

# The Role of Moral Reasoning, Emotional Intelligence on Fraud Intention: Applied on Auditor Profession in Indonesia

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## ARTICLE INFO

## A B S T R A C T

### **Article history:**

Received  
November  
Accepted  
December

### **Keywords**

*Fraud,  
Emotional  
Intelligence,  
Moral  
Reasoning*

This research investigates the role of moral reasoning and emotional intelligence on fraud intention as applied to the auditor profession in Indonesia. The auditor profession has a role and responsibility in maintaining the integrity of a company's financial reports. If the auditor has the intention to carry out an incident, then the quality of the resulting financial reports will be checked and this could be detrimental to many parties. The goal of this research is to decide whether there is a relationship between emotional intelligence, moral reasoning and fraud intention in the auditor profession in Indonesia. This research methodology uses quantitative descriptive and data analysis using SEM PLS version 4.0. Data collection distributes questionnaires using a google form link and sends them to auditors or KAP offices in Indonesia. The research results show that emotional intelligence has a significant effect on fraud intention, Moral reasoning has a significant effect on fraud intention, Emotional intelligence has a significant effect on moral reasoning, and then moral reasoning mediates a significant relationship between emotional intelligence and fraud intention. Strong moral reasoning will encourage auditors to act in accordance with ethical and legal values, thereby reducing the occurrence of dishonest actions. On the other hand, individuals with weak moral reasoning tend to be more easily tempted to commit fraud, especially when faced with pressure or large profits. Meanwhile, emotional intelligence allows auditors to better manage emotions such as stress, pressure and temptation. Auditors with high emotional intelligence tend to be better able to refrain from impulsive actions and make rational decisions, even in difficult situations. In other words, strong moral reasoning and high emotional intelligence can be an effective defense against fraud intentions.

## 1. Introduction

Fraud is a deliberate act of deception that provides an advantage to the perpetrator so that the company suffers a loss without the injured party realizing it (Collaku et al., 2024; Gazali and Lumbaa, 2023). Not only does it result in financial losses, but it also impacts a country's reputation. The forms of fraud that occur in Indonesia are corruption, then misappropriation of state and company assets/wealth, and finally financial statement fraud (ACFE, 2019). Indonesia Corruption Watch (ICW) noted that the Corruption Eradication Committee, the Indonesian Prosecutor's Office and the National Police in 2019 handled 271 cases of fraud, namely corruption, with a total of 580 suspects and total state losses due to corruption reached IDR 8.04 trillion. The problem that often arises between financial report preparers and financial report examiners is that information asymmetry is usually exploited by people or parties who have more information to gain benefits or benefits from that information, which will trigger the emergence of something that is harmful to morals or the occurrence of bad actions (moral hazard). Eisenhardt (1989). In presenting

financial reports, managers tend to present the report in order to obtain maximum benefits or benefits, for the auditor is the party who receives the information (Fernandhytia & Muslichah, 2020; Gazali and Lumbaa, 2023).

Auditors are required to be able to detect fraud if fraud occurs in their audit work (Anggriawan, 2014). Fraud is rampant in the corporate environment, such as manipulating financial reports (Sudirman, I., & Hasan, 2023). The case that occurred in Indonesia resulted in significant state losses. This includes the corruption case in the management of PT Pertamina's pension funds which reached IDR 599.29 billion. The value of state financial losses was calculated from investigative audits. Every KAP or public accounting firm desires to have competent auditors who are able to carry out audits well. The auditor's job is to evaluate the performance of an entity based on certain standards, then provide recommendations for improvement if necessary. Audit failure is often the main cause of company bankruptcy. The case that occurred overseas was the scandal at Enron Corporation which ultimately went bankrupt. This bankruptcy was caused by an error by KAP Arthur Andersen which was unable to detect fraud committed by Enron Corporation management.

Furthermore, apart from that, in the country there are many cases resulting from the lack of quality of audits by auditors, such as in the case of PT Garuda Indonesia Tbk (GIAA), where the Ministry of Finance (Kemenkeu) gave sanctions to the Public Accounting Firm (KAP) Tanubrata, Sutanto, Fahmi, Bambang & Partners and Public Accountant Kasner Sirumapea, who is the auditor of the 2018 financial report of PT Garuda Indonesia Tbk. Apart from that, in Bali in recent years there has also been a case of license suspension by the Ministry of Finance (Kemenkeu) for public accountants (AP) Drs. Ketut Gunarsa, co-leader of the Public Accounting Firm (KAP) K. Gunarsa and I.B Djagera for six months. This permit suspension sanction is because the AP violated the Public Accountant Professional Standards (SPAP) in carrying out an audit of the Bali Hai Resort and Spa's financial statements for the 2004 financial year which had the potential to have a significant impact on the Independent Auditor's Report. Audit quality according to the Public Accountant Professional Standards (SPAP) states that an audit carried out by an auditor is said to be of quality if it meets auditing standards and quality control standards. From the explanation above, to achieve good audit quality, an auditor must have an attitude of emotional intelligence and moral reasoning for fraud intention.

An auditor must have emotional intelligence in detecting fraud intention. Emotional intelligence (EQ) is a valuable ability for an auditor in detecting intentions to commit fraud. The ability to recognize and manage one's own emotions, as well as understand and respond to the emotions of others, allows auditors to build better relationships with clients. Through strong relationships, auditors can create an atmosphere conducive to open and honest communication. In addition, emotional intelligence helps auditors identify nonverbal signs that may indicate dishonesty, such as nervous body language or avoiding eye contact. In other words, emotional intelligence allows auditors to read social situations and understand the motivations behind other people's actions, so they can be more effective in identifying potential fraud.

Furthermore, auditors must also have moral reasoning in detecting fraudulent intentions. Moral reasoning is a critical thinking process that we use to assess actions as right or wrong based on moral principles (Fernandhytia & Muslichah, 2020). Someone with strong moral reasoning is better able to recognize actions that violate norms or ethics, such as fraud, embezzlement, or data manipulation. They have a better understanding of what is considered right and wrong in a situation. Individuals with high moral reasoning tend to be more sensitive to early signs of fraud, such as sudden changes in behavior, inconsistencies in data, or conflicts of interest. They are more alert to unusual situations and tend to investigate further. In conclusion, moral reasoning provides us with a framework for assessing actions and making ethical decisions. In the context of detecting fraud, moral reasoning helps us to be more alert, more critical, and braver in facing wrongful

actions. An auditor with strong moral reasoning will more easily recognize if there are unreasonable transactions in a company's financial statements. He will question the reasons behind the transaction and look for additional evidence to confirm his suspicions.

### 1.1 Problem Formulation

Based on the background of this research, the researcher formulated the problem as follows :

1. How Emotional intelligence has a significant positive effect on fraud intention ?
2. How Moral reasoning has a significant positive effect on fraud intention ?
3. How Emotional intelligence has a significant positive effect on moral reasoning ?
4. How Emotional intelligence are able to moderate moral reasoning on fraud intention?

### 1.2 Research Purposes

Based on the background of this research and problem formulation, the research objective is to test and analyze :

1. Emotional intelligence has a significant positive effect on fraud intention
2. Moral reasoning has a significant positive effect on fraud intention
3. Emotional intelligence has a significant positive effect on moral reasoning
4. Emotional intelligence are able to moderate moral reasoning on fraud intention

## 2. Literature Review

### 2.1 Theory of Planned Behavior (TPB)

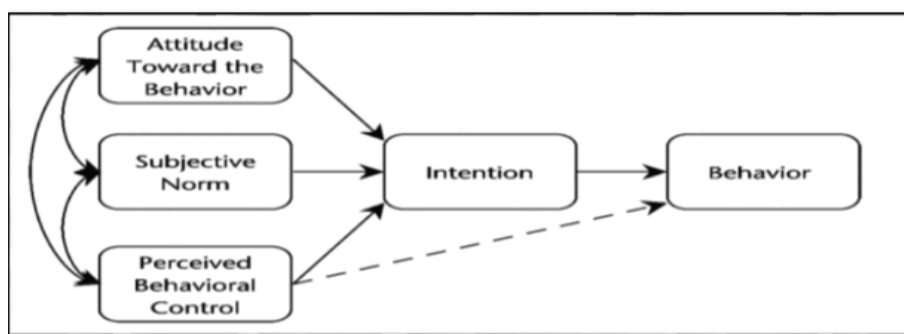
The Theory of Planned Behavior (TPB) is a theory that explains the relationship between attitudes, subjective norms and perceptions and a person's behavioral intentions. This theory was developed by Ajzen in 1980. TPB is a development of the Theory of Reasoned Action (TRA). The difference is that TPB adds the variable perceived behavioral control which explains that a person's behavior is not free without limits, but rather someone controls it.

Ajzen (1991) developed the Theory of Reasoned Action into the Theory of Planned Behavior (TPB) by adding a new construct, namely perceived behavioral control. This construct was added to find out the limitations that might occur when individuals have intentions in their behavior. A person's intention to carry out an action is not only determined through subjective attitudes and norms, but also the individual's perception of behavioral control based on beliefs about that control. A person's attitude is determined by a strong belief in a behavior to achieve valuable results, either positive or negative (Vallerand & Bissonnette, 1992). In general, a person will behave in a way that he believes can give positive results (a favorable attitude), rather than doing a behavior that he believes can give negative results (Suryono & Chariri, 2016). Ajzen (2005) concluded that someone who believes in a behavior is able to produce positive outcomes, so that the individual will have a positive attitude. On the other hand, if the individual believes that if he takes an action that will produce a negative outcome, the individual will display a negative attitude in his behavior.

Subjective norms are assumed to be a function of a belief, namely a person's belief in another person or group of people who believes that he or she should do or not do an action (Vallerand & Bissonnette, 1992). The beliefs that underlie these subjective norms are called normative beliefs. The second factor that determines subjective norms is motivation. In other words, a person feels social pressure on himself when deciding to take an action. Perceived behavioral control originates from beliefs about behavioral control (Rustiarini & Sunarsih, 2017).

Ajzen (1991) stated that to realize certain behavior, a person's intention is a crucial factor in his theory. A person's intention in the Theory of Planned Behavior assumes that a person applies motivational factors to influence his behavior, where these factors are an indication of the

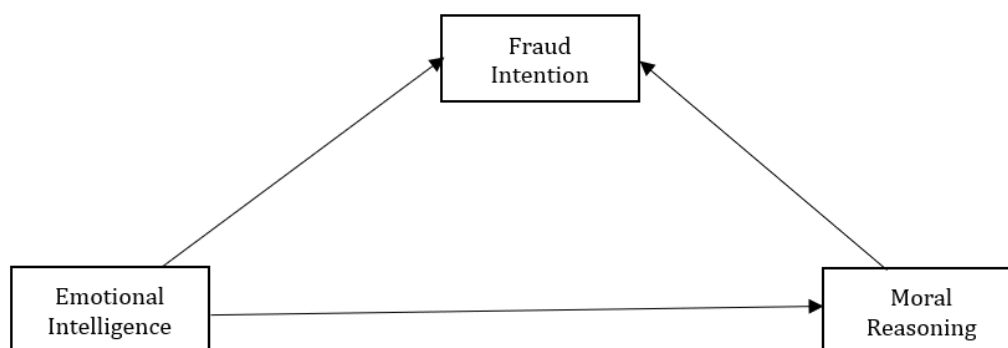
amount of effort he makes in relation to realizing his behavior. The higher a person's intention, the higher the possibility of realizing his behavior.



**Gambar 1 : Model Theory of Planned Behavior (TPB)**

Figure 1 explains that the factors that determine a person's intentions and behavior consist of three aspects, including (1) attitude toward the behavior, (2) subjective norms; and (3) perceived control behavior. Attitude toward behavior, hereinafter referred to as attitude, is a person's assessment, both positive and negative, in carrying out a behavioral action (Ajzen, 1991).

Furthermore, Ajzen (1911) states that there are several factors in the beliefs above. These factors consist of (1) individual factors, such as personality, mood, emotions, intelligence, values, and experiences, (2) social factors, such as education, age, gender, religion, race, ethnicity, culture and income; (3) information factors, such as media, knowledge, and intervention. In the explanation of the theory of planned behavior, it is concluded that intention is the initial consideration in determining behavior. Apart from that, there are three determining factors in behavior, namely attitude, subjective norms and perceived behavioral control (Ajzen, (1991). Therefore, emotional intelligence, moral reasoning and fraud intention are considered as one of human behavior so that the theory of planned behavior can be used as a theoretical basis for this research. The conceptual framework for this research is:



**Figure 1 : Research Konseptual Model**

### 3. Methodology

The research method used is descriptive quantitative. The data source used is primary data, the sample collection method uses purposive sampling / saturated samples. The data analysis method uses Structural equation Modeling Partial Least Square (SEM PLS). It is used in this research because of PLS's ability to explain constructs formed with reflective and formative indicators or often called soft modeling, using validity tests, outer model and inner model tests. The object of this research is KAP Auditors in South Sulawesi, Indonesia. Furthermore, the sample

for this study was 187 auditors.

#### 4. Results and Discussion

To analyze the data in this study using Structural equation Modeling Partial Least Square (SEM PLS). This research analyzes the relationship between Emotional Intelligence, Moral Reasoning and Fraud Intention. The SEM PLS test results show that convergence applies to all indicators indicated by a value  $(y) > 0.5$ . Next, the data was analyzed further. The reliability test was carried out by looking at the Cronbach's alpha and composite reliability values. The condition for the construct reliability value is Cronbach's alpha and the composite reliability value must be more than 0.7. Based on the results of the questionnaire obtained from the respondents' answers, a validity test was then carried out with the AVE (Average Variance Extracted) results for each variable having to be more than 0.5 so that it was said to be valid. Furthermore, validity tests of the measurement model were also carried out to test the reliability of the constructs.

**Table 1 : Measurement Model Validity and Raliability**

Variable	Average Variance Extracted (AVE)	Composite Reliability
Moral Reasoning	0.892	0.853
Emotional Intelligence	0.917	0.871
Fraud Intention	0.895	0.931

#### 4.2 Hypothesis Testing Results

For this research, we carried out a hypothesis test using SEM PLS through an inner model and outer model test. The statistical tests are carried out by considering the level of significant path coefficients between the influencing variables.

**Table 2 : Direct Effect**

Variable		T statistic	P Value	Result
Emotional Intelligence Fraud Intention	➡	1.894	0.000	Accepted
Moral Reasoning Fraud Intention	➡	1.975	0.003	Accepted
Emotional Intelligence Moral Reasoning	➡	1.897	0.002	Accepted

Hypothesis testing in table 2 show that emotional intelligence has a significant positive effect on fraud intention with a statistic of 1.894 and sig P-value  $0.000 < 0.005$ . So, H1 is accepted. Furthermore, the test result show that moral reasoning has a significant positive effect on fraud intention with a statistical of 1.975 and sig P-value  $0.003 < 0.005$ , So H2 is accepted. The test result show that emotional intelligence has a significant positive effect on fraud detection with a statistical of 1.897 and sig P-value  $0.002 < 0.005$ , So H3 is accepted.

**Table 3 : Indirect Effect**

Variable		T statistic	P Value	Result
Emotional Intelligence	→	1.899	0.002	Accepted
Moral Reasoning	→			
Fraud Intention				

Hypothesis testing table 3 show that emotional intelligence are able to moderate moral reasoning on fraud intention. The result has a significant effect with a statistical of P-value  $0.002 < 0.005$ , So H4 is accepted.

## 5. Discussion

Emotional intelligence influences fraud intention. Based on the research results, it shows that H1 is accepted. So the results of this research support the Theory of Planned Behavior (TPB). Ajzen (1991) developed the previous theory, namely the Theory of Reasoned Action, into the Theory of Planned Behavior (TPB) by adding a new construct, namely perceived behavioral control. This construct was added to find out the limitations that might occur when individuals have intentions in their behavior. A person's intention to carry out an action is not only determined through subjective attitudes and norms, but also the individual's perception of behavioral control based on beliefs about that control. A person's attitude is determined by a strong belief in a behavior to achieve valuable results, either positive or negative (Vallerand & Bissonnette, 1992). In general, a person will behave in a way that he believes can give positive results (a favorable attitude), rather than doing a behavior that he believes can give negative results (Suryono & Chariri, 2016). Ajzen (2005) concluded that someone who believes in a behavior is able to produce positive outcomes, so that the individual will have a positive attitude. On the other hand, if the individual believes that if he takes an action that will produce a negative outcome, the individual will display a negative attitude in his behavior.

This is in line with research conducted by (Kusuma and Sukirman, 2017; Dhliwayo and Coetzee, 2020; Halimatusyadiah et al., 2022); Rahman, and Esfandari, 2015) said that emotional intelligence influences fraud intention. Emotional intelligence has a significant influence on a person's intention to commit fraud. Individuals with high emotional intelligence generally have better abilities in managing their own and other people's emotions, understanding motivation, and building empathy. These abilities can prevent someone from carrying out actions that are detrimental to others, including cheating. In contrast, individuals with low emotional intelligence tend to be impulsive, less able to control themselves, and more easily tempted by short-term gains. They may have difficulty understanding the negative impact of their actions on others, making them more susceptible to cheating. In short, emotional intelligence acts as a balance that can prevent someone from falling into unethical actions.

Moral reasoning influences fraud intention. Based on the research results, it shows that H2 is accepted. So the results of this research support the Theory of Planned Behavior (TPB). Ajzen (1991) developed the previous theory, namely the Theory of Reasoned Action, into the Theory of Planned Behavior (TPB) by adding a new construct, namely perceived behavioral control. This construct was added to find out the limitations that might occur when individuals have intentions in their behavior. A person's intention to carry out an action is not only determined through subjective attitudes and norms, but also the individual's perception of behavioral control based on beliefs about that control. A person's attitude is determined by a strong belief in a behavior to achieve valuable results, either positive or negative (Vallerand & Bissonnette, 1992). In general, a person will behave in a way that he believes can give positive results (a favorable attitude), rather than doing a behavior that he believes can give negative results (Suryono & Chariri, 2016). Ajzen

(2005) concluded that someone who believes in a behavior is able to produce positive outcomes, so that the individual will have a positive attitude. On the other hand, if the individual believes that if he takes an action that will produce a negative outcome, the individual will display a negative attitude in his behavior.

This is in line with research conducted by (Ari et al., 2021; Ruslan et al., 2022; Siregar et al., 2019; Sudaryati et al., 2019; Trivedi 2021; Merawati & Mahaputra, 2017; Naibaho, et al. 2014) said that moral reasoning influences fraud intention. Moral reasoning, or moral reasoning, is the cognitive process we use to judge the rightness and wrongness of an action. A person's level of moral development will greatly influence the decisions they make, including the decision to commit fraud. Individuals with high moral reasoning tend to have strong moral principles and will be more hesitant to take actions that violate norms. They will consider the consequences of their actions on themselves and others, as well as the values they believe in. On the other hand, individuals with low moral reasoning tend to be more concerned with personal gain and less into considering the moral aspects of an action. In other words, moral reasoning acts as an internal filter that filters our actions based on the values we hold.

Emotional intelligence influences Moral reasoning. Based on the research results, it shows that H3 is accepted. So the results of this research support the Theory of Planned Behavior (TPB). Ajzen (1991) developed the previous theory, namely the Theory of Reasoned Action, into the Theory of Planned Behavior (TPB) by adding a new construct, namely perceived behavioral control. This construct was added to find out the limitations that might occur when individuals have intentions in their behavior. A person's intention to carry out an action is not only determined through subjective attitudes and norms, but also the individual's perception of behavioral control based on beliefs about that control. A person's attitude is determined by a strong belief in a behavior to achieve valuable results, either positive or negative (Vallerand & Bissonnette, 1992). In general, a person will behave in a way that he believes can give positive results (a favorable attitude), rather than doing a behavior that he believes can give negative results (Suryono & Chariri, 2016). Ajzen (2005) concluded that someone who believes in a behavior is able to produce positive outcomes, so that the individual will have a positive attitude. On the other hand, if the individual believes that if he takes an action that will produce a negative outcome, the individual will display a negative attitude in his behavior.

This is in line with research conducted by (Adziem, 2016; Anwar & Sari, 2017; Nurwulan, 2022; Maydiantoro et al., 2018) which states that emotional intelligence influences moral reasoning. Emotional intelligence (EQ) is a person's ability to recognize, understand and manage their own and other people's emotions. This ability is closely related to the way a person thinks and makes decisions, including in a moral context. Moral reasoning itself is a thought process used to assess actions as right or wrong based on moral principles. In short, emotional intelligence provides a strong emotional foundation for the moral thought process. By understanding and managing emotions well, a person can make more ethical and responsible decisions.

Emotional intelligence is able to moderate moral reasoning on fraud intention. Based on the research results, it shows that H4 is accepted. So the results of this research support the Theory of Planned Behavior (TPB). Ajzen (1991) developed the previous theory, namely the Theory of Reasoned Action, into the Theory of Planned Behavior (TPB) by adding a new construct, namely perceived behavioral control. This construct was added to find out the limitations that might occur when individuals have intentions in their behavior. A person's intention to carry out an action is not only determined through subjective attitudes and norms, but also the individual's perception of behavioral control based on beliefs about that control. A person's attitude is determined by a strong belief in a behavior to achieve valuable results, either positive or negative (Vallerand & Bissonnette, 1992). In general, a person will behave in a way that he believes can give positive results (a favorable attitude), rather than doing a behavior that he believes can give negative results

(Suryono & Chariri, 2016). Ajzen (2005) concluded that someone who believes in a behavior is able to produce positive outcomes, so that the individual will have a positive attitude. On the other hand, if the individual believes that if he takes an action that will produce a negative outcome, the individual will display a negative attitude in his behavior.

This is in line with research conducted by (Abdo et al., 2022; Hasanuddin and Sjahruddin, 2017; Hashim et al., 2020; Hooper and Pornelli, 2010; Yang et al., 2017) which states that. Emotional intelligence is able to moderate moral reasoning on fraud intention. Emotional intelligence acts as an important moderator in linking moral reasoning with the intention to commit fraud. Individuals with high emotional intelligence tend to be better able to manage their emotions in a positive direction. Emotional intelligence also allows a person to be more empathetic towards other people. By understanding the feelings of other people who may be affected by fraudulent actions, individuals with high emotional intelligence tend to feel more responsible and are reluctant to take actions that harm other people. The ability to recognize and respond to social signals also helps them avoid situations that could potentially trigger unethical actions.

## **5.2 Limitations**

1. This research uses data collection techniques by distributing questionnaires to respondents, so that the answers from respondents do not reflect the entire actual situation due to only certain conditions of each respondent.
2. This study only had 180 respondents, which is certainly not enough to describe the real situation. The number of respondents sampled was not optimal, because the questionnaire was only distributed to all KAP auditors in South Sulawesi.

## **5.3 Future Research**

1. This research expected that in addition to only using questionnaires as a data collection instrument, further research will include direct observation and interviews with respondents who represent those involved in this research. And more numbers are needed to increase the precision and accuracy of research results.
2. Future research will ensure that the research results are more valid, it is recommended to adjust the time for data collection via questionnaires to the auditor's work schedule. In this way, respondent participation can be more optimal and the data obtained is of higher quality.
3. Future research is expected to increase the number of samples from respondents, namely not only in South Sulawesi, but in areas outside South Sulawesi. So the results can provide a broader picture regarding the performance of KAP auditors spread throughout Indonesia.
4. This research can contribute to the development of knowledge, namely the development of TPB theory in the context of the accounting profession, especially regarding the factors that influence an auditor in making decisions correctly so that he can detect fraud intentions.

## **6. Conclusion**

This research aims to test the influence of emotional intelligence and moral reasoning on fraud intention. Auditors are expected to be able to detect any intention to commit fraud so that no party is harmed. The research results show that emotional intelligence has a significant effect on fraud intention. Emotional intelligence, which includes the ability to recognize, understand and manage one's own and other people's emotions, has a significant influence on a person's intention to commit fraud. Individuals with high emotional intelligence are generally better able to control impulses, think rationally, and consider the long-term consequences of their actions. They tend to have

higher empathy, so they are better able to understand the negative impact of cheating on other people. In contrast, individuals with low emotional intelligence may have difficulty managing emotions such as stress, anxiety, or frustration. They may be more easily tempted to take unethical shortcuts to achieve their goals, because they are less able to think clearly and consider the consequences. In addition, individuals with low emotional intelligence may be less able to build strong relationships with others, thus lacking the social support that can prevent them from committing detrimental actions. Individuals with high emotional intelligence tend to make more ethical decisions, while individuals with low emotional intelligence are more susceptible to the temptation to commit fraud.

Furthermore, moral reasoning has a significant effect on fraud intention. Moral reasoning is the thought process we use to judge whether an action is right or wrong based on the moral principles we believe in. The stronger a person's moral reasoning, the greater the possibility that he will refuse to carry out actions that violate ethics, including cheating. This is because individuals with high moral reasoning tend to have a deep understanding of values such as honesty, integrity and justice. They will weigh the consequences of their actions on themselves and others before making a decision. In other words, moral reasoning acts as an internal filter that helps a person differentiate between right and wrong, thereby reducing their likelihood of committing actions that harm others. Other factors that can also influence the intention to commit fraud include the social environment, pressure from peers, and the expected consequences of the action. However, moral reasoning remains one of the most important factors in determining whether someone will choose to act honestly or not. So, the stronger a person's moral reasoning, the less likely he or she will commit fraud.

Emotional intelligence has a significant effect on moral reasoning. Emotional intelligence has a significant influence on moral reasoning. The ability to recognize, understand and manage one's own emotions, as well as understanding the emotions of others, is a strong foundation for making financial decisions. Someone with high emotional intelligence tends to be better able to control emotional impulses such as fear or greed which often cloud rational judgment in investing. In addition, high empathy allows them to better understand other people's perspectives, so they can make better decisions in interacting with business partners or investors. The ability to build and maintain good relationships is also a valuable asset in the business world, where a strong network can open up attractive investment opportunities. In short, emotional intelligence complements cognitive abilities in making smarter and more effective financial decisions.

Furthermore, emotional intelligence is able to moderate moral reasoning towards fraud intention. An auditor who has high emotional intelligence (EQ) tends to be better able to manage their emotions, both positive and negative. When faced with situations that trigger the temptation to commit fraud, they are better able to control these impulses and temptations. High emotional intelligence is also associated with greater empathy. Individuals with high empathy tend to better understand the negative impact of their actions on others. This makes them more hesitant to take actions that harm other people. Furthermore, an auditor who has high emotional intelligence usually has better self-awareness. They better understand the values and moral principles they adhere to, so they are more consistent in behaving in accordance with these values. In other words, emotional intelligence acts as an equalizer that helps individuals make more rational and ethical decisions, even in stressful situations. Emotional intelligence and moral reasoning are two key components that an auditor must have to prevent fraud. Emotional intelligence enables auditors to understand, manage and respond effectively to their own and others' emotions. With high emotional intelligence, auditors can build good relationships with clients, detect signs of dishonesty or pressure that could trigger fraud, and maintain objectivity in their work even when faced with difficult situations. Meanwhile, moral reasoning allows auditors to make ethical judgments about right and wrong actions in the context of audit work. With strong moral reasoning

abilities, auditors can recognize potential conflicts of interest, assess the risk of fraud, and make decisions based on professional ethical principles. Emotional intelligence helps auditors in interacting with other people, while moral reasoning guides auditors in making ethical decisions. Both complement each other and play an important role in preventing fraud. This research can contribute to the development of knowledge, namely the development of TPB theory in the context of the accounting profession, especially regarding the factors that influence an auditor in making decisions correctly so that he can detect fraud intentions.

## 7. Recommendation

In theory, this research provides empirical evidence that the presence of emotional intelligence and moral reasoning can influence fraud intention. This research further adds that the presence of emotional intelligence can moderate fraud intention. Emotional intelligence (EQ) acts as a strong moderator in the relationship between moral reasoning and fraud intention. High emotional intelligence can help individuals manage emotions, understand other people's feelings, and make better decisions, including in a moral context. When someone is faced with a situation that makes it possible to cheat, high emotional intelligence can help them weigh the moral consequences of their actions, understand the impact on others, and make better decisions based on non-violating values.

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