ABSTRACT

Purpose : *The purpose of this study is to analyze the relationship between financial pressure, rationalization, and integrity on asset misappropriation and to analyze the moderating effect of opportunity on the other two elements of fraud triangle and asset misappropriation.*

Methodology : *The population of this study was all civil servants in the Semarang City Government. The sampling method used was random sampling. The survey was conducted using a questionnaire that is distributed online. Data processing was carried out on 58 questionnaires and analyzed using Partial Least Square (PLS).*

Findings : *The results of this study are rationalization has a significant positive effect on asset misappropriation and integrity has a significant negative effect on asset misappropriation. Furthermore, opportunity moderates the relationship between rationalization and asset misappropriation.*

Research limitations : *Respondents tend to answer the statement indicators on the questionnaire normatively. Further research can conduct interviews directly in order to dig up more information related to asset misappropriation.*

Implications : *The results of this study can contribute to the field of accounting, especially related to asset misappropriation that occurs in the government sector in developing countries. This research also has practical implications as a source of information for making efforts or formulating policies to prevent and / or minimize the occurrence of asset misappropriation in the government sector in developing countries.*

Originality/value : *Research on asset misappropriation in the government sector in developing countries is still limited. In addition, this study explains the moderating effect of opportunity on the other elements of fraud triangle.*

Keywords : *Asset Misappropriation, Fraud Triangle, Integrity, Government Sector.*

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