

**DETERMINANTS OF FRAUD PREVENTION MANAGEMENT  
GRANT FUNDING FINANCE**  
(Study of Jambi Province Bawaslu and Regency/City Bawaslu in Jambi Province)

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**Abstract**

*The management of direct grant funds for regional elections requires streamlined processes within the Provincial Election Supervisory Agency and Regency/City Election Supervisory Committees. Technical Instructions outlined in a 2019 decree guide work plans, budgets, administration, accountability, and reporting. Efforts to prevent fraud in grant management are essential for reliable financial reporting, operational efficiency, auditor confidence, legal compliance, and asset protection. Controls, whether preventive or detective, manual or automatic, play a crucial role in these efforts. This research aims to analyze the Determinants of Fraud Prevention in Financial Management of Grant Funds. The context chosen was the Bawaslu of Jambi Province and the Bawaslu of Districts/Cities throughout Jambi Province, totaling 65 people. The analytical tool used in this research is SMART PLS. The results can be concluded that the competency of the work unit apparatus has no effect on preventing fraud in the financial management of grant funds, the internal control system has an effect on preventing fraud in the financial management of grant funds, Whistleblowing systems have an effect on preventing fraud in the financial management of grant funds.*

**Keywords:** Competence of Work Unit Apparatus, Financial Management of Grant Funds, Fraud Prevention, Internal Control System, Whistleblowing Systems

## 1. INTRODUCTION

Grants are commonly utilized to provide assistance for national development programs, as well as for managing natural disasters and providing humanitarian assistance. However, Jambi Province General Election Supervisory Agency Work Unit operates differently. According to Article 166 paragraph 1 of Law no. 10 of 2016, which pertains to the Second Amendment of Law Number 1 of 2015 regarding the Stipulation of Government Regulations in Lieu of Law Number 1 of 2014 concerning the Election of Governors, Regents, and Mayors, funding for election activities is sourced from the State Revenue and Expenditure Budget, in accordance with the relevant legislation. Additionally, as per the Regulation of the Minister of Finance of the Republic of Indonesia Number 89/PMK.05/2016, which outlines the procedures for managing direct grants in the form of money for election activities for Governors, Regents, and Mayors, it is mandatory to manage grant funds received for regional head elections using the APBN (State Budget) mechanism.

Efforts must be made to effectively and efficiently utilize grants. Effective utilization of grants involves adhering to utilization principles throughout the planning, implementation, monitoring and evaluation, and administration stages. To ensure smooth

management of direct grant funds, it is important to prioritize accountability and transparency in their use. Additionally, creating a shared understanding of proper treatment and simplifying the control process for grant fund management is crucial for supervising the implementation of the Election of Governors, Regents, and Mayors within the work units of the Provincial Election Supervisory Agency and the Election Supervisory Agency Regency/city, as well as Subdistrict Election Supervisory Committees. This requires the establishment of Technical Instructions that govern the preparation of work plans and budgets, administration, accountability, and reporting of grant funds. These instructions are outlined in the Decree of the Chairman of the General Election Supervisory Board Number 0238/K.BAWASLU/OT.03/IX/2019, dated 04 September 2019.

Efforts to prevent are necessary in order to ensure the provision of dependable financial reports to both internal and external stakeholders (Suciani & Setyawan, 2022). These efforts aim to efficiently and effectively carry out operations, instill confidence in auditors regarding the smooth running of transactions, ensure personnel compliance with all relevant laws and regulations, and ultimately prevent fraud. Additionally, these preventive measures also serve to safeguard all assets of the Work Unit (Coso, 2013). Controls can be categorized as either preventive or detective, and can be designed to operate manually or automatically (Risk Optics, 2019).

Corruption is universally seen as an unethical act, particularly when committed by government officials, as it poses significant harm to the state. In Indonesia, corruption is systematically carried out, necessitating a systematic approach to address it. This aligns with the UNCAC in 2003, which was ratified through Law no. 7 of 2006. The UNCAC emphasizes the importance of both preventive and repressive measures in combating corruption. To effectively prevent corruption, it is crucial to establish instruments that enhance internal control within government agencies (<https://www.bpkp.go.id>).

In a recent study conducted by Usman et al. (2021), the focus was on the impact of Whistleblowing Systems, Internal Audit Effectiveness, and Good Government Governance on Fraud Prevention. The study identified three independent variables, namely Whistleblowing Systems, Internal Audit Effectiveness, and Good Government Governance, and one dependent variable, which is Fraud Prevention. Through the implementation of a multiple linear regression test, it was discovered that all of the independent variables had a significant influence on the dependent variable. What sets this research apart from previous studies is its empirical nature. While previous research focused on the Provincial Government and Regional Government of Gorontalo City, this particular study was conducted at the Jambi Province General Election Supervisory Agency.

The purpose of this study is to investigate the impact of Work Unit Apparatus Competency, Internal Control System, and Whistleblowing System on fraud prevention. The participants in this research were the employees working at Bawaslu of Jambi Province and Bawaslu of Districts/Cities across Jambi Province. We aim to validate the findings of the Determinants of Fraud Prevention in Financial Management of Grant Funds by presenting evidence. This research adds value to the field by offering practical knowledge on preventing fraud in grant funds management specifically within the Jambi Province General Election Supervisory Agency. The implementation of Technical

Instructions for grant management further strengthens this contribution by establishing uniform procedures.

## **2. LITERATURE REVIEW**

### **2.1. Cheating or Fraud**

Fraud, as defined by the ACFE, refers to any action that utilizes deceit to gain financial benefits. It transforms into a criminal offense when intentionally distorting the truth or hiding crucial information in order to manipulate others into making decisions that harm them (Black's Law Dictionary) (Garner, 2019). Simply put, committing fraud involves lying with the intention of depriving an individual or entity of their money or assets.

### **2.2. Financial Management of Grant Funds**

Grants refer to state revenue received in the form of foreign currency, which is then converted into the local currency, goods, services, and/or securities. These grants are provided by the grantor without the need for repayment and can originate from within the country or abroad (PP No. 10 of 2011). A grant is essentially a gift where the grantor transfers specific rights to the grantee, and it is carried out through an agreement with a predetermined purpose (PMK No. 99/PMK.05/2017).

As according to Minister of Finance Regulation No 99/PMK.05/2017, administration encompasses a range of tasks such as bookkeeping, accountability, and reporting. Failure to adhere to the prescribed procedures in administration can lead to the financial reports, particularly the balance sheet, becoming irrelevant and unreliable.

### **2.3. Competence of Work Unit Apparatus**

The State Civil Apparatus (ASN) is a profession for civil servants and government employees who work for government agencies. It is important for individuals to have the necessary skills to use technology in financial management. To facilitate village activities, every village is required to use an application called *siskeudes* (Village Financial System), provided by the central government (A. P. Putri & Yadiati, 2020). However, there are challenges at both the district and village levels. Districts often lack the budget to provide training or technical guidance for village officials, while villages face obstacles due to the lack of computer literacy among their human resources. Competence plays a crucial role in financial management, and utilizing technology can help prevent fraud. However, many ASNs lack the necessary skills to operate this technology effectively.

### **2.4. Government Internal Control System**

The Government Internal Control System (SPIP) is a crucial process that involves continuous activities and actions by leadership to achieve organizational goals effectively and efficiently. It ensures the reliability of financial reporting, security of state assets, and compliance with legislation, as stated in Government Regulation (PP) no. 60 of 2008. Additionally, according to Government Regulation (PP) no. 8 of 2006, the internal control system is influenced by management and aims to provide sufficient confidence in

achieving effectiveness, efficiency, compliance with laws and regulations, and the reliability of government financial reports.

## **2.5. Framework of Thinking**

This research tests three independent variables, namely the competence of work unit officials, internal control systems and whistleblowing systems.

### **2.5.1. Influence Competence of Work Unit Apparatus in Fraud Prevention**

According to a study conducted by Rahmawati et al. (2020), it has been found that Apparatus Competency (X1) positively affects fraud prevention (Y). In a similar vein, Inawati & Sabila (2021) also supports this notion by stating that Apparatus Competence has a positive impact on fraud prevention. As the competence level of the apparatus increases, the likelihood of fraud decreases. The competence of the apparatus can influence their behavior, making them more cautious in performing their duties and functions as they are aware of the consequences involved.

H1 : Work Unit Apparatus Competence influences fraud prevention management of grant funds from Bawaslu Jambi Province and Bawaslu Districts/Cities throughout Jambi Province.

### **2.5.2. Influence Internal Control System for Fraud Prevention**

According to Rahmawati et al., (2020), the internal control system (X2) has a significant impact on preventing fraud (Y). This implies that enhancing the internal control system can effectively deter fraud in the management of village finances. The reliability of financial reports is heavily influenced by an efficient internal control system, which should be implemented at all stages of village financial management. Similarly, Bachtiar & Elliyana (2020) also affirm that internal control plays a crucial role in preventing fraud.

H2 : The Internal Control System influences fraud prevention management of grant funds from Bawaslu Jambi Province and Bawaslu Districts/Cities throughout Jambi Province.

### **2.5.3. Whistleblowing Systems for Fraud Prevention**

According to a study conducted by Usman et al., (2021), it has been found that the whistleblowing systems (X2) play a crucial role in preventing fraud (Y). The study reveals that the whistleblowing system contributes to a significant 32.0% in preventing fraud within the Regional Government of Gorontalo Province. Therefore, it can be concluded that the relationship between the violation reporting system and fraud prevention in the Gorontalo-Indonesia Provincial Government is both positive and significant. In line with another research by Satcitanandadewi & Wahyuni (2020), it is also stated that internal control has a significant impact on fraud prevention.

H3 : Whistleblowing Systems influences fraud prevention management of grant funds from Bawaslu Jambi Province and Bawaslu Districts/Cities throughout Jambi Province.

### **3. RESEARCH METHODS**

#### **3.1. Research Design**

This study utilizes a survey research design to examine and describe various variables (Sugiyono, 2007), including Work Unit Apparatus Competence, Internal Control System, Whistleblowing System, and Prevention of fraud among employees at Bawaslu Jambi Province and Bawaslu Districts/Cities throughout Jambi Province. The research subjects for this study are the employees at Bawaslu of Jambi Province and Bawaslu of Districts/Cities throughout Jambi Province.

This research falls under the category of non-experimental quantitative research. Non-experimental research is also known as ex-post facto design or "after the fact". The primary objective is to describe the relationship between the variables under investigation and determine the relationship between the independent variables, namely Competence of Work Unit Apparatus, Internal Control System, Whistleblowing System, and the dependent variable, namely Prevention of fraud.

#### **3.2. Operational Variables**

Within the framework of this research, operational variables are classified into two primary types: independent variables, specifically Apparatus Competence and Internal Control System, and the dependent variable, Prevention of Fraud Management of Grant Funds. Apparatus Competence is intricately measured through a set of comprehensive indicators. These indicators encompass the background and level of education of the apparatus, adherence to principles of good governance, attitudes and behavior exhibited by officers, the societal role assumed by the apparatus, mastery of relevant knowledge and skills, and an individual's ability to effectively perform assigned tasks (Adhivinna et al., 2022).

Similarly, the Internal Control System, guided by the COSO framework (2013), is assessed through a nuanced lens. This includes an evaluation of the Control Environment, Risk Assessment, Control Activities, Information and Communication mechanisms, and Supervision Activities. The third independent variable, Whistleblowing, is analyzed through a multi-faceted approach, considering structural aspects, operational aspects, and maintenance aspects (Jatiningrum & Marantika, 2021).

On the other hand, the Prevention of Fraud Management of Grant Funds, as the dependent variable, is measured using a set of indicators identified by the author. These indicators encompass raising awareness about the existence of fraud, promoting self-management and participatory approaches, ensuring transparency, fostering accountability, embracing democratic practices, maintaining orderly administration and reporting procedures, and cultivating mutual trust among stakeholders (A. Z. Putri & Prasiwi, 2021).

#### **3.3. Data Analysis Method**

In this study, the data analysis employs the Partial Least Square (PLS) approach. PLS is a variant of the Structural Equation Modeling (SEM) equation model, which is based on components. As stated by Ghazali (2018), PLS offers an alternative approach by moving away from the covariance-based SEM approach and adopting a variance-based one. The key advantage of utilizing PLS is its robustness as an analysis method, as

it does not require the data to adhere to a specific scale and can handle small sample sizes effectively (Ghozali, 2018).

Analytical steps utilizing Structural Equation Modeling (SEM) are conducted in two phases: Outer Model/Measurement Model Testing and Inner Model Testing.

1) Outer Model/Measurement Model Testing:

In this initial phase, the outer model, or measurement model, is scrutinized to assess the consistency and accuracy of the collected data from research instruments. The outer model serves as a measurement tool for evaluating the validity of model parameters, including convergent validity, discriminant validity, composite reliability, and Cronbach's alpha.

a. Cronbach's Alpha and Composite Reliability:

Reliability testing in Partial Least Squares (PLS) involves Cronbach's alpha and Composite reliability, with values exceeding 0.6 and 0.7, respectively, indicating construct reliability (Hamid & Anwar, 2019).

b. Convergent Validity:

Convergent validity is assessed through factor loading values, with indicators deemed valid if loading factor values surpass 0.708. Additionally, the Average Variance Extracted (AVE) is employed to ascertain convergent validity at the construct level, where an AVE of 0.50 or higher indicates substantial variance explanation (Hair et al., 2010).

c. Discriminant Validity:

Discriminant validity, essential for construct differentiation, is evaluated through cross-loading values and the Fornell-Larcker method, ensuring that square roots on AVE along the diagonal exceed inter-construct correlations.

2) Inner Model:

Following the Outer Model testing, the inner model examination focuses on understanding the structural relationships among latent variables, distinguishing between exogenous (independent) and endogenous (dependent) variables.

1. R Square on Endogenous Constructs:

R Square values, categorized as strong, moderate, or weak, provide insights into the explanatory power of endogenous constructs (Ghozali, 2018).

2. Estimate for Path Coefficients:

The estimation of path coefficients, indicating the strength of relationships, is achieved through bootstrapping procedures (Kurniawan, 2011).

3. Prediction Relevance (Q Square):

Prediction relevance is assessed through blindfolding procedures, with values of 0.02 (small), 0.15 (medium), and 0.35 (large) denoting the predictive capability of endogenous constructs (Sarstedt et al., 2011).

## 4. RESULTS AND DISCUSSION

### 4.1. Research Results

#### 4.1.1. Respondent Profile

In this research, the respondents were employees at Bawaslu Jambi Province and Bawaslu Districts/Cities throughout Jambi Province totaling 65 users. The following are the characteristics of the respondents:

**Table 1. Respondent Characteristics**

No	Education	Amount	Percentage
1	High School	7	10,80
2	Diploma	9	13,85
3	Bachelor (Strata 1 (S1))	45	69,23
4	Master and Doctor (Strata 2 (S2) and Strata 3 (S3))	4	6,13
Amount		65	100,00
No	Age	Amount	Percentage
1	20 - 30	16	24,62
2	31 - 40	24	36,92
3	41 - 50	16	24,62
4	> 51	9	13,84
Amount		65	100,00
No	Length of Work	Amount	Percentage
1	1 - 10	46	70,77
2	11 - 20	15	23,08
3	> 20	4	6,15
Amount		65	100,00
No	Gender	Amount	Percentage
1	Man	47	72,31
2	Woman	18	27,69
Amount		65	100,00

Source: Processed respondent data

According to Table 1, the data reveals that the majority of respondents, 69.23%, hold a Bachelor's Degree (S1). In terms of age, the largest group of respondents falls within the 31-40 age range, accounting for 36.92% of the total. Furthermore, the data shows that the majority of respondents, 70.77%, have been working for 1-10 years. Lastly, male respondents make up the dominant gender group, comprising 72.67% of the total.

#### 4.1.2. Descriptive Table

Descriptive statistical analysis offers a comprehensive overview of the various characteristics of each variable, including the average, maximum, minimum, standard deviation, kurtosis, and skewness. To delve into the findings of this analysis, refer to table 5 below.

**Table 2. Descriptive Statistics Result**

	Mean	Median	Max	Min	Standard Deviation	Excess Kurtosis
Competence of Work Unit Apparatus	6.029	6.000	7.000	1.000	1.182	4.139
Internal Control System	6.386	7.000	7.000	1.000	0.841	5.069
Whistleblowing Systems	6.494	7.000	7.000	1.000	1.215	6.000
Fraud Prevention	4.747	6.000	7.000	1.000	2.530	1.587

Source: Processed respondent data

According to table 2, which includes a total of 65 questionnaires, the average value for the Work Unit Apparatus Competency variable is 0.186, the average value for the Internal Control System is 0.439, and the average value for the Whistleblowing Systems variable is 0.322. This indicates that the respondents perceived a fairly high level of competency in the work unit apparatus, a fairly high level of control system, and a fairly high level of whistleblowing systems.

The standard deviation for the Work Unit Apparatus Competency is 0.088, for the Internal Control System is 0.122, and for the Whistleblowing Systems is 0.119. When the average value is greater than the standard deviation, it suggests a deviation in the data. Based on the descriptive statistics, it is evident that the mean value for each variable is greater than the standard deviation value. This implies that the data deviation in this study is low, resulting in an even distribution of values.

#### 4.1.3. Measurement Model Results (Outer Model/Indicator Testing)

This research has indicators that are reflective in all indicators. The following are the results of the initial model construction drawn with Smart PLS 3.0 software.

**Table 3. Outer Loading Second Model**

	Competence of Work Unit Apparatus	Internal Control System	Whistleblowing Systems	Fraud Financial Management of Grant Funds
X1.1	<b>0.857</b>			
X1.10	<b>0.827</b>			
X1.11	<b>0.837</b>			
X1.12	<b>0.889</b>			
X1.13	<b>0.831</b>			
X1.14	<b>0.812</b>			
X1.15	<b>0.882</b>			
X1.16	<b>0.764</b>			
X1.2	<b>0.811</b>			
X1.3	<b>0.727</b>			
X1.8	<b>0.873</b>			
X1.9	<b>0.835</b>			
X2.10		<b>0.867</b>		
X2.11		<b>0.750</b>		

X2.12	<b>0.864</b>	
X2.13	<b>0.848</b>	
X2.14	<b>0.747</b>	
X2.17	<b>0.818</b>	
X2.18	<b>0.812</b>	
X2.2	<b>0.749</b>	
X2.4	<b>0.753</b>	
X2.6	<b>0.744</b>	
X2.7	<b>0.821</b>	
X2.8	<b>0.823</b>	
X3.1		<b>0.847</b>
X3.2		<b>0.897</b>
X3.3		<b>0.865</b>
X3.6		<b>0.790</b>
X3.7		<b>0.922</b>
X3.8		<b>0.886</b>
X3.9		<b>0.869</b>
Y1		<b>0.787</b>
Y11		<b>0.717</b>
Y21		<b>0.751</b>
Y6		<b>0.816</b>
Y7		<b>0.851</b>
Y8		<b>0.753</b>

Source : Output PLS

Based on Table 3, it can be seen that all indicators are green because they have outer loading above 0.7. This shows that all indicators are valid and reliable as indicators that reflect the variables of this research.

#### **4.1.4. Discriminant Validity Test**

Discriminant validity is a crucial aspect of research, as it allows us to determine whether a construct is truly distinct from other constructs. In order to assess discriminant validity, researchers rely on empirical standards such as factor cross-loadings and the Fornell-Larcker criterion. The Fornell-Larcker criterion serves as a valuable tool for comparison, as it measures the square root of the average variance extracted (AVE) in relation to the correlation between latent variables. It is important to note that the square root of the AVE for each construct must be greater than the correlation value with other constructs. By examining the AVE values, we can gain further insights into the discriminant validity of our research. In this study, it is essential that each latent construct has an AVE value greater than 0.5, indicating a strong measurement model. For a comprehensive overview of the AVE values for the variables in this research, please refer to the table below.

**Table 4. Average Variance Extracted (AVE)**

	Average Variance Extracted (AVE)
Fraud Prevention	<b>0.609</b>
Competence of Work Unit Apparatus	<b>0.689</b>
Internal Control System	<b>0.642</b>
Whistleblowing Systems	<b>0.755</b>

Source: PLS output

Based on table 4 above, it is known that each indicator of the latent construct is able to explain 50% or more of the variance (Sarstedt et al., 2011).

#### 4.1.5. Composite Reliability Test

In SEM-PLS analysis, the reliability of a construct is determined by its value of composite reliability, which should be greater than 0.6, and further supported by a value of Cronbach's Alpha higher than 0.7. The test results for composite reliability can be observed in the table provided below.

**Table 5. Composite Reliability**

	Cronbach's Alpha	Composite Reliability
Competence of Work Unit Apparatus	<b>0.871</b>	<b>0.903</b>
Fraud Prevention	<b>0.959</b>	<b>0.964</b>
Internal Control System	<b>0.949</b>	<b>0.955</b>
Whistleblowing System	<b>0.946</b>	<b>0.956</b>

Source: PLS output

According to the findings presented in table 5, it is evident that a Markcomposite reliability ranging from 0.6 to 0.7, along with a Cronbach's alpha value greater than 0.7, is indicative of a high level of reliability (Sarstedt et al., 2011). Moreover, upon reviewing the table, it becomes apparent that all constructs exhibit composite reliability and Cronbach's alpha values exceeding 0.7, leading to the conclusion that they are indeed reliable.

#### 4.1.6. Structural Model Test Results (Inner Model)

Structural model testing stages (inner model) taking into account the value R-square which is the test result goodness-fit model. Mark R-square can be seen in the R-square table from the results running calculate model. The following R Square table from this research is as follows:

**Table 6. R-Square Result**

	R Square	R Square Adjusted
Fraud Prevention	0.660	0.643

Source: PLS output

According to the data presented in table 6, it is evident that the R Square value for the performance variable is 0.660. This indicates that 66% of the model's contribution can be accounted for, while the remaining percentage is attributed to external factors beyond the scope of the research model.

#### 4.1.7. Hypothesis Testing Results (Variables)

To carry out hypothesis testing, testing is done through bootstrapping testing of the research model.

Hypothesis testing through bootstrapping produces results Table path coefficient from this research model which explains the influence between models as follows:

**Table 7. Path Coefficient**

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
Competence of Work Unit Apparatus -> Fraud Prevention Financial Management of Grant Funds	0.186	0.187	0.088	2.119	0.035
Internal Control System -> Fraud Prevention Financial Management of Grant Funds	0.439	0.448	0.122	3.599	0.000
Whistleblowing Systems -> Fraud Prevention Financial Management of Grant Funds	0.322	0.312	0.119	2.710	0.007

Source: Output PLS

Based on the information presented in table 7, the influence between variables can be observed by examining the original sample columns. Additionally, the significance level can be determined by analyzing the p value column.

Upon testing the first hypothesis, a path coefficient value of 0.186 (positive) and a significance level of 5% (p value = 0.035 < 0.05) were obtained. This indicates that the first hypothesis is accepted. Consequently, it can be concluded that the competence of work unit officials has an impact on fraud prevention.

The second hypothesis was tested, resulting in a path coefficient value of 0.439 (positive) and a significance level of 5% (p value = 0.000 < 0.05). This demonstrates that the second hypothesis is accepted. Therefore, it can be concluded that the internal control system affects fraud prevention.

Lastly, the third hypothesis was tested, yielding a path coefficient value of 0.322 (positive) and a significance level of 5% (p value = 0.007 < 0.05). This indicates that the third hypothesis is accepted. Hence, it can be concluded that the whistleblowing system has an impact on fraud prevention.

## 4.2. Discussion

### 4.2.1. Competence of Work Unit Apparatus Against Fraud Prevention

Based on the results of hypothesis testing, it has been determined that the competence of work unit personnel significantly impacts fraud prevention. This

conclusion is supported by the first hypothesis, which obtain a positive path coefficient value of 0.186 and a significance level of 5% ( $p \text{ value} = 0.035 < 0.05$ ). As a result, the first hypothesis is rejected, leading to the conclusion that the competence of work unit personnel does indeed affect fraud prevention. This competence enables the personnel to better understand the consequences of committing fraud, thereby influencing their behavior to be more cautious in carrying out their duties and responsibilities.

#### **4.2.2. Internal Control System Against Fraud Prevention**

Based on the findings from hypothesis testing, it has been determined that the internal control system plays a significant role in preventing fraud. This conclusion is supported by the results of the second hypothesis test, which yielded a positive path coefficient value of 0.439 and a significance level of 5% ( $p \text{ value} = 0.000 < 0.05$ ). Consequently, the second hypothesis is deemed valid. Therefore, it can be inferred that the internal control system indeed has an impact on fraud prevention. The study's findings suggest that by enhancing the effectiveness of the internal control system, the prevention of fraud can be further improved.

#### **4.2.3. Whistleblowing Systems Against Fraud Prevention**

According to the results of hypothesis testing, it has been determined that the Whistleblowing system indeed impacts fraud prevention. This conclusion is drawn from the examination of the second hypothesis, which yields a positive path coefficient value of 0.322 and a significance level of 5% ( $p \text{ value} = 0.007 < 0.05$ ). Consequently, the acceptance of the second hypothesis leads to the conclusion that the Whistleblowing system does have an effect on fraud prevention. Therefore, the implementation of an efficient whistleblowing system will make potential fraud perpetrators reconsider their actions and potentially deter them from engaging in fraudulent activities.

## **5. CONCLUSION**

Based on the comprehensive analysis and discussion provided in the previous chapter, this research draws several key conclusions. Firstly, the effectiveness of the work unit apparatus plays a significant role in preventing fraud in the financial management of grant funds. Secondly, the internal control system is crucial in influencing fraud prevention within grant fund management. Lastly, whistleblowing systems are identified as another important element in preventing fraud in grant fund management. These findings highlight the complex relationship between organizational competence, internal control mechanisms, and whistleblowing systems in ensuring financial integrity in grant-funded management.

Expanding on the insights gained from the research findings, several recommendations can be made for different stakeholders. Firstly, work units are advised to implement the research results, with a focus on the perceived ease of use, to enhance fraud prevention in grant fund management. Management support, through employee development, training initiatives, and skill-building programs specifically targeting fraud prevention, is crucial in fostering commitment and a sense of responsibility within the work unit. Secondly, for academics, the study's limitations present opportunities for future research. Further investigations could explore additional factors, such as organizational

culture, that impact fraud prevention efforts. Examining different work units as subjects of study could also enhance our understanding of fraud prevention dynamics in various organizational contexts.

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