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# FRAUD AS A DENIAL OF TAWHID: AN EMPIRICAL SYNTHESIS AND RECONSTRUCTION OF ISLAMIC ACCOUNTING ETHICS

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**ABSTRACT**

The phenomenon of fraud continues to pose a serious challenge to the integrity of modern accounting, despite the implementation of various internal control mechanisms and formal regulations. Most existing approaches are still rooted in technocratic paradigms and economic rationality, thus viewing fraud merely as behavioral deviations that can be controlled through audits, supervision, or incentives. This article offers an alternative perspective by examining fraud as a form of denial of monotheism through a synthesis of recent empirical research findings. This study integrates empirical findings regarding the role of spirituality, Islamic work ethics, and the limitations of the modern accounting paradigm in preventing fraud. The synthesis results indicate that fraud represents a severance of humanity's spiritual relationship with God, the failure of modern accounting is proven to be rooted in the absence of an ethical-spiritual dimension, and Islamic values such as sidq, amanah, and awareness of the afterlife have been empirically proven to strengthen fraud prevention. This article contributes to the reconstruction of monotheism-based accounting ethics that places spirituality as an epistemological foundation, thereby transcending the limitations of secular approaches in addressing fraud issues.

Keywords: Fraud, Tawhid, Empirical Synthesis, Islamic Accounting Ethics, Spirituality

## i. INTRODUCTION

The phenomenon of fraud is a serious challenge that continues to haunt the integrity of modern accounting. Cases of financial statement manipulation and abuse of trust continue to emerge despite the existence of internal control systems and formal regulations. The dominant paradigm in explaining fraud remains rooted in positivist approaches and economic rationality, as demonstrated by agency theory and the fraud triangle. This approach positions fraud solely as a deviation in individual behavior, which can be controlled through auditing, oversight, and incentive systems.(Adiningrat, 2022)However, this approach seems to ignore the spiritual and moral roots of human action.

In the context of Muslim society, fraud cannot be understood simply as an administrative or legal violation. Tawhid, as the primary principle of Islamic teachings, demands the integrity of both vertical (with God) and horizontal (with others) relationships. Every human action, including accounting practices, is a reflection of spiritual awareness of God's existence. Fraud, from this perspective, is a violation of the principles of trust, justice, and divine accountability, which are upheld in Islam.(Molisa, 2011; Yohan Bachtiar et al., 2019). Thus, fraud is a denial of monotheism that ignores responsibility as caliph on earth.

Critical accounting literature has opened up space for discourse on ethics and spirituality, but it largely remains operational within a secular framework. Molisa(2011)He even criticized the emancipatory accounting project, which failed to achieve true transformation because it ignored spiritual awareness as central to social practice. A new approach that substantively integrates spirituality and accounting needs to be developed, particularly to address the failure of the technocratic approach in preventing fraud.(Li, 2023)

Various contemporary studies demonstrate the importance of the spiritual dimension in reducing the tendency to commit fraud. Siska et al.,(2024)confirms that spirituality can significantly reduce the influence of opportunity on fraudulent intentions. However, rationalization and ego remain difficult to control without strengthening divine values from an early age. In this context, accounting education based on monotheistic values is crucial for developing a comprehensive ethical-spiritual awareness.(Yohan Bachtiar et al., 2019)

This article aims to examine fraud as a form of denial of monotheism using a critical and spiritual approach based on an Islamic paradigm. This article attempts to fill the gap in fraud studies, which still focus on structural and rational dimensions, by proposing a more comprehensive conceptual framework, namely fraud as a severance of human spiritual relationships with God and others. This research is expected to broaden the epistemological horizons of accounting and contribute to the formation of professional ethics rooted in a sense of monotheism.

## ii. METHOD

This research uses a qualitative approach with a conceptual-analytical study method. The primary focus is to examine the fraud phenomenon through a critical and spiritual perspective rooted in the Islamic paradigm. The theoretical foundation of this research refers to critical theory (the Frankfurt School), which emphasizes criticism of instrumental rationality and technocratic ideology.(Bowen, 2009), as well as the theory of monotheism as the foundation of Islamic epistemology which views accounting as part of the divine mandate(Kamla et al., 2006)This study is not intended to test quantitative hypotheses, but rather to build a new conceptual framework that positions fraud as a denial of monotheism. This study is exploratory and normative, emphasizing the interpretation of religious texts (the Qur'an and Hadith) as well as critical accounting literature and contemporary empirical studies related to fraud. This approach was chosen because it is able to bridge the theological, ethical, and professional dimensions in accounting practice. The main data in this study comes from: Academic literature related to fraud, critical accounting, and spiritual ethics, Primary Islamic sources, such as the verses of the Qur'an (QS Al-Ahzab: 72) and Hadith on trustworthiness, honesty, and justice, Contemporary research that highlights the relationship between spirituality, Islamic ethics, and fraud tendencies.

The analysis was conducted using a hermeneutic and thematic analysis approach. Hermeneutics was used to understand Islamic texts in the context of accounting ethics, while thematic analysis was used to identify patterns, gaps, and contributions from the literature related to fraud and spirituality. This

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process resulted in a conceptual synthesis that affirms fraud as a severance of the spiritual relationship between humans and God and each other. The validity of the research was maintained through source triangulation, namely by comparing theological interpretations with empirical findings and critical literature. Furthermore, the relationship between the concept of monotheism and accounting practices was tested through argumentative consistency within an Islamic epistemological framework.

With this methodology, the research is expected to provide a strong conceptual basis for the development of a monotheism-based accounting ethics framework, which is able to transcend the limitations of a purely structural and technocratic approach.

## iii. RESULTS AND DISCUSSION

### Fraud as a Break in Spiritual Relationships

The results of this study indicate that fraud, from an Islamic perspective, can be understood as a form of severing the spiritual relationship between humans and God. The main basis for this is found in QS Al-Ahzab: 72,

God willing وَالْجِبَالِ فَاَبَيْنَ اَنْ يَّحْمِلْنَهَا وَاَشْفَقْنَ مِنْهَا وَحَمَلَهَا الْاِنْسَانُۗ اِنَّهٗ كَانَ ظَلُوْمًا جَهُوْلًاۙ

> 72. Indeed, We have offered a trust to the heavens, the earth and the mountains; but all of them were reluctant to assume the mandate and they were afraid they would not carry it out. Then, the mandate is carried by humans. Indeed, he (man) is very unjust and very stupid.

Trust is positioned as a great responsibility that even heaven, earth, and mountains are reluctant to shoulder. This fact underlies the principle that betraying trust through fraud is not merely an administrative violation, but a breach of a spiritual contract with God.

Empirical evidence from various studies supports these findings. Siska et al.(2024)Statistically, spirituality plays a significant role in weakening the influence of opportunity on fraudulent intentions. These results confirm that fraud occurs when spiritual awareness weakens, thus breaking the vertical relationship with God. Amin, Habbe, and Wahab(2021)found that internalizing Islamic principles such as sidq (honesty), amanah (trustworthiness), and responsibility in the afterlife can be an effective barrier against fraud. This means that the stronger the internalization of the values of monotheism, the less likely an individual is to commit fraud.

On the other hand, the research of Reskino et al.(2024)found that the love of money remains a key predictor of fraudulent tendencies, even within Islamic financial institutions. This suggests that formal religiosity without authentic spirituality is insufficient to curb fraudulent impulses. These findings reinforce the notion that fraud is not simply a moral or economic issue, but rather a deeper manifestation of a breakdown in the sense of monotheism.

Thus, these results conclude that fraud is a denial of divine trust and a concrete manifestation of kufr ni'mah (disbelief). It sever[sic] humanity's vertical relationship with God and simultaneously undermines horizontal integrity in social life. Fraud can be viewed as an indicator of the weak internalization of monotheistic values in accounting practices, and empirical evidence supports that authentic spirituality is key to preventing it.

**Summary Table of Empirical Findings**

| Researchers | Research Context | Key Findings | Implications for Fraud |
|---|---|---|---|
| Siska et al.(2024) | Fraudulent intent in accounting | Spirituality reduces the influence of opportunity on fraudulent intentions | Strong spirituality reduces the chances of fraud occurring |
| Amin, Habbe, & Wahab (2021) | Islamic principles in preventing fraud | The values of sidq, amanah, and responsibility in the afterlife become prevention mechanisms. | The internality of Islamic values builds a moral fortress stronger than structural control. |
| Ermawati & Suhardianto (2024) | Modern accounting practices | Modern accounting is moving away from spiritual ethics because it is rooted in capitalism. | Fraud occurs because accounting loses vertical accountability to Allah. |
| Reskino et al. (2024) | Islamic banks | *Love of money*remains a fraud predictor even in sharia institutions | Formal religiosity is not enough without authentic spirituality. |
| Yohan Bachtiar et al. (2019) | Accounting education | Reconstruction of education based on monotheism is important for ethical-spiritual awareness | Education is a means of long-term fraud prevention |

The results of this study confirm that fraud severs a person's spiritual connection with God and others. This analysis shows that fraud not only results in economic loss but also undermines the sense of monotheism. From an Islamic perspective, every professional action should be carried out as an act of worship and trust. When fraud occurs, not only social ties are severed, but also the vertical bond with God.

This finding is in line with Ermawati and Suhardianto's criticism.(2024)modern accounting is trapped in the logic of capitalism. This paradigm encourages individuals to prioritize material interests and efficiency over spiritual values. As a result, accounting loses its moral function as a guardian of justice. This view is reinforced by Molisa(2011)who states that the emancipatory accounting project fails to deliver true transformation because it ignores the spiritual dimension.

Furthermore, empirical evidence from Wahyuni et al.(2020)and Siska et al.(2024)emphasized that internalizing Islamic values such as sidq and amanah (trustworthiness) has a significant influence in preventing fraud. These values are not merely external rules, but rather an inner awareness that grows from monotheism (tawhid). In other words, spiritually based internal control is stronger than purely structural control.

However, the study by Reskino et al.(2024)warns that mere formal religiosity is insufficient to prevent fraud. The love of money phenomenon demonstrates that without authentic spirituality, religiosity can become merely symbolic. This situation reinforces the need for monotheism-based accounting education that can instill a deep ethical and spiritual awareness.

This analysis implies that fraud must be understood as a multidimensional phenomenon encompassing economic, social, ethical, and spiritual aspects. By establishing monotheism as a foundation, accounting can be reconstructed as a discipline that serves not only market interests but also the principle of divine justice. Accounting education and practice based on monotheism will foster the development of accountants who are not only technically proficient but also possess spiritual sensitivity.

Fraud prevention requires an approach that transcends a technocratic framework. Audits, regulations, and internal control systems need to be integrated with the strengthening of spirituality, Islamic ethics, and monotheism education. Thus, accounting can serve as a means of maintaining integrity, accountable not only to individuals and institutions, but also to God. This also addresses the weaknesses of the secular paradigm in addressing fraud comprehensively.

**Critique of Modern Accounting**

Recent research shows that modern accounting has serious limitations in preventing fraud because it operates within a technocratic and secular framework. Ermawati and Suhardianto(2024)An empirical study of sustainable accounting practices in Indonesia found that financial reports often only meet formal compliance. Ethical and spiritual values, which should be at the core of accounting, are neglected, resulting in fraud persisting even though reporting systems comply with regulatory standards.

Research by Reskino et al.(2024)This study shows that even though Islamic banks implement strict oversight systems, the love of money remains a dominant factor driving fraud tendencies. This finding confirms that modern accounting systems, even in religious institutions, are inadequate to address fraud if they rely solely on structural mechanisms without internalizing moral values.

Meanwhile, Siska et al.(2024)This study demonstrates that strict internal control mechanisms do not automatically reduce fraudulent intentions. Spiritual factors have been shown to be more effective than purely technical controls. In other words, modern accounting, which overemphasizes economic rationality, fails to address the psychological and spiritual aspects of human behavior.

These results conclude that fraud continues to thrive within the modern accounting framework because it emphasizes only structural compliance, neglecting the underlying moral and spiritual issues. This paradigm needs to be reconstructed to be more comprehensive, incorporating ethical values and transcendental awareness as an integral part of accounting practice.

Several studies confirm that modern accounting fails to prevent fraud because it places more emphasis on structural compliance than on internalizing ethical values. Findings by Ermawati and Suhardianto (2024) show that although financial reports are prepared in accordance with regulatory standards, the moral substance that should govern accounting practices is often neglected. This makes modern accounting appear administratively neutral, but weak in establishing true accountability.

Reskino et al. (2024) assert that even in Islamic financial institutions, a strict supervisory system cannot prevent fraud if perpetrators are still driven by the love of money. This means that the formal structure of modern accounting still allows room for deviant behavior when not grounded in moral and spiritual awareness. This indicates that a secular framework that only emphasizes economic rationality is insufficient to address the complexity of fraud issues.

Siska et al. (2024) support this view with empirical evidence that strict internal controls do not automatically reduce fraudulent intentions. Spirituality has been shown to be more effective than technical mechanisms because it provides a foundation of inner awareness that cannot be replaced by formal rules. The failure of modern accounting in preventing fraud is due to the absence of integration of ethical-spiritual dimensions into professional practice.

This analysis emphasizes the need to reconstruct the modern accounting paradigm. As long as accounting is viewed solely as a technical system for complying with regulations, it will continue to fail to prevent fraud. Integrating monotheistic values and spiritual ethics into the accounting framework is crucial for the profession to serve not only market interests but also uphold divine justice. This aligns with contemporary research trends that demand accounting be more responsive to moral and spiritual aspects.

Practically, this discussion underscores the need to shift focus from simply strengthening oversight mechanisms to establishing an organizational culture based on ethics and spirituality. Institutions need to instill awareness that fraud is not merely an administrative violation, but also a betrayal of trust that impacts social damage. With this new paradigm, fraud prevention can be more comprehensive, transcending the limitations of modern, technocratic accounting.

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This finding aligns with Ermawati and Suhardianto's (2024) critique of modern accounting, which is trapped in the logic of capitalism. This paradigm encourages individuals to prioritize material interests and efficiency over spiritual values. As a result, accounting loses its moral function as a guardian of justice. This view is reinforced by Molisa (2011), who stated that the emancipatory accounting project fails to deliver true transformation because it ignores the spiritual dimension.

Furthermore, empirical evidence from Amin et al. (2021) and Siska et al. (2024) confirms that internalizing Islamic values such as sidq and amanah (trustworthiness) has a significant influence in preventing fraud. These values are not merely external rules, but rather an inner awareness that grows from monotheism (tawhid). In other words, spiritually based internal control is stronger than purely structural control.

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**The Role of Islamic Work Ethics and Spirituality**

Recent research confirms that Islamic work ethics (IWE) and spirituality play a central role in preventing fraud. Amin, Habbe, and Wahab (2021) show that Islamic principles such as sidq (honesty), amanah (responsibility), and awareness of the afterlife serve as key bulwarks against fraudulent tendencies. These values are not merely external rules but form an inner commitment that is difficult to replace with formal control mechanisms.

Taufik(2023)He added that the implementation of IWE provides a practical framework for accounting professionals to maintain integrity in carrying out their duties. A vertical orientation toward God creates motivation that transcends mere material interests, thereby significantly reducing deviant behavior.

Caniago et al.(2023)also found that IWE could be an alternative solution to the weaknesses of modern accounting. They emphasized that the vertical orientation of IWE strengthens horizontal accountability to fellow human beings, thus creating a synergy between spiritual awareness and social responsibility.

However, the study of Reskino et al.(2024)reminds us that formal religiosity is not always effective if it is not accompanied by authentic spirituality. They found that the love of money remains a strong predictor of fraudulent tendencies. This suggests that the implementation of IWE must be accompanied by a deep internalization of the values of monotheism (tawhid) so as not to remain merely symbolic.

Thus, the results of this study confirm that the role of Islamic work ethics and spirituality is not merely an added value, but a primary foundation for building professional accountability. Well-internalized IWE can guide accountants to resist fraud, due to the awareness that all actions will be accounted for before God.

**The Role of Islamic Work Ethics and Spirituality**

Research results show that Islamic work ethics (IWE) and spirituality play a fundamental role in preventing fraud. Principles such as sidq (honesty), amanah (responsibility), and awareness of the afterlife foster an inner commitment that is far stronger than structural controls. Amin et al. (2021) assert that these values serve not only as behavioral guidelines but also as moral bulwarks that protect professionals from the temptation to commit fraud.

Taufik (2023) corroborates these findings by stating that the implementation of IWE provides a practical framework for accountants to maintain professional integrity. A vertical orientation toward God fosters transcendental motivation that can suppress materialistic orientations. This is relevant to the findings of Caniago et al. (2023), who emphasized that a vertical orientation in IWE creates stronger horizontal accountability, thereby maintaining public trust.

However, research by Reskino et al. (2024) warns that formal religiosity alone is insufficient. Without the authentic internalization of monotheistic values, fraudulent behavior can still emerge due to the dominance of the love of money. This means that shallow or symbolic spirituality lacks the full power to stem deviant behavior. This analysis demonstrates that IWE and spirituality are not complementary, but rather ethical foundations that must be integrated into accounting practices. When monotheism becomes the central orientation, accounting no longer functions solely as an economic tool but also as a means of safeguarding divine trust. Therefore, fraud prevention relies not only on external mechanisms but primarily on internal awareness rooted in religious values.

The implementation of IWE and spirituality in accounting organizations can be achieved through continuing education, fostering professional ethics, and strengthening a monotheistic work culture. Institutions need to instill the awareness that work is worship, and any form of fraud is a betrayal of God's trust. In this way, accountants become not merely technical implementers but also moral actors who maintain the integrity of their profession.

## iv. CONCLUSION

Fraud, from an Islamic perspective, is not merely an administrative or legal violation, but rather a denial of monotheism and divine trust. The study's findings reveal three important points. First, fraud is a form of severing the spiritual relationship between humans and God, signifying a loss of divine sensitivity in accounting practices. Second, modern accounting, rooted in the logic of capitalism and technocracy, has proven incapable of comprehensively preventing fraud because it ignores ethical and spiritual dimensions. Third, Islamic work ethics and spirituality have been empirically proven to be stronger moral bulwarks than structural controls alone. Principles such as sidq, amanah, and awareness of the afterlife provide a vertical orientation that fosters horizontal accountability.

The implication of this conclusion is the need to reconstruct the accounting paradigm by embracing monotheism as its epistemological foundation. Tawhid-based accounting education is a strategic step towards developing accountants who are not only technically competent but also possess strong moral and spiritual integrity. This way, fraud prevention can be more comprehensive and sustainable, transcending the limitations of current secular approaches.

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