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Detection of Corruption in Village Fund Management using Fraud Analysis

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Abstract

This study aims to determine the form of village fund management in Langkat Regency, to determine the form of supervision carried out by the Langkat Regency Government in the use of village funds, to analyze the effect of corruption detection on the management of village funds in Langkat Regency. Supervision of village fund management involves the community. Increased knowledge and capacity of village officials is needed to update knowledge in managing village funds. The model and technical analysis of the data in this research is the structural equation modeling-partial least squares (SEM-PLS) using SmartPLS software.

Keywords: Corruption Detection, Village Fund, Fraud.

I. Introduction

The achievement of village independence through village funds still requires improvement. The government behaves very actively in supervising the management of village finances, starting from planning, managing and supervising village funds which will lead to complex problems. The government must issue regulations that produce an effective, efficient and accountable village fund management system so that the government can realize its goals [1]. The government issues various regulations so that village development can run well. This regulation starts from Law Number 6 of 2014 concerning Villages, Government Regulation Number 47 of 2015 concerning Amendments to Government Regulation Number 43 of 2014 concerning Regulations for Implementing Laws on Villages. This regulation mandates the government to allocate village funds of 1 billion per village which is included in the State Revenue and Expenditure Budget.

The availability of various regulations is deemed insufficient to show the seriousness of the government in making villages independent. Fund assistance and village fund allocation (good will) require support from all policy makers so that village officials have the capacity to manage village finances. Therefore, these various regulations must be elaborated into a mechanism capable of detecting fraud in village financial management. The lack of capacity of the village apparatus in understanding existing regulations does not rule out the possibility that many village governments in Indonesia will experience serious problems in the future, especially the problem of corruption in village funds.

Observations on the revolving of village funds in Langkat Regency show that the condition of corruption detection is still

weak in preventing the financial management of village funds in each of the existing villages. Supervision only occurs at the level of prosecution if corruption is committed. The existing condition of village fund management in Langkat Regency is important to study through the detection of corruption in the management of village funds in villages spread across several sub-districts in Langkat Regency. Data collected in 2019 showed that there were two village heads involved in corruption cases and the allocation of village funds. Medanbisnisdaily.com (8 May 22, 2019) reported a case of alleged corruption in village funds by the former Head of Timbang Jaya Village, Bahorok District, Langkat Regency. Based on the results of the audit on the management of village funds and the allocation of village funds by the Langkat Regency Inspectorate, there was a state loss of Rp. 198,501,000. In addition, the alleged corruption of village funds occurred in the Pertumukan Village Head who did not submit his financial report. The act of irregularities and corruption of village funds in Umar's (2016) study mentions that it is a fraud star; people who commit criminal acts of corruption have lost the values of integrity. Based on the description of the previous background, the research problem can be formulated as follows:

What is the form of village fund management in Langkat Regency?

How is the supervision carried out by the Langkat Regency Government on the use of village funds?

How is the effect of corruption detection through fraud star analysis on the management of village funds in Langkat Regency (including pressure, opportunity, justification, ability, loss of integrity)?

How is the corruption prevention model in detecting corruption in the management of village funds in Langkat Regency which is more applicable and sustainable?

The aim of this research is :

To analyze the form of village fund management in Langkat Regency.

To analyze the supervision carried out by the Langkat Regency Government on the use of village funds.

To analyze the effect of corruption detection through fraud star analysis on the management of village funds in Langkat Regency (covering pressure, opportunity, justification, ability, loss of integrity).

To analyze and formulate a corruption prevention model in detecting corruption in the management of village funds in Langkat Regency so that it is more applicable and sustainable.

2. Theories

Fraud Triangle

Fraud Triangle is a theory of Donald R. Cressey after doing research for his doctoral thesis in 1950. Cressey said the hypothesis about the fraud triangle in explaining the reasons why people commit fraud [2]. Based on Cressey's research, it was found that people commit fraud when they have financial problems that cannot be solved together, they know and believe that the problem can be solved secretly with the position or job they have. It also changes their mindset from their concept as people who are trusted to hold assets to their concept as users of the assets entrusted to them. He also added that many of the violators of trust know that what they are doing is illegal but they are trying to bring up the idea that what they are doing is reasonable [3]. There are three factors that support someone to commit fraud, such as pressure, opportunity, and rationalization.

Fraud Diamond

Initially Cressey conducted research on 113 people who violated the law in the field of embezzlement of the company. Based on the results of this study, three reasons that encourage someone to commit fraud which are incorporated in the Fraud Triangle as described previously. However, along with developments, another factor was found which is the reason someone commits fraud [2]-[5].

Fraud diamond reveals the qualities and abilities of individuals who play a major role in the occurrence of fraud. Many major frauds would not have occurred without the capability of the people. Although opportunities can pave the way for fraud and incentives and rationalizations can draw people in that direction but one must have the ability to see the loopholes to commit fraud as opportunities and to take advantage. Not only this activity is carried out once, but it is carried out continuously so that fraud occurs because of opportunities, pressure, rationalization and abilities that make people want to do it. In essence, a fraud diamond is the reason someone commits fraud because of the opportunity, pressure and rationality that can occur if someone has the capability. It can be the reason someone commits fraud on the financial statements.[6]-[8].

Fraud Star

Deviations and corruption occur because there is an abuse of power or authority that is not in accordance with the mandate it should have. The abuse of power is carried out for personal or group gain; usually followed by a violation of the law. This activity should not be carried out by parties who no longer pay attention to good and right measures and only prioritize their own or group interests [9]. The cause of the fraud star is that the perpetrators of corruption and other violations have lost the values of integrity that should be enforced as well as possible under any conditions, anytime, and anywhere. Those who commit acts of corruption because they have open opportunities, pressure, accompanied by rationalization and with the power they have; they have lost the main hold in thinking and having integrity [10].

Lack of Integrity is one of the causes of corruption; this can be called as Fraud Star. Umar stated that those who commit corruption may experience mental problems considering that corruption is a crime; Corruptors can be called criminals [9].

3. Method

This research is causal associative research. This study aims to determine the relationship between variables [11]. The population in this study were all village officials in Langkat Regency, North Sumatra Province. The sample is part of the number and characteristics possessed by the population [11]. The sampling technique used is accidental sampling. The number of samples is 17 people. The population and samples used as objects in this study are village officials.

The analysis was carried out using a descriptive method. This method collects, categorizes, compiles, and compares them with relevant theories so that a conclusion can be drawn according to the needs of analysis based on the problems encountered.

The model and technical analysis of the data in this research is the structural equation modeling-partial least squares (SEM-PLS) using SmartPLS software. Mahmud and Ratmono (2013: 6) stated that in its development, SEM was divided into two types, such as covariance-based SEM (CB-SEM) and variance-based SEM or partial least squares (SEM-PLS). CB-SEM was developed in the 1970s pioneered by Karl Joreskog as a Lisrel software developer. Meanwhile, SEM-PLS developed after CB-SEM and was pioneered by Herman Wold (academic supervisor of Karl Joreskog). Here are some examples of software from CB-SEM and SEM-PLS (Mahmud and Ratmono, 2013:6-7).

Mahmud and Ratmono (2013:7) stated that SEM-PLS can work efficiently with small sample sizes and complex models. In addition, the assumption of data distribution in SEM-PLS is easier than CB-SEM. Estimation with CB-SEM requires a series of assumptions that must be met such as multivariate data normality, minimum sample size, homoscedasticity, and so on.

4. Result And Discussion

Result

Measurement Model: Validity and Reliability Test

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Convergent validity is part of the measurement model which in SEM-PLS is usually referred to as the outer model while in covariance-based SEM it is called Confirmatory Factor Analysis (CFA) (Mahfud and Ratmono, 2013:64). Two criteria are used to assess whether the measurement model meets the requirements of convergent validity for reflective constructs, such as (1) loading must be above 0.7 and (2) significant p-value (<0.05) (Hair et al. in Mahfud and Ratmono, 2013:65). However, in some cases, loading requirements above 0.7 are often not met, especially for newly developed questionnaires. Therefore, loading between 0.40-0.70 must be considered to be maintained (Mahfud and Ratmono, 2013:66). The following are suggestions for maintaining or removing reflective indicators (Hair et al. in Mahfud and Ratmono, 2013:66).

The below 0.40 loadings indicator should be removed from the model. However, for the indicators between 0.40 and 0.70, it is advisable to analyze the impact of the decision to delete the indicator on Average Variance Extracted (AVE) and Composite Reliability. The 0.40 and 0.70 indicators can be deleted if they can increase the Average Variance Extracted (AVE) and Composite Reliability above the threshold (Mahfud and Ratmono, 2013:67). The limit value of AVE is 0.50 and Composite Reliability is 0.7. Another consideration in removing indicators is the impact of construct content validity. Small loading indicators are sometimes maintained because they contribute to the validity of the constructed content (Mahfud and Ratmono, 2013:67). Table 1 presents the results of validity testing based on loading and Average Variance Extracted (AVE) and reliability based on Composite Reliability (CR).

Loading	AVE	CR
0.758	0.718	0.927
0.888		
0.792		
0.861		
0.925		
0.904	0.863	0.962
0.958		
0.882		
0.967		

Table 1. Validity Testing based on Loading Factor & Average Variance Extracted (AVE); Reliability based on Composite Reliability (CR)

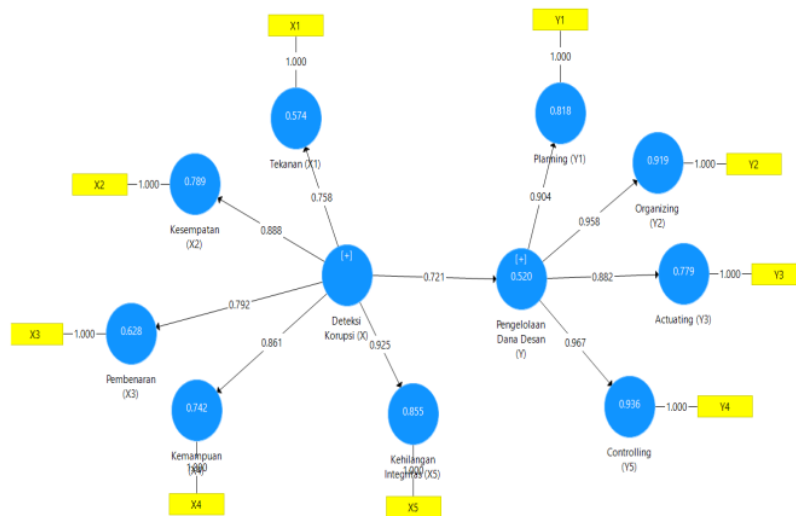


Figure 1. Validity Testing based on Loading Factor

Based on the testing of the validity of the loading factors in Table 1 and Figure 1, the entire loading value is > 0.7 . It has fulfilled the validity requirements based on the loading value. Furthermore, the validity test was carried out based on the Average Variance Extracted (AVE) value. The recommended AVE value is above 0.5 (Mahfud and Ratmono, 2013:67). All

AVE values > 0.5 have met the validity requirements based on the AVE. Next is the reliability test based on the Composite Reliability (CR) value. The recommended CR value is above 0.7 (Mahfud and Ratmono, 2013:67). All CR values > 0.7 have met the reliability requirements based on CR.

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	Corruption Detection (X)	Village Fund Management (Y)
Corruption Detection (X)	0.847	
Village Fund Management (Y)	0.721	0.929

Table 2. Discriminant Validity Test

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In discriminant validity testing, the value of the square root of the AVE of a latent variable is compared with the correlation value between the latent variable and other latent variables. The square root value of AVE for each latent variable is greater

than the correlation value between the latent variable and other latent variables. It is concluded that it has fulfilled the discriminant validity requirements.

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2. Effect Significance Test (Bootstrapping)

Table 3 presents the results of the significance test of the effect.

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (IO/STDEV)	P Values
Corruption Detection (X) -> Village Fund Management (Y)	0.721	0.691	0.231	3.127	0.002

Table 3. Effect Significance Test

Based on the results in table 3, the following equation is obtained.

$$Y = 0,721X + e$$

The coefficient value of the detection path of corruption on

the management of village funds is 0.721, P-Values = 0.002 < 0.05; it is concluded that there is a significant effect of corruption detection on the management of village funds.

	R Square
Village Fund Management (Y)	0.520

Table 4. Coefficient of Determination (R-Square)

Based on the results in Table 4, the coefficient of determination (r-square) of village fund management is 0.520. This value can be interpreted that the effect of corruption detection on the management of village funds is 52%.

Discussion

The village is a legal community unit that has territorial boundaries that are authorized to regulate and manage the interests of the local community based on local origins and customs that are recognized and respected in the government system of the Republic of Indonesia [12]. With the enactment of Law no. 6 of 2014 concerning villages, all interests and needs of the village community can be accommodated properly. Providing greater opportunities for villages to take care of their governance. Equitable implementation of development is expected to improve the welfare and quality of life of rural communities. The village is given the authority to regulate and manage government affairs, the interests of the local community based on community initiatives, origin rights, customs, and socio-cultural values of the village community. This regulation is explained on 13 principles such as Recognition, Unity, Subsidiarity, Diversity, Mutual Cooperation, Deliberation, Democracy, Independence, Participation, Equality, Empowerment, and Sustainability.

Forms of village fund management in Langkat Regency

At the village financial planning stage in Perumahan Village, Suka Makmur and Sambirejo made a design from the start of the Village Medium-Term Development Plan within six years of a village head working. Suka Makmur Village in 2016 remade their Medium Term Development Plan due to changes in the new law related to the preparation of the Village Medium Term Development Plan. In planning, Suka Makmur and Perumahan are not much different, the villages determine the plans in the Village Medium-Term Development Plan which are then detailed in the Village Development Work Plan after holding a Village Development Plan Deliberation which is attended by community groups first. The planning in Village Financial Management in the three villages is in accordance with Domestic Regulation No. 113 of 2014 concerning Village Financial Management. However, there are differences in the submission of the Draft Village Regulation on the Village Revenue and Expenditure Budget to the Regent/Mayor through the local sub-district head.

The village financial management planning process in the three villages in the Binjai sub-district has met the good category. The deliberation starts from the hamlet and then the development plan deliberation is carried out at the village hall, the community and elements of the local village group always participate in the development planning of their respective villages. The preparation of a draft village regulation on the village income and expenditure budget was also discussed and

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agreed on time before October of the current year. According to government regulation number 47 of 2015 concerning Implementing Regulations of Law Number 6 of 2014 concerning villages, Article 81 states that the fixed income of village heads and village officials is budgeted in the village income and expenditure budget originating from village fund allocations which amount to more than Rp. 500,000,000 up to Rp. 700,000,000 is used between Rp. 300,000,000 up to a maximum of 50%. Perdamaian Village has budgeted a fixed income for the village head and village officials of Rp. 208,800,000, Suka Makmur Village of Rp. 226,080,000 and Sambirejo Village of Rp. 254,800,000. This amount does not reach 50% of the village fund allocation.

Based on the use of the village budget for government administration, Perdamaian is 30.6% and Sambirejo is 31.5%. This value is not following government regulation number 47 of 2015 concerning Law Number 6 of 2014 concerning Villages which states that 30% is for fixed income and allowances for village heads and village officials, village government operations, village deliberation allowances and operations and incentives for neighborhood associations, and community harmony. The implementation of village financial management in the three villages is almost following the Regulation of the Minister of Home Affairs Number 113 of 2014 concerning Village Financial Management, receipts and expenditures are carried out in cash accounts in each village. If the payment is not recorded directly, this is not following the Regulation of the Minister of Home Affairs Number 113 of 2014 concerning village financial management which states that if the payment has been made, the treasurer will record the expenditure.

In carrying out activities that are following the Regulation of the Minister of Home Affairs Number 113 of 2014 concerning Village Financial Management, the village receives goods and services first, then the Activity Implementation Team completes the documents in applying for funding and is verified by the village secretary and approved by the village head. Receipt of money must be following the Regulation of the Minister of Home Affairs Number 113 of 2014 concerning Village Financial Management. The treasurer can save money in the Village Treasury at a certain amount stipulated in the Regent/Mayor Regulation. Based on the results of the study, the village saved more than Rp. 1,000,000 for operational needs for the village government, this is not following existing regulations.

In Sambirejo Village, it can also be seen that the labor used is also still not developing its human resources. Workers are still being recruited from outside parties for the construction stage. Unlike the case with Suka Makmur who always sees the potential of existing human resources, the head of the hamlet who coordinates human resources for the work stage in the implementation of its activities.

Based on the results of the study, the administration of the three villages was not in accordance with the Regulation of the Minister of Home Affairs Number 113 of 2014 concerning Village Financial Management because the three villages did not record any direct receipts and expenditures at the time of transactions, closed the books at the end of each month and did not submit reports monthly to the village head. Meanwhile, according to Domestic Regulation Number 113 of 2014 concerning Village Financial Management, it is stated that the treasurer records every receipt and expenditure and closes the books at the end of each month in an orderly manner and is submitted every month to the village head and no later than the 10th of the following month.

The administration of the three villages uses books that

support their recording following the Regulation of the Minister of Home Affairs Number 113 of 2014 concerning Village Financial Management. These villages use a general cash book, a tax subsidiary ledger and a bank book in their records. In recording, the village treasurer should have known how the recording system in the books was. These villages have used the application system provided by BPKP. All data is inputted into the application, a complete recording system from planning, administration to accountability is directly inputted into the application system. This makes it easier to record and only relies on the system so the data is already available. This is one way of avoiding the loss of files in the computer because only entering the username and password, the user can access the reports that will be needed.

The reporting system for these villages was not following the Regulation of the Minister of Home Affairs 2014 concerning Village Financial Management because the village head did not submit the first semester report at the end of July of the current year, the first semester report submitted by the village head was the same as the final semester report at the end of January of this year. next. This is not following the Regulation of the Minister of Home Affairs Number 113 of 2014 concerning Village Financial Management which states that the first semester report is submitted no later than the end of July of the current year and the final semester report is submitted no later than the end of January of the following year.

The report on the realization of the implementation of the Village Revenue and Expenditure Budget in the first semester of the Perdamaian Village can be seen that expenditures in the field of community development are not used. It can be seen that until July there was no community development. This guidance should be carried out quickly so that it can add insight to the community in developing their village. It can also be seen in the village's original income which until June the funds received were only 4.80% of Rp. 69,699,800.

In the final semester, Perdamaian Village's original income did not meet the budgeted figure, only meeting 12.18% of Rp. 69,699,800. The village cannot increase the independence of the village. Many did not achieve the targets in the expenditure posts, such as in the field of village government administration by 92.38%, the field of implementing village development by 99.51%, and in the field of community empowerment by 98.39%. This should be an important concern for the village government to meet the existing budget ceiling.

The Suka Makmur Village Revenue and Expenditure Budget has changed. This can be seen in the field of village government administration which decreased by about 28.7% and in the field of community empowerment it increased by about 2.2%. In the Report on the Realization of the Implementation of the First Semester Village Revenue and Expenditure Budget, each account has been realized. But it is still visible that the village's original income is still very minimal which has been realized as much as Rp. 2,953,189 from the budget of Rp. 24,947,360. Suka Makmur Village must increase its original village income again to increase independence to develop its village. Village capital participation plays a role in investment in Village-Owned Enterprises, as seen in the first semester the village capital participation has reached 50% of the total budget of Rp. 60,000,000.

In the year-end semester report, Suka Makmur Village has been able to realize all of its income. There are expenditure accounts that do not meet the budget targets, such as the field of village government administration which is less than Rp. 3,698,354 from the total budget of Rp. 358,296,654, the field of

implementing village development is less by Rp. 12,092,720 of the total budget of Rp. 616,719,200, the sector for the implementation of village development is less than Rp. 616,719,200. community development is less than Rp. 1,706 of the total budget of Rp. 61,571,706 and the field of community empowerment is less by Rp. 2,877,800 of the total budget of Rp. 152,425,800. Suka Makmur Village is again more careful in setting the budget ceiling so that it can realize how much the village has budgeted.

Report on the realization of the first semester village income and expenditure budget in Sambirejo Village, the village's original income still looks minimal at Rp. 1,120,892 of the total budget of Rp. 10,000,000. A budget that is too minimal cannot increase the independence of the village. Of the three villages, only Sambirejo Village is very minimal in village original income. It is very important for each village to increase its independence to increase its budget. Sambirejo cannot explore the potential that exists in his village by only expecting funds from transfer income. In the first semester, it was also seen that the community development sector had not been realized from the total budget of Rp. 62,624,000.

In the final semester of the year, the village's original income that can be realized is Rp. 2,242,302 from the total budget of Rp. 10,000,000. This realization is very worrying if the transfer income cannot be realized. Village income will also decrease, activities in the village will definitely experience difficulties. In the expenditure account, it has not fully met the budget targets, such as the area of village government administration which is less than Rp. 7,703,643 of the total budget of Rp. 409,996,000, the field of implementation of village development is less than Rp. 1,598,900 from the total budget of Rp. 609,467,000, the field of coaching less than Rp. 338,400 in community empowerment and less in the field of community empowerment by Rp. 11,235,400 of the total budget of Rp. 11,235,400.

Based on the results of the study, the accountability in the three villages was not following the Regulation of the Minister of Home Affairs Number 113 concerning Village Financial Management because the report on the realization and accountability for the realization of the Village Revenue and Expenditure Budget was not informed to the public in writing or through media that was easily accessible to the public. The report should not be a secret for the village government to tell the community how much has been realized so that mistakes do not occur that cause public unrest. Information boards in Perdamayan Village and Suka Makmur Village only inform the Village Revenue and Expenditure Budget. This is not following the Regulation of the Minister of Home Affairs Number 113 of 2014 concerning Village Financial Management which states that the realization report and accountability report on the realization of the Village Revenue and Expenditure Budget are informed in writing and with information media that is easily accessible by the public.

The accountability reports submitted by the three villages to the Regent/Mayor consist of revenues, expenditures and financing. This is following the Minister of Home Affairs Regulation Number 113 concerning Village Financial Management. The accountability reports submitted by the three villages consist of an accountability report on the realization of the Village Revenue and Expenditure Budget for the relevant Fiscal Year, reports on village assets as of December 31 of the relevant fiscal year, and reports on government and local government programs that enter the village. The report was submitted by the three villages on January 31, 2019 and this is following the Minister of Home Affairs Regulation Number 113

of 2014 concerning Village Financial Management.

Supervision Carried Out by Langkat Regency to Village Funds

The provincial government saw firsthand how the work program had been realized by looking at reports in the villages of Perdamayan and Suka Makmur. It is following the Minister of Home Affairs Regulation Number 113 of 2014 concerning Village Financial Management. In contrast to Sambirejo Village, the provincial government did not come and see firsthand how the work program had been realized by looking at reports in Sambirejo village because according to the explanation of Sambirejo village, the provincial government saw directly the village had problems. This is not following the Regulation of the Minister of Home Affairs Number 113 of 2014 concerning Village Financial Management which states that the provincial government is obliged to supervise the distribution and distribution of village funds, allocation of village funds and sharing of regional taxes and levies from districts/cities to villages.

By the Minister of Home Affairs Regulation Number 113 of 2014 concerning Village Financial Management, the Regency/City Government is obliged to foster and supervise the implementation of village financial management, this is following the implementation in the three villages that receive training and supervision from the Regency Government. These villages receive training for village officials according to their respective jobs. According to Sambirejo village, the discussion presented at the training by the district should include material updates that can increase knowledge for the village apparatus. So that problems that might arise can anticipate how the village will overcome them.

Not only coaching and supervision from the district, from the sub-district also comes down so that village financial management runs well. The sub-district is the party that supervises more intensively how the work of activities that have been carried out and those that are currently being carried out. Before the district will visit the village, the sub-district will see how the work is carried out from start to finish.

Effect of Corruption on Detection through Fraud Star Analysis on Village Fund Management

Article 75 paragraph (1) of Law Number 6 of 2014 concerning Villages, Article 93 paragraph (2) of Government Regulation Number 43 of 2014 concerning Villages as amended by Government Regulation Number 47 of 2015 states that the Village Head is the holder of village financial management power. This means that in every change of village head after his term of office expires and another or new village head is elected, he has the right to change his government structure to support his work in village administration. This is following what is stated in Law Number 6 of 2014 Article 26 Paragraph 3 and Regulation of the Minister of Home Affairs Number 113 of 2014 concerning village financial management. When carrying out the duties, authorities, rights, and obligations as referred to in the legislation, the village head is obliged to submit a report on the administration of the village administration at the end of each fiscal year to the regent or mayor. He must also submit a report on the implementation of Village Administration at the end of his term of office to the regent or mayor, provide a written

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information report on the administration of government to the Village Consultative Body at the end of each fiscal year, and provide and/or disseminate information on the administration of government in writing to the village community at the end of each year. .

Village funds sourced from the APBN are one of the important points of the birth of the Village Law Number 6 of 2014 concerning villages. Village funds are a tangible form of state attention to the existence of villages because with village funds, recognition of origin rights (Recognition) and village-scale local authority (Subsidiarity) can be seen and felt by the community. The distribution of village funds by the central government to villages has been going on for three years. In 2015, the amount of village funds was Rp. 2276 Trillion, 2016 Rp. 46.98 Trillion and in 2017 Rp. 60 trillion for the number of villages 74,954, with priority use for development activities and local scale community empowerment on a self-managed basis. 8 the corruption cases that occurred in the management of village funds, there were several modus operandi carried out, including:

Drafting a Cost Budget above the market price and then paying it based on another agreement;

The village head is responsible for financing the physical building of village funds even though they come from other sources;

Temporarily borrow village funds by transferring funds to a personal account and then not returning them;

Withholding of village funds by the perpetrators;

Making fictitious official trips by falsifying lodging/travel tickets;

Increase the payment of village officials' honorarium;

Payment of office stationery does not match the real cost by falsifying proof of payment;

Collecting taxes, but the results of the tax collection are not deposited with the tax office;

Purchasing office inventory for personal use.

Figure 2 shows that over the past four years, the number of corruption cases has dropped dramatically, but state losses continue to peak. In addition to harming state finances, corruption also creates social costs that are borne by the public.



Figure 2. Cases of corruption and state losses from 2015 to 2019

The strategy for eradicating corruption is stated in Law number 19 of 2019 which includes repressive, prevention, monitoring, supervision and coordination. In its implementation, many enforcement activities seem to be carried out aggressively. However, the efforts to eradicate corruption did not reduce the level of corruption and also did not cause a deterrent effect for corruptors and potential corruptors. The condition of corruption that continues to increase requires a new strategy in addition to the actions and prevention that have been carried out so far. Detection of corruption is not an easy thing considering that corruption is usually very secretive. The perpetrators of corruption will try to cover each other through nepotism and collusion so that the situation becomes undetected. The causes of corruption need to be known to detect corruption effectively. The first driver of corruption was the Fraud Triangle introduced by Cressey since 1950, which consists of three elements, namely pressure, opportunity and justification. Furthermore, Wolfe and Hermanson (2004) introduce four drivers of people committing corruption, known as the "Fraud Diamond Model" [13]. There were several frauds

in a company with a very large loss value. This happens because someone has special abilities in the company making it easier for fraud to run smoothly. Furthermore, Umar (2016) introduced a new model of driving corruption known as the Fraud Star. There are five causes or drivers of corruption, namely opportunity, pressure, justification, ability, and loss of integrity [9].

Table 3 states that the variable detection of corruption affects the management of village funds. It can be proven by the coefficient value of the path of corruption detection on the management of village funds is 0.721, with a P-Value 0.002 < 0.05. Likewise, as stated in table 4 which states that the value of the coefficient of determination (r-square) of the management of village funds is 0.520. This value can be interpreted that the effect of corruption detection on the management of village funds is 52%. The magnitude of the effect of detecting corruption in the management of village funds. Detection of corruption can be done to prevent corruption.

Applicative and Sustainable Corruption Prevention Models in Detecting Corruption in Village Fund Management

In accordance with the results listed in table 3, the corruption detection model in the management of village funds can be shown by the following formula.

$$Y = 0,721X + e$$

The coefficient of determination of village fund management is 52%. As many as 48% is influenced by other factors. Detection of corruption consists of opportunity, pressure, justification, ability, and loss [2] integrity. Opportunities and opportunities coupled with the orientation of personal or group interests can influence corrupt behavior. Several modes of corruption, for example as a village facilitator for empowerment, can take advantage of opportunities and opportunities in drafting a cost budget above the market price [14]. This method occurs due to collusion between the apparatus and planning consultants, so that price inflation also occurs, in this process supervision is not optimally carried out, resulting in the opening of opportunities and opportunities to mark up which has the potential to cause overall village losses. Another mode is the remaining funds that are used temporarily, or borrowed without returning them to the village treasury account [15], [16]. Therefore, community monitoring is very necessary. Corruption also occurs as a result of pressure.

The pressure that comes from internal and external. Regulation is one of the weak factors in the management of village funds. It is followed by the quality factor of human resources who are weak in understanding the regulation [17]–[19]. Some cases of corruption in the village are not caused by the crime of the village head, but because of the village head's lack of understanding regarding legal regulations. Two opposing sides with opportunity and pressure, justification factors and the ability to support corruption in the management of village funds. The justification made by the perpetrators of

fraud considers what they do is something that is usually done by other people [20].

Integrity is obedience that knows no compromise in terms of moral values, and completely excludes deception, exploitation. Integrity comes from the idea or idea that the profession is a "vocation" and it is necessary for professionals to focus on the idea of carrying out public services [21]. Of the responses, 56.3% agreed with the statement that the anti-corruption commitment was low, this proves the loss of integrity of the village apparatus. This is in line with Siahaan's research (2019) [22]. As explained earlier, corruption occurs because power is abused or the authority exercised is not following its mandate. The abuse of power is carried out for personal or group gain and will usually be followed by a violation of the law. This inappropriate practice is carried out by parties who no longer pay attention to good and right standards and only prioritize their own or group interests. In this condition, the perpetrators of corruption and other violations have lost the values of integrity that should be enforced as well as possible under any conditions, anytime, and anywhere [23], [24]

5. Conclusion

Detection is necessary before taking prevention.

Detection of corruption affects the management of village funds.

The element of corruption detection is to find out what is the pressure, the opportunity to commit corruption, to know things that can be justified and the ability to act in corruption. The most important thing is to know what makes a person lose his integrity so that he commits corruption.

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