formally required by government regulations, informants emphasized that accountability in BOS fund management is also viewed as a moral responsibility toward students and the community.

Verbatim statement – Chairman of the Foundation:

“This is not only about submitting reports to the authorities. BOS funds are entrusted to us for the benefit of students. If they are misused, it is not only a violation of rules but also a moral wrongdoing.”

This perspective demonstrates that financial accountability is interpreted not only in bureaucratic terms but also in ethical and social terms. Such internalization of moral responsibility may strengthen financial governance beyond formal compliance mechanisms.

Leadership Integrity as the “Tone at the Top”

The results also highlight the critical role of leadership integrity in fostering honesty in financial management. Informants emphasized that ethical leadership from the principal and the foundation plays a central role in establishing a culture of transparency and accountability.

Verbatim statement – School Treasurer:

“If the school leaders themselves are not honest, it is impossible to expect honesty from the treasurer. Fortunately, our principal and foundation always encourage us to be transparent and reject any attempts to manipulate the budget.”

This finding supports the idea that leadership integrity functions as a tone at the top, shaping organizational values and influencing the behavior of financial administrators. When leaders demonstrate ethical commitment, it encourages staff members to adopt similar values in their financial practices.

Honesty Values as an Intrinsic Organizational Stimulus

The study further reveals that honesty is gradually becoming an organizational norm within the school environment. Informants reported that discussions regarding financial

expenditures are often conducted collectively to ensure transparency and prevent potential misuse.

Verbatim statement – Principal:

“Whenever there is a major expenditure, we usually discuss it together. If something seems unusual, we immediately review it. We want the culture here to be a culture of honesty, not a culture of fear or concealment.”

These findings indicate that honesty values function as an intrinsic stimulus encouraging responsible financial management. Although such values are not always formally institutionalized, they play an important role in shaping organizational culture and strengthening fraud prevention efforts.

Implementation of BOS Fund Management through RKAS

In practice, the management of BOS funds at SMK Karya Dua is conducted through the School Activity and Budget Plan (RKAS). Financial accountability is reported quarterly to the regional education office and the central BOS management team. Additionally, financial information is publicly displayed on school notice boards to ensure transparency to the community.

BOS funds are utilized for various educational purposes, including purchasing learning materials, school equipment, laboratory supplies, student extracurricular activities, competency tests, maintenance of school facilities, and other operational expenses supporting teaching and learning activities. Effective management of these funds is therefore essential to ensure that educational programs can be implemented efficiently and transparently.

The Role of Honesty-Based Accounting in Fraud Prevention

The findings suggest that honesty-based accounting can function as an important mechanism for preventing fraud in BOS fund management. Schools that emphasize honesty values tend to develop more transparent and accountable financial practices. Organizational culture and leadership integrity are identified as key factors supporting the implementation of honesty-based accounting. When honesty becomes a shared value within the organization, it encourages financial administrators to act responsibly and reduces the likelihood of fraudulent behavior. However, informants also emphasized that ethical values alone are insufficient without continuous support in the form of training and institutional guidance.

Verbatim statement – School Treasurer:

“We still need training that connects accounting ethics with professional and religious values so that honesty can truly be implemented in practice.”

Therefore, training programs related to accounting ethics and financial governance may help transform honesty from an abstract value into concrete financial management practices.

DISCUSSION

The findings of this study demonstrate that honesty-based accounting plays an important role in strengthening transparency and accountability in the management of School Operational Assistance funds in vocational high schools. The thematic analysis reveals that transparency, moral accountability, leadership integrity, and honesty values function collectively as mechanisms for preventing fraudulent practices in school financial management. These findings support the perspective of the Fraud Triangle, originally developed by Donald R. Cressey, which explains that fraudulent behavior occurs when pressure, opportunity, and rationalization coexist. In the context of this study, honesty-based accounting and ethical leadership reduce the rationalization element of fraud by strengthening internal moral responsibility among financial administrators. When individuals perceive

financial management as a moral obligation rather than merely a procedural task, the likelihood of rationalizing fraudulent actions becomes significantly lower.

Furthermore, the results can also be interpreted through the perspective of Attribution Theory, which explains how individuals interpret the causes of their behavior based on internal or external motivations. In the case of BOS fund management at SMK Karya Dua, the interviews indicate that honest behavior is strongly influenced by internalized ethical values rather than solely by external monitoring mechanisms. When financial administrators attribute their actions to internal moral commitments—such as honesty, responsibility, and religious values—they are more likely to maintain ethical behavior even in situations where formal supervision is limited. This finding suggests that ethical internalization plays a critical role in shaping responsible financial practices in educational institutions.

The importance of leadership integrity identified in this study also aligns with the governance concept known as the tone at the top, which emphasizes that ethical leadership significantly influences organizational behavior and financial governance. Ethical leadership creates an environment in which transparency and accountability become shared organizational values rather than merely regulatory requirements. Previous research has shown that ethical leadership significantly reduces fraud risk by encouraging ethical decision-making and strengthening internal control environments (Kaptein, 2019). In this regard, the findings of the present study confirm that leadership integrity serves as a catalyst for embedding honesty values within organizational practices.

In addition, the results highlight that honesty values function as intrinsic organizational stimuli that shape financial governance practices. This finding is consistent with studies in accounting ethics that emphasize the role of ethical culture in promoting transparent financial reporting. Research by Murphy and Free (2016) indicates that ethical organizational cultures significantly influence employees' willingness to report honestly and avoid fraudulent behavior. Similarly, empirical research on public sector accountability suggests that transparency and ethical values together strengthen trust and legitimacy in public financial management (Cuadrado-Ballesteros, García-Sánchez, & Prado-Lorenzo, 2019). The findings of this study therefore reinforce the argument that ethical values and governance mechanisms should be integrated rather than treated as separate dimensions.

Another important insight from the study is that formal governance mechanisms, such as financial reporting systems and administrative procedures, are necessary but not sufficient to prevent fraud. While SMK Karya Dua has implemented formal mechanisms such as RKAS planning and quarterly financial reporting, the effectiveness of these mechanisms depends largely on the ethical commitment of the individuals involved. This finding supports the argument that ethical values serve as complementary controls that strengthen formal governance structures. Without internalized ethical values, formal systems may still be vulnerable to manipulation or symbolic compliance.

Overall, the findings suggest that honesty-based accounting can function as a holistic governance approach that integrates ethical values, leadership integrity, and financial accountability. By embedding honesty within organizational culture and financial practices, educational institutions may strengthen fraud prevention mechanisms and enhance the credibility of their financial management systems.

CONCLUSION

This study examines the role of honesty-based accounting in preventing fraud in the management of School Operational Assistance funds in vocational high schools. The findings indicate that honesty values contribute to strengthening transparency and accountability in financial management. Transparency in reporting, moral responsibility in financial administration, and leadership integrity play important roles in supporting honest financial

practices. The study also shows that fraud prevention cannot rely solely on formal financial procedures. Ethical values and leadership commitment are essential in encouraging responsible behavior among financial administrators. When honesty becomes part of the organizational culture, financial management tends to be more transparent and accountable. Overall, honesty-based accounting can support better financial governance in educational institutions by encouraging ethical behavior and reducing the risk of fraud in the management of public education funds.

REFERENCES

- Albrecht, W. S., Albrecht, C. O., Albrecht, C. C., & Zimbelman, M. F. (2019). *Fraud examination* (6th ed.). Boston: Cengage Learning.
- Anggiriawan, I. P. B., Yadnyana, I. K., Wirakusuma, M. G., & Putra, I. N. W. A. (2023). Mitigating fraud in accounting: A comprehensive literature review of prevention strategies. *Tec Empresarial*, 18(2). <https://doi.org/10.1229/tecempresarialjournal.v18i2.235>
- Armstrong, M. B., Ketz, J. E., & Owsen, D. (2020). Ethics education in accounting: Moving toward ethical motivation and ethical behavior. *Journal of Accounting Education*, 50, 100657. <https://doi.org/10.1016/j.jaccedu.2019.100657>
- Astriani, C., & Hanun, N. R. (2025). Internal control practices for fraud prevention in higher education. *Indonesian Journal of Education Methods Development*, 20(2). <https://doi.org/10.21070/ijemd.v20i2.991>
- Cuadrado-Ballesteros, B., García-Sánchez, I. M., & Prado-Lorenzo, J. M. (2019). The role of media pressure on the disclosure of sustainability information by local governments. *Online Information Review*, 43(1), 90–108. <https://doi.org/10.1108/OIR-09-2017-0284>
- Dorminey, J., Fleming, A. S., Kranacher, M.-J., & Riley, R. A. (2019). The evolution of fraud theory. *Issues in Accounting Education*, 34(2), 37–45. <https://doi.org/10.2308/iace-52357>
- Fauziah, F., Satya, A., & colleagues. (2025). Safeguarding village funds: Strategies to prevent corruption. *The Indonesian Accounting Review*, 14(2), 175–188. <https://doi.org/10.14414/tiar.v14i2.4460>
- Free, C. (2019). Looking through the fraud triangle: A review and call for new directions. *Meditari Accountancy Research*, 27(4), 561–594. <https://doi.org/10.1108/MEDAR-02-2019-0440>
- Free, C., & Murphy, P. R. (2015). The ties that bind: The decision to co-offend in fraud. *Contemporary Accounting Research*, 32(1), 18–54. <https://doi.org/10.1111/1911-3846.12063>
- Ginting, R., Sjahruddin, H., Alaslan, A., Riani, D., & Ningrum, E. P. (2023). Fraud prevention through internal control and moral sensitivity. *International Journal of Economics, Business and Accounting Research*, 7(2). <https://doi.org/10.29040/ijebar.v7i2.9065>
- Heider, F. (1958). *The psychology of interpersonal relations*. New York: Wiley.
- Jumailia, S. (2025). Enhancing good governance and fraud prevention for school performance. *Cogent Business & Management*. <https://doi.org/10.1080/23311975.2025.2534097>
- Kaptein, M. (2019). The effectiveness of ethics programs: The role of scope, composition, and sequence. *Journal of Business Ethics*, 159(2), 363–381. <https://doi.org/10.1007/s10551-018-3799-6>
- Murphy, P. R., & Free, C. (2016). Broadening the fraud triangle: Instrumental climate and fraud. *Journal of Business Ethics*, 144(1), 41–56. <https://doi.org/10.1007/s10551-015-2747-7>
- Suryanto, T., Thalassinou, E. I., & Thalassinou, Y. (2017). Board characteristics, audit committee and internal audit function on the integrity of financial statements.

- International Journal of Economics and Business Administration*, 5(2), 47–60.
<https://doi.org/10.35808/ijebe/135>
- Syahputra, Y. B., Theotama, G., & Hapsari, A. N. S. (2024). Anti-corruption education: Is it important? *Asia Pacific Fraud Journal*, 9(2), 197–210.
<https://doi.org/10.21532/apfjournal.v9i2.327>
- Vousinas, G. L. (2019). Advancing theory of fraud: The fraud hexagon. *Journal of Financial Crime*, 26(1), 372–381. <https://doi.org/10.1108/JFC-12-2017-0128>