

## Fraud Detection in Village Fund Management in Mandailing Natal District

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### Abstract

*This study aims to detect the extent of fraud in the management of village funds in Mandailing Natal Regency. Corruption is one type of fraud that often occurs in the village fund management sector. To overcome this, forensic audits and investigative audits are methods used to detect fraud. In practice, forensic audits and investigative audits require information and evidence. The information and evidence can be sourced from the Audit Team of the Inspectorate of Mandailing Natal Regency. This study aims to determine the effectiveness of forensic audits and investigative audits in detecting Village Fund Management fraud as a supporting factor. The research method used is descriptive qualitative with data collection techniques using informants through directly using interview and documentation techniques. Data analysis in this study used data from the District Inspectorate Office. Christmas Mandailing. Based on the resulting comprehensive conceptual framework, it can be concluded that forensic audits and investigative audits are effective methods of detecting fraud in village fund management in Mandailing Natal district. The researcher concluded that in the village financial management in Hutabargot District, fraud was detected from 14 villages in Hutabargot District in 2020. Lack of training and supervision of the village fund management process can lead to deviations that can be detrimental, training is carried out to improve the ability of the apparatus. In managing village funds, this is very necessary for the creation of good village fund management and in accordance with established rules.*

### Keywords

Fraud; forensic audit; investigation audit; village fund management



## I. Introduction

With the enactment of the Regulation of the Minister of Home Affairs of the Republic of Indonesia Number 113 of 2014 concerning Village Financial Management, it states: Article 2 paragraph (1): Village finances are managed based on transparent, accountable, participatory principles and are carried out in an orderly and budgetary discipline. Article 2 paragraph (2): Village financial management as referred to in paragraph (1) is managed within 1 (one) fiscal year, starting from January 1 to December 31. Article 31: The village treasury as the obligatory to collect income tax (PPH) and other taxes is obligated to deposit all receipts of deductions and taxes collected into the state treasury account with the provisions of laws and regulations. Then in 2016 Regulation of the Minister of Home Affairs of the Republic of Indonesia Number 1 Year 2016 also discussed the continuation of Village Asset Management.

Mandailing Natal Regency is one of the regencies in the North Sumatra Province which consists of 23 sub-districts and 377 villages (BPS, 2019). Based on Government Regulation No. 43 of 2015, the village is a legal community unit that has territorial boundaries that are authorized to regulate and manage government affairs, the interests of the local community based on community initiatives, origin rights, and/or traditional rights that are recognized and respected in the government system of the Unitary State of the Republic of Indonesia. The state guarantees the existence of villages as stated in Law Number 6 of 2014 concerning Villages which states the state's commitment to protecting and empowering villages to become strong, advanced, independent and democratic so that they can create a strong foundation in implementing governance and development towards a just society. prosperous and prosperous.

Village Funds are funds sourced from the state revenue and expenditure budget designated for Villages which are transferred through the district/city regional revenue and expenditure budget and are used to finance government administration, development implementation, community development, and community empowerment. All 377 villages in Mandailing Natal district received village funds for the 2020 budget with a total of Rp. 286,845,864,000,-.

Indonesia Corruption Watch (ICW, 2019) has been monitoring acts of corruption that occur in villages. The results of ICW monitoring, in 2015 – 2019 cases of criminal acts of corruption in the village are increasing. Corruption cases reached 27 cases in 2015 and jumped to 53 cases in 2016. A very significant increase occurred in 2019 with 191 cases. So that all identified corruption cases amounted to 271 cases. Of the 271 corruption cases, not all of them were corruption cases involving the APBDes. The number of corruption cases for APBDes objects is 141 cases, while in a row 30 cases are with village budget objects. Illegal collection carried out by village officials is a case with objects other than APBDes. The corruption consists of corruption in the Village Fund Allocation (ADD), Village Fund, Village Treasury, and others.

The phenomenon of misuse of village funds causes a commotion for the community and the government in general, because if in a more in-depth analysis the government has actually set various rules and guidelines related to village funds in the hope that the process of implementing village fund management can be easily implemented so as not to arouse suspicion and even create potential fraud in the implementation of village funds. implementation. Efficient and effective governance of village funds with the principles of accountability, transparency and participation is expected to be created.

The process and procedure for the preparation of the APBDes which is regulated in the regulation of the Minister of Home Affairs Number 37 of 2007 concerning Village Financial Management guidelines provides an explanation of the responsibilities related to village financial management in each village apparatus. In addition, the status of the village as a community government and a means to promote and empower rural communities is strengthened in Law Number 6 of 2014 concerning villages. (Sanjiwani 2015) reveals that regional autonomy is able to contribute benefits by aligning the allocation of creative resources by moving to a lower level of decision-making.

Research related to the theory of fraud conducted by (Suparjadi in Putri and Wahyono 2018) states that fraud of trust (confidence), trickery (trickery), and concealment strategies are components of fraud. Apparatus skills and internal control systems greatly affect the prevention of fraud in the management of village funds (Atmadja & Sakutra 2017).

Rahman Suwandi & Hamid 2016) and (Yulianah 2015) conducted research related to the potential misuse of village funds. While the results of other studies show that the management of village funds in Indonesia has the potential for fraud which is quite worrying in every process (Walukow, Kalangi, & Piantik, 2017) and (Saputro, Wahyuningsih & Sunrowiyati, 2017).

## II. Review of Literature

### 2.1 Fraud

*Fraud* is a violation of the law. The act called fraud contains elements of intent, malicious intent, deception, concealment, and abuse of trust. These actions aim to take illicit profits which can be in the form of money, goods/wealth, services, not paying for services or obtaining business goods/services by bribing officials (Tuanakotta, 2013). Fraud is a legal term that refers to a deliberate misunderstanding of the truth in order to manipulate or deceive a company or individual. Fraud creates a misjudgment or maintains an existing misjudgment to persuade someone to enter into a contract.

### 2.2 Fraud Triangel

Ibrect, Alberct and Zimbelman (2011) define fraud as any means designed by human ingenuity to harm others with inappropriate presentation. There is no universal guideline in defining fraud because fraud is a surprise, fraud, cunning and various ways to cheat other parties. Fraud is a lie that causes an advantage for the perpetrator without being realized by the victim who is harmed and done intentionally.

The three elements of fraud summarized by Cressey in Ratmono, Diany & Purwanto (2017) are usually presented in diagrams. The top element of the diagram represents pressure or motive to commit fraud while the two elements at the bottom are opportunity and rationalization (Wells, 2011). For many years, the fraud hypothesis fueled by Cressey has been known as the fraud triangle theory.

### 2.3 Triangle Fraud (Triangle Fraud)



*Figure 1. The Fraud Triangle*

Perceived pressure or incentives related to motivation leading to unethical actions. Various types of pressure that can encourage deviant actions are faced by all actors. Lister's research (2007) reveals that the most relevant factor in committing fraud is pressure. The second important element of fraud is opportunity. Opportunities occur because of the ineffectiveness of the control system that causes fraud by someone. An individual will use the available opportunities as well as possible.

Rationalization is the third element in the fraud triangle. Perpetrators must reinforce that their unethical actions are the right things that are generally accepted. Rationalization leads to the argument that the unethical act committed is not a crime. It is not easy to detect rationalizations, because what is in the mind of the perpetrator is impossible to read. Perpetrators of fraud have their own mindset that makes their actions right and can be forgiven (Hooper & Porneli, 2014).

## **2.4 Forensic Audit**

Forensic audit is an audit that emphasizes the process of finding evidence and assessing the suitability of the evidence or audit findings with the size of evidence required for the trial. This audit includes certain procedures or stages carried out with a view to producing evidence (Panjaitan, 2018). Forensic audits are carried out by utilizing special investigative skills in carrying out investigations carried out in such a way that the results will have an application to the court (Akenbor and Oghoghomeh, 2013). Enofe, et. al. (2015) suggested that the focus of forensic audits is on the detection, analysis, and communication of evidence of underlying financial events and reporting. Unlike traditional audits, which are rule-based and single-event based,

Forensic auditors need to have the skills to determine what to examine, what constitutes relevant and valid evidence, where to look, and how to obtain or retrieve it, be proficient in interviewing departmental and recipient officials, be able to present findings and explanations in a way that can be used to support administrative, civil, or criminal actions (Alao, 2016). Forensic audit can be adapted as an internal audit strategy to prevent fraud (Enofe, et. al., 2015).

## **2.5 Investigation Audit**

An investigative audit is a form of audit or examination that aims to identify and uncover fraud or crime by using approaches, procedures and techniques that are generally used in a crime (Rahmayani, et. al. 2014).

Permenpan (2008) explains that an investigative audit is a process of systematically seeking, finding, and collecting evidence with the aim of revealing whether or not an act and its perpetrators occurred in order to take further legal action. An investigative audit requires auditing standards in its implementation. The investigative audit standard regulates planning that aims to minimize the level of risk of failure in conducting an investigative audit as well as providing directions for efficient and effective investigative audit implementation, supervision which is a continuous action during audit work, from planning to issuance of audit reports, collection and testing evidence that aims to support the conclusions and findings of the investigative audit, and documentation, namely storing in the form of audit working papers.

The initial process of carrying out assignments in the field of investigation is pre-assignment planning. This activity includes the process of reviewing information and exposure. Exposure aims to provide confidence that the report received is worthy of being followed up with an investigative audit assignment. The next process is investigative audit planning, in which the auditor must develop initial conclusions, identify audit approaches, procedures and techniques, formulate work procedures and steps, identify risks and plan risk mitigation and document the entire planning process. Furthermore, collecting sufficient, competent and relevant evidence and evaluating the evidence, communicating audit results, and managing audit work papers (BPKP, 2017).

In planning, the auditor uses the SMEAC planning model (Situation, Mission, Execution, Administration and logistics, and Communication) which includes all the basic elements in the implementation of one operation. Situation is a short statement that

contains known facts. Mission (mission) is the goal to be achieved by the investigation team. This section contains a statement regarding the results to be achieved from the investigation assignment to be carried out. Execution is a section that contains detailed steps on how the mission will be achieved which includes the components needed in carrying out the assignment. Administration and logistics is the allocation of resources both in terms of time, cost, and required manpower.

Auditors must have additional competence in carrying out investigative audits, namely knowledge of investigative auditing principles, practices and techniques, including ways to obtain evidence from whistle-blowers; knowledge of the application of laws, regulations, and other provisions related to investigative audits; ability to understand the concept of confidentiality and protection of information sources; and the ability to use computer equipment, software, and related systems effectively in order to support the investigative audit process related to cybercrime (Permenpan, 2008).

In addition, in conducting investigative audits there are several techniques used, namely investigative audits with audit techniques, investigative audits with taxation techniques, follow the money, investigative audits by analyzing elements of unlawful acts, procurement investigations, and computer forensics (Tuanakotta, 2003). 2017).

Based on the description above, it can be concluded that forensic audits and investigative audits are audits that can be used to detect fraud in Village Fund Management. Forensic audits are emphasized on gathering evidence to be used in court proceedings and investigative audits emphasizing on identifying and disclosing fraudulent acts.

### **III. Research Methods**

This study uses a qualitative method with the approach of Informant data analysis, namely in-depth interviews, to provide an overview of the potential for fraud in the management of village funds. The sources of this research are the Forensic Audit Team, the Investigation Audit Team and the Head of the Evlap (Report Evaluation and Follow-up)

Data collection techniques used in this study were through interviews, observation, and documentation. The analytical method used is content analysis (content analysis). This method is part of the text and language analysis method (Satori and Komariah, 2014:202).

Content analysis used to analyze the interview transcription data transcribed from the interviews. The next step for data analysis activities by Miles and Huberman in Satori and Komariah (2014: 218) consists of: data reduction, data display and conclusion drawing/verification which is carried out interactively and continues until it is complete, so that the data reaches saturation. The data analysis developed in this study was by editing, categorizing/coding and meaning (Musfiquon, 2012).

### **IV. Discussion**

The distribution of village funds in Mandailing Natal Regency has been stipulated by Regent Regulation Number 48 of 2016 concerning Procedures for Distribution and Determination of Details of Allocation of Village Funds and Village Funds. Each village in Mandailing Natal Regency in 2020 receives a village fund budget of Rp. 286,845,864,000, - which is divided into 377 villages from 23 sub-districts. The calculation of Mandailing Natal Regency is based on the calculation formula of the basic allocation and the allocation formula.

Formula allocation is an allocation that is calculated by taking into account the number of village residents, village poverty rate, village area and geographical difficulty level of the



village. While the basic allocation is the minimum allocation of village funds which is divided equally among all villages in Indonesia.

The results of the research and discussion through direct interviews with the Forensic Audit Team, Investigation Team and Ksubag.Evlap (Follow Up Evaluation) of the Inspectorate of Mandailing Natal Regency, namely from the results of the LHP Documentation Data (Inspection Result Report) village fund managers in Mandailing Natal Regency. In addition, direct observation in the field and observing the activities or activities of the informants.

Furthermore, conducting a documentation study and comparing interview data, observation data, and documentation data obtained during the study from the Inspectorate Office of Mandailing Natal Regency. Interview data and documentation data were then collected for data organization. To answer the problem of "Fraud Detection in Village Fund Management in Mandailing Natal Regency".

From the results of the LHP Documentation Data (Inspection Result Report) village fund managers in Mandailing Natal Regency. Fraud was detected in the management of village funds, with a sample of 14 villages in Hutabargot District in 2018-2020.

1. The case of the village head of Bangun Sejati, Hutabargot District. Unable to manage village funds, namely:
  - a. There is a refund of Rp. 1200.000,00
  - b. There is more remaining in the calculation of the APBDes Budget (SILPA) of Rp. 15,039,381.00
2. The case of the village head of Binanga, Hutabargot District. Unable to manage village funds, namely:
  - a. There is a refund of Rp. 1,500,000,000.00
  - b. There is a tax that has not been collected and deposited into the State treasury of Rp. 217,727.00
  - c. There is a Remaining Budget Calculation (SILPA) of the APBDes of Rp. 114,089,497.00 which have not been deposited into the Village Treasury.
3. the case of the head of the village of Hutabargot Dolok, sub-district of Hutabargot. Unable to manage Village Funds, namely:
  - a. There is an Income Tax that has been collected but has not been deposited to the State in the amount of Rp. 13,312,818.00
  - b. There is a payment that is not in accordance with the standard price/regency general cost standard of Rp. 1,687,500.00
  - c. There is a Remaining Budget Calculation (SILPA) of Rp.40,035,010.00 which has not been deposited to the Village Treasury.
4. The case of Hutalombang Village, Hutabargot sub-district. Unable to manage Village Funds, namely:
  - a. There is an inappropriate material slash payment of Rp. 1,530,000.00
  - b. There is an activity refund of Rp. 1600.000,00
  - c. There is a Value Added Tax (VAT) that has been collected but has not been deposited to the State Treasury in the amount of Rp.2,694,154.00
  - d. There is a Remaining Budget Calculation (SILPA) of the APBDes that has not been deposited to the Village Treasury in the amount of Rp. 1,378,610.00.
5. Huta Bargot Nauli Village Hutabargot District Unable to manage Village Funds, namely:
  - a. There is an overpayment for training activities of Rp. 360.000,00
  - b. There is a Remaining Budget Calculation (SILPA) of the APBDes that has not been deposited to the Village Treasury in the amount of Rp. 1,788,138.00

6. Huta Bargot Faithful Village Hutabargot District Unable to manage Village Funds, namely:
  - a. There is an activity return of Rp. 1200.000,00
  - b. There is a Disadvantage of Calculation of SILPA 1 Unit of dug wells of Rp. 5,860,700,000
  - c. There is a Remaining Budget Calculation (SILPA) of the APBDes that has not been deposited to the Village Treasury in the amount of Rp.40,201,393.00
7. Hutarimbaru Village, Hutabargot District Unable to manage Village Funds, namely:
  - a. There is an activity return of Rp. 1200.000,00
8. Hutanaingkan Village, Hutabargot Sub-district Unable to manage Village Funds, namely:
  - a. There is an activity return of Rp. 800.000,00
  - b. There is an overpayment of rp. 1,000,000.00
  - c. There is an excess of the remaining budget calculation (SILPA) which has not been deposited to the Village Treasury in the amount of Rp. 1,255,974.00
9. Group Setia Village, Hutabargot Sub-district Not Able to Manage Village Funds, namely:
  - a. There is an Excess Payment of the Activity Implementation Team (TPK) of Rp. 3,375,000.00
  - b. There is a return of activities of rp.800,000.00
  - c. There is an overpayment for goods purchases that are not in accordance with the RAB amounting to Rp.667,900.00.
  - d. There is an excess of the Budget Calculation (SILPA) that has not been deposited to the Village Treasury in the amount of Rp. 3,944,787.00
10. Mondan Village, Hutabargot District Unable to manage Village Funds, namely:
  - a. There is a tax that has been collected but has not been deposited to the State Treasury of Rp. 5,440,190.00.
  - b. There is an overpayment for official travel of Rp. 360,000.00
  - c. There is an activity return of Rp. 2,475,000.00
  - d. There is a Remaining Budget Calculation (SILPA) that has not been deposited to the Village Treasury in the amount of Rp. 17,383,250.00.
11. Pasar Hutabargot Village, Hutabargot District Unable to manage Village Funds, namely:
  - a. There is an activity return of Rp. 800.000,00
  - b. There is a Remaining Budget Calculation (SILPA) that has not been deposited to the Village Treasury in the amount of Rp. 734,286.00.
12. Saba Padang Village, Hutabargot District Unable to manage Village Funds, namely:
  - a. There is an income tax that has not been collected and deposited into the State Treasury amounting to Rp.80,727.00
  - b. There is an inappropriate material slash payment of Rp. Rp.1.360,000.00
  - c. There is a Remaining Budget Calculation (SILPA) that has not been deposited to the Village Treasury in the amount of Rp. 8,836,347.00
13. Simalagi Village, Hutabargot District Unable to manage Village Funds, namely:
  - a. There are not implemented in the amount of Rp. 3,500,000,000.00
  - b. There is VAT and Other Income Taxes that have not been collected and have not been deposited to the State Treasury in the amount of Rp.340,000.00
  - c. There is a Remaining Budget Calculation (SILPA) that has not been deposited to the Village Treasury in the amount of Rp. 11,354,180.00

14. Satur Maincat Village, Hutabargot District Unable to manage Village Funds, namely:
  - a. There is a return of activities of Rp. 3,300,000.00
  - b. There are activities that are not carried out in the amount of Rp. 1,300,000.00
  - c. There is a Remaining Budget Calculation (SILPA) that has not been deposited to the Village Treasury in the amount of Rp. 14,993,723.00

#### **4.1 The Mechanism for Reporting and Accountability for Village Funds is carried out according To the Provisions**

To implement good governance, the government has established policies for the implementation of a clear, regular and effective accountability system called the sharia performance accountability system of government agencies (SAKIP). The performance accountability system of government agencies is contained in Article 1 of Presidential Regulation Number 29 of 2014 concerning the Performance Accountability System of Government Agencies which states that the performance accountability system of government agencies is a systematic series of various activities, tools and procedures designed for the purpose of determining and measuring, collecting data, clarifying, summarizing and reporting performance to government agencies in the context of accountability and performance improvement of government agencies. According to Yani Syardiansyah (2020) performance is a result of work achieved by a person in carrying out the tasks assigned to him based on skill, experience and sincerity as well as time. This means that in work contains elements of the standard that achievement must be met, so, for those who reach the standards set means good performance (Wahjudewanti, 2021).

In terms of the implementation of the principle of accountability as stipulated in the Regulation of the Minister of Home Affairs Number 113 of 2014 concerning Village Financial Management, it is implemented through the realization reporting system and accountability for the implementation of the APBDes.

The results of the study indicate that the report on the realization of the use of village funds has gone through the mechanism according to the provisions. This is one of the demands of the community that must be fulfilled by the village government and is a form of accountability to the government above it as an institution that gives authority.

Sabeni and Gozali in Sujarweni (2015) state that accountability is a form of obligation of a person (leader/official/executor) to ensure that his/her duties and obligations have been carried out in accordance with applicable regulations. Mulgan (2003:3) states that accountability refers to the mechanism provided to public officials to be able to explain and ensure that they have acted correctly, behaved ethically and are responsible for their performance.

The delay in the distribution of village funds in phase I of course also causes delays in the absorption or realization of the use of village funds which results in delays in the submission of reports on the realization of the implementation of the first semester APBDes. In the Regulation of the Minister of Home Affairs Number 113 of 2014 concerning Village Financial Management which states that the submission of a report on the realization of the implementation of the first semester of APBDes is submitted no later than the end of July of the current year with the realization of the use or absorption of the budget of at least 50% (fifty percent). However, this cannot be carried out by the village fund manager because the very limited time does not allow the village fund manager to immediately realize the use of the budget. The role of village officials as village fund managers is very necessary in determining actions to determine the direction of the use of village funds in order to achieve the goals or targets set in the provisions, although in its implementation there are still delays and are faced with situational conditions that can limit actions to achieve these goals.



Parson (Ritzer, 1992:47) explains that action theory is placed in the paradigm of social definition by Parsons' concept of voluntarism. The concept of Voluntarism is an active and creative actor and has the ability to judge and choose from alternative actions. Although the actor does not have total freedom, he has the ability to freely choose various alternative actions, various goals to be achieved, conditions and norms and important situations that influence him in choosing and determining goals and actions to achieve goals.

#### **4.2 Communication Factor**

Accountability for managing village funds is not only the realization of correct reporting and accountability, but is realized by managers who understand or know what to do. Instructions for implementing policies must be conveyed clearly, accurately and consistently to capable people.

From field observations, village fund managers who do not understand the tax deposit system with the e-billing application cause delays in paying taxes. Previously, there was also no information through notification letters or socialization from the relevant agencies, namely KPP Pratama.

The absence of information or socialization from the relevant agencies, namely KPP Pratama, so that the tax payment made by the village treasurer was delayed and eventually became the findings of the Inspectorate. The communication factor is very important to support the success of policy implementation. Robin (2006) states that communication carries out four main functions within a group or organization, namely controlling, motivating, expressing emotions and information.

The absence of socialization and information from relevant agencies that hindered the successful implementation of public policies, namely delays in depositing taxes into the state treasury.

#### **4.3 Competence**

In managing village funds, skills or skills are needed from the manager. The village head in carrying out the management of village funds is assisted by PTPKD who comes from elements of the village apparatus, one of which is the village treasurer who has the task of administering accountability reports. However, in compiling the accountability report, there are still things that are not understood by the public

#### **4.4 Implementing Attitude**

Preparation of the APBDes realization report where the financial management of village funds is an inseparable part of village financial management in the APBDes, whose management is carried out by the village treasurer and the activity management team (TPK). In the process of preparing the report, the village treasurer faced obstacles. For example, the negligence of the party who is also responsible for managing village funds, namely the activity management team (TPK) who is late in entering the evidence or documents needed by the treasurer to record every receipt and expenditure, the results of which become a reporting and accountability document. The negligence of the activity management team (TPK) is also non-compliance with the mechanism where every receipt and expenditure in the implementation of activities must go through the verification of the village secretary,

This omission resulted in the process of preparing reports being slow which in turn affected the reporting of the realization of the use of village funds in the first semester which should have been submitted at the end of July. Basri and Nabiha (2014) explain that accountability in the public sector is not an easy thing. It takes morals, values, attitudes from government officials who are responsible for managing public funds.

Edward III (1980) explains that one of the important factors in the study of policy implementation is the attitude factor of the implementer. If policy implementation is expected to be effective, then policy implementers are not only limited to knowing what to do, but they must also have the drive, the desire to do the task. The behavior of implementers who do not participate actively can hinder the effectiveness of policy implementation.

#### 4.5 Bureaucratic Structure

For the distribution of village funds in Kotamobagu City, it has been regulated in the Regulation of the Mayor of Kotamobagu City Number 18a concerning Procedures for Distribution and Determination of Details of Allocation of Village Funds and Village Funds in each Village in Kotamobagu City for Fiscal Year 2016. The distribution of village funds is carried out through book-entry from the Regional General Treasury Account to Village Treasury General Account. Phase I distribution of village funds is carried out after the village head submits village regulations regarding the RPJMDes, RKPDes, APBDes and reports on the realization of the use of village funds in the previous fiscal year. In his submission, the village head must submit no later than the second week of March. However, in practice the village government was late in submitting these documents as a requirement for the distribution of village funds for phase I, namely in March based on the Kotamobagu City Mayor Regulation Number 18a of 2016. The delay was due to the change of a new village head in which the village government's obligation to make the RPJMDes, RKPDes and APBDes 2016 which takes a long time of approximately 3 (three) months will of course also slow down the submission of documents for village fund disbursement requirements. Another obstacle that caused the delay in the distribution of village funds in phase I was that the regulations that were handed down from the central government to local governments were late and fluctuating.

This reflects that the bureaucratic structure can hinder policy implementation. Although there are sufficient resources to implement policies and implementers know what to do and are willing to implement them, implementation is still hampered by problems with the bureaucratic structure.

Wahab (2008: 185) explains that the policy function of implementing the policy is to create a relationship that allows the goals or objectives of state policies to be implemented and realized as the outcome of the final activities desired by the government, able to carry out what has been planned. become provisions and want what is in the provisions to be achieved in order to support the successful implementation of a state policy but is still hampered by the existing bureaucratic structure.

This is due to the lack of understanding of the village treasurer regarding regulations and the lack of knowledge and information to support his duties.

The level of ability of the village treasurer still needs to be pursued in order to increase competence. These competencies are a combination of motivation, attitudes, character, knowledge and abilities that must always be strived for continuous improvement. The village treasurer must have the desire to learn new things, especially in managing village finances to support his duties.

Spencer (1939:9) in Sedarmayanti (2015) explains that competence is part of a person's deep and inherent personality, as well as predictable behavior in various situations and work tasks.

In order to support the ability of village fund managers to increase competence, the village fund facilitation team in Mandailing Natal Regency, namely the PMD, PP and KB Kab. Mandailing Natal, and the District BPKD Office. Mandailing Natal has several times provided training, socialization and assistance to village fund managers, namely the Village

Head, Village Secretary, Village Treasurer and PTPKD. In addition, the facilitation team provided counseling directly in the field and provided space for village fund managers for consultation. This training was carried out in collaboration with BPKP, namely IT-based village financial management training, regarding input procedures using the siskeudes application.

In realizing the accountability of village fund management, it must be supported by adequate resources so that the goals to be achieved can be realized. Without individuals who have expertise or competence, it is impossible for an organization to achieve its goals. Yusuf (2015) defines resources as tools to achieve goals or the ability to take advantage of existing opportunities. Werther and Davis (1996) state that human resources are employees who are ready, capable and alert in achieving organizational goals.

## V. Conclusion

Based on the results of the study, the following conclusions can be drawn:

1. After an examination by the Forensic Audit Team and the Investigation Team from the Mandailing Natal Inspectorate Service, concluded that Fraud was detected in the management of village funds in 14 villages in Hutabargot District in 2020 Mandailing Natal Regency
2. The research that has been conducted regarding the potential for fraud in the management of village funds concludes that in detecting fraud in the management of village funds in 14 villages in the Hutabargot sub-district in 2020, fraud has occurred based on the LHP (Examination Result Report) at the Inspectorate Service of Mandailing Natal Regency.
3. Lack of training and supervision of the village fund management process can lead to deviations that can be detrimental, training is carried out to improve the ability of village officials in managing village funds, this is very necessary for the creation of village fund management properly and in accordance with established rules.

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