

ABSTRACT

This study aims to analyze the influence of the internal control system on preventing the fraud of village funds, with the competence of village officials as a moderating variable. This research adopts a quantitative approach utilizing primary data in the form of questionnaires. The sample consists of village officials in Anti-Corruption Villages in Central Java. Data analysis employs path analysis using Smart PLS 4 with bootstrapping and statistical testing. The findings indicate that risk assessment, control activities, and monitoring have a significantly positive effect on preventing the fraud of village funds. Meanwhile, the control environment and information communication do not impact the prevention of fraud of village funds. The analysis of the moderating variable shows that the competence of village officials has a moderating effect, strengthening the relationship between risk assessment, information communication, and monitoring. Additionally, the competence of village officials does not have a moderating effect in strengthening the relationship between the control environment and control activities in preventing the fraud of village funds.

Keywords: *Control environment, risk assessment, control activities, information communication, monitoring, competence of village officials, prevention of fraud of village funds.*