
EXAMINING FRAUD SCHEMES IN VILLAGE FINANCIAL MANAGEMENT

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ABSTRACT

Research into fraud schemes in village financial management can be an important instrument in efforts to improve public financial governance and ensure more efficient and effective use of funds for community welfare. Therefore, the purpose of this research is to find out the fraud schemes that occur in Pelangi Village from planning to accountability. This research method uses a qualitative approach. This research method is often called Naturalistic where the journey occurs naturally or in natural settings, as it is, and in normal situations, there is no manipulation of events, circumstances, and conditions so that it matches the existing reality. The results of this study indicate that the Fraud Scheme in village financial management is indeed diverse. Fraud schemes in Pelangi Village are structured from the planning stage to the accountability stage. This organized and massive fraud scheme is not only carried out by one person but by a team or a group.

INTRODUCTION

(Shihab, 2016) the poem above is a small portrait of the condition of Indonesia today. How the corruptors are rampant and sadly it makes people start to distrust their leaders. News about the government sector is now colored by matters of money alone. Public money that is entrusted to the managers of the state and government to meet the needs of the people is the main task. But ironically, the news that often appears before the public shows the opposite condition. The public spotlight on State managers is more indicative of issues surrounding financial management that are not on target. The problem of financial management that is not on target occurs in the central, regional, and even village governments.

The problem of village financial management that is not on target has become a global issue, including in Indonesia. Funds that are mandated to meet the needs of the people, a lot of data and news point to the reality that these funds become a place to fulfill the welfare of government officials (Bunga et al., 2018). Corruptors are everywhere, from the central government in Jakarta to remote villages.

A report released by the Corruption Eradication Commission (KPK), an ad hoc state institution given extraordinary authority by Law No. 30 of 2002 to eradicate corruption, shows shocking data. The Corruption Eradication Commission (KPK) has recorded 1,351 cases of corruption from 2004 to 2022 (KPK, 2022). The details of the 1,351 cases include 904 cases of bribery, 277 cases of procurement of goods and services, 57 cases of budget

misuse, 50 cases of money laundering or TPPU, 27 cases of levies or extortion, 25 cases of licensing, and remaining 11 cases are still hindering the KPK process (KPK, 2022). In addition to the data above, the KPK also released data from 2012 to 2021, there have been 601 cases of corruption of village funds. Of these 601 cases, 686 village heads and officials have been involved in corrupt practices (KPK, 2021). According to the mandate of the Law (UU), the KPK only handles cases of alleged corruption with a value above 1 billion Rupiah. This means that the 601 cases reported by the KPK are cases that have a value above 1 billion.

The village as a government that is very close to the people and in direct contact with the community is finally in the spotlight. The disclosure of cases of misuse of financial management and authority at the village level is homework that needs to be reorganized. Villages are the smallest government in the region, since the enactment of Law No. 06/2014 on villages, villages have become an important and priority part of national development. This has been proven by the disbursement of funds to every village in this country. It was recorded in the APBN-P that in the first year, 2015, approximately 20.776 trillion funds were disbursed to all villages recorded in the Ministry of Home Affairs data in 2015, totaling 74,093 villages spread throughout Indonesia (Desa, 2015).

In accordance with the spirit of the Village Law, all development in the village must include the village community from planning, organizing, implementing, and monitoring. The Village Law mandates that village development must prioritize togetherness, kinship, and mutual cooperation in order to mainstream peace and social justice. In the current government system, villages have a strategic role in development efforts and poverty alleviation. Villages have a role as the subject of development rather than the object of development, this is based on changes in the position of Law Number 22 of 1999, Law Number 32 of 2004, and Law Number 6 of 2014 which aims to make villages no longer the object of development but the subject of development (Bawono, 2019).

As a means of supporting development and empowerment activities, the village has a Village Budget (APBDes). Village revenue comes from several sources listed in Law No. 06/2014. First, Village Original Income or PAD. Original village revenue is revenue sourced from village businesses or the management of village assets, for example, the management of tourist attractions or the management of village treasury land or bengkok land. PAD can also be generated through village-owned enterprises or Bumdes. Second, the State Budget Allocation. This second source of revenue is commonly known as village funds. Regulation of the Minister of Village Development of Disadvantaged Regions and Transmigration of the Republic of Indonesia Number 16 of 2018 concerning Priorities for the Use of Village Funds in 2019 in Chapter III Article 4 paragraph (1) states that the priority use of village funds is to finance the implementation of programs and activities in the field of village development and village community empowerment, in paragraph (2) it is explained that village funds can be used to finance priority programs and activities that are cross-cutting. In paragraph (3), it is further elaborated that as referred to in paragraphs (1) and (2), it is expected to provide maximum benefits for the village community in the form of improving the quality of life, improving welfare and poverty reduction, and improving public services at the village level.

The 2018 Regulation of the Minister of Villages, Disadvantaged Regions and Transmigration (PD TT) of the Republic of Indonesia was refined in the Regulation of the Minister of Villages, Disadvantaged Regions and Transmigration of the Republic of

Indonesia number 11 of 2019 concerning Priorities for the Use of Village Funds in 2020 where the priority use of village funds is to finance the implementation of programs and activities in the field of village development and village community empowerment. The use of village funds must provide maximum benefits for the village community in the form of improving the quality of life, improving welfare, reducing poverty, and improving public services.

Third, the allocation of village funds (ADD), is part of the balancing funds received by the regency/city. ADD is the obligation of the regency/city government to allocate it into the APBD through the balancing fund after deducting the Special Allocation Fund (DAK) to be channeled through the village cash account. Fourth, assistance from the Provincial APBD and Regency/City APBD. Fifth, grants and donations that come from third parties and are not binding. For example, land owned by residents is donated to the village to be used as a village road and built by the village government. Finally, other legitimate revenues.

Based on the six sources of village funds detailed above, the average village in Jingga Village gets the most income from three of them. Namely from the Village Fund (DD), Village Fund Allocation (ADD), and Village Original Income (PAD). In accordance with PMK Number 49/PMK.07/2016 concerning Procedures for Allocation, Distribution, Use, Monitoring, and Evaluation of Village Funds, the allocation of Village Funds is calculated based on the sum of the basic allocation and the formula allocation.

The magnitude of the role received and owned by the village, must be accompanied by the magnitude of responsibility as well. In the end, all activities in the village government must be accountable to the villagers in accordance with applicable regulations (Temenggung, 2016). Various efforts have been made to minimize the occurrence of fraud in the village. One of them is by installing billboards of the Information on Village Government Implementation Report (ILPPD). ILPPD billboards are a form of Minister of Finance Regulation and Regional Regulation regarding access to the transparency of APBDes activities that must be published to the village community through news or media banners, banners, or websites. However, it turns out that transparency does not guarantee good financial management (Ladewi et al., 2023).

Village finances, which are expected to bring good luck to the village community and also the village government in carrying out village development, are not infrequently the cause of entering into the abyss of misery that must be paid for by life behind bars. One example is in accordance with decision number 23/Pid.Sus-TPL/2021/PN Sby. The village head, who was appointed in 2013, was found guilty of committing an act with the aim of benefiting himself in the amount of Rp. 253,036,928.12 (two hundred fifty-three million nine hundred twenty-eight rupiah twelve cents).

Several other cases occurred not only in Gresik but also in Bojonegoro. Decision Number 23/Pid.Sus-TPK/2018/PN. Sby explained that the treasurer of Jari Village, Gondang Subdistrict, Bojonegoro Regency was proven to have committed acts of enriching others and harming the state. According to the verdict of the Surabaya District Court, there were seven items of physical activities carried out that did not meet specifications, the seven items of work were not supported by valid/fake evidence so this was contrary to the rules of Permendagri No. 113 of 2014 concerning village financial management article 24 paragraph (3). The remaining money from the construction was given to the village head to fund

activities and work outside of those listed in the APBDes with a value of Rp. 114,775,000, - (one hundred and eighteen million, seven hundred and seventy-five thousand rupiah) so this is contrary to Permendagri no 113 of 2014 article 24 paragraph (1) and article 25 paragraph (1).

The court decision above is a small picture of what is happening at the grassroots level. The rise of fraud cases that occur in village financial management is a smoke that we must find the fire. This means that all of that is the result that we must find the cause to be able to break the existing fraud chain. Lots of researchers have been about fraud in village financial management (Maha & Sujana, 2022). conducted research on factors that influence the potential for fraud in the management of village funds due to the COVID-19 pandemic (case study on villages in the Buleleng district) using quantitative methods. The research focuses on testing the factors that influence the potential for fraud in the management of village funds due to the COVID-19 pandemic. Researchers collected data through questionnaires and then processed using multiple linear analyses which resulted in the conclusion that supervision, budget participation, and HR competence had a negative and significant effect on potential fraud in the management of village funds.

(Saputra & Sanjaya, 2019) convey that whistleblowing does not show a significant effect on fraud prevention. This is because the village government and the management of village funds put more trust in *tri hita karana* as a prevention of fraud. The research we described above is part of a research that discusses fraud in village financial management with the aim of finding out fraud schemes that occur in Rainbow Village from planning to accountability. Almost the same as (Rustiyaningsih, 2023) shows that organizational culture affects fraud prevention and individual morality. Individual morality affects fraud prevention but does not mediate the effect of organizational culture on fraud prevention in village financial management.

Arshanstya and Edy Sujana (2022) focus more on testing the factors that influence the occurrence of fraud in the village, while (Saputra & Sanjaya, 2019) and (Rustiyaningsih, 2023) focus more on testing several factors that can prevent fraud in the village. Different from both of them, researchers actually want to find fraud schemes in the village so that we know how to respond to each of the existing fraud schemes. As in medical science, different diseases have different drugs, and so does fraud, different schemes have different forms of prevention, therefore we must know what schemes are used and developed to commit fraud in the village.

This research will focus on village finances sourced from the APBN commonly called village funds, as well as (Kristiani et al., 2021) and Depi Rahayu (2017) their research wrote that their research aims to analyze the management of existing village funds. This research resulted in a conclusion that the management of village funds in the village is in accordance with existing regulations, namely Permendagri number 113 of 2014, starting from planning, budgeting, implementing administration, reporting, and accountability. However, in the implementation of fund management, human resource management is still an obstacle. Directly proportional to the research of (Kristiani et al., 2021), Gresita's research (2023); Emy & Dwi (2023) also talked about village funds, the study examined the determinants of fraud prevention that occurred in the village, in their research concluded that the internal control system has no effect on fraud prevention while those that have an effect on fraud

prevention are spirituality and trust.

This research will also discuss village funds, but what distinguishes this research from previous research is that this research focuses more on fraud schemes in the management of village funds, not only on the suitability of management practices in the field with existing regulations or on preventing fraud in the village. (Isma'il et al., 2023) revealed fraud in the distribution of the Direct Cash Assistance (BLT) program sourced from village funds (DD), where the funds distributed did not reach the recipients in full, the BLT DD was distributed and became the right of the recipient was cut or reduced in amount by the village government, this happened because of the ethical dilemma experienced by village officials.

This research describes the fraud scheme in the distribution of BLT DD, in contrast to (I Made Anjol, 2022) in their research, the authors reveal the background of fraud, find out the process of fraud, and the implications of fraud in the financial management of traditional villages, in their findings (I Made Anjol, 2022) concluded that fraud in the financial management of the Jimbaran Traditional Village occurred due to the lack of a critical attitude of the krama towards the traditional village officials, as well as the intention of the traditional village officials to use their positions. The existence of fraud is caused by weak village padruwen rules and governance, the influence of each pakewuh culture, rationalization attitudes, and cultural capital factors.

The research of (I Made Anjol, 2022) revealed the motive or reason behind the fraud but did not display the existing scheme. (Isma'il et al., 2023) has shown fraud schemes but only focused on the BLT DD program, departing from these two studies, researchers are interested in conducting research on Fraud Schemes in village financial management. This research does not only examine one program but also village finances sourced from the Village Fund. This research focuses on examining fraud schemes in village financial management in Pelangi Village where this village is a village that has emotional closeness to researchers, which is expected that researchers can more deeply examine existing fraud schemes and reveal them and contribute to all stakeholders.

METHOD RESEARCH

Along the way to finding answers to the questions that roam in the minds of researchers using a qualitative approach. The qualitative approach method is often also called the Naturalistic research method where the journey occurs naturally or in natural settings, as it is, and in normal situations, there is no manipulation of events, circumstances, and conditions so it really fits the existing reality. Based on the problems of the objectives raised, this type of research is case study qualitative research. According to (D. Sugiyono, 2010), qualitative research is research conducted using facts in the form of words or sentences from any information.

According to (Bungin, 2011), the case study research format is not like water spreading on the surface but the case study research format focuses on a particular unit of various phenomena that exist. According to Buring (2011), case study qualitative research is characterized by exploratory research and has a very important role in understanding people about social variables. In this case, researchers collect various forms of qualitative data ranging from interviews, observations, documents, and so on. Because referring to one data alone is considered insufficient to obtain a deep understanding according to qualitative research, in

order for the results of this research analysis to be well understood and accepted, good case study research must also involve a description of the case.

In this regard, this research decision uses a case study path because this research intends to understand the problems and situations in-depth, complex, and meaningful related to fraud schemes in financial management by collecting interviews and documentation. Researchers try to dive into the problem and reveal the meaning and the facts that occur related to fraud schemes in village financial management so that it will produce an output that will reveal all the veils of the problems that have been pseudo and not yet known by the general public. In this study, researchers concluded their research in one chapter regarding the overall meaning of the results of research conducted by researchers related to fraud schemes that researchers will find in village financial management.

Object of Research

Researchers want to obtain information to unravel the answers to existing questions, so it is necessary to have the right research object. On this occasion, the researcher chose to conduct research in Pelangi village, which is one of the villages in Jingga district. Pelangi is a pseudonym because the village is very close to a reservoir or dam. The reason why the researcher chose Pelangi village is because of the emotional closeness of the researcher who has been established for a long time with the residents and even the local government, which is expected to facilitate the researcher in exploring existing data regarding fraud schemes in the financial management of Pelangi village. Another reason for the village's interest is that the village head of Pelangi has been exposed to fraud cases of embezzlement of grant funds from legislative candidates. The financial management that will be studied in relation to the existing fraud scheme is focused on the management of village finances sourced from village funds.

Data Validity Test

Data validity tests in qualitative research according to (S. Sugiyono, 2016) include data credibility tests, transferability tests, dependability tests, and confirmability tests. In this study, the data credibility test was used to test the validity of the data. The data credibility test was carried out by triangulation. According to Wiliam Wiersma (S. Sugiyono, 2016), Data triangulation is defined as checking data from various sources in various ways and at various times.

In this study, researchers will use the data triangulation technique to check data from various sources. Researchers will juxtapose the opinions of several sources on a case or question posed. Researchers will also confirm the truth of the responses from one source to another so that data will be obtained that is relevant to what actually happened in the field.

Research is always related to people's trust in the research process and results. To gain this trust, researchers use triangulation techniques. Triangulation in this is defined as checking data from various sources in various ways, and at various times (P. Sugiyono, 2015). Researchers chose to use the triangulation technique because according to researchers this technique is a technique that makes it easier for researchers to eliminate differences in events in the field. In using this technique the researcher also hopes to be able to crosscheck his findings by comparing them with several sources, techniques, and time so as to get valid data. Findings or data can be recognized as valid in qualitative research, namely that there is no difference between what the researcher reports and what actually happens to the object under study. Source triangulation in this study was carried out by checking the data that had been

obtained from several different sources, namely from several people involved in village financial management.

Triangulation of techniques is done by confirming data to the same source with different techniques, namely data obtained from interviews with informants, observation, and documentation. Time triangulation usually also affects the credibility of the data, so researchers perform data collection techniques on sources at different times and situations.

Data Collection Technique

The data collection technique is a bridge that connects the researcher with the social world being researched and is an important element for obtaining data. Data collection methods for qualitative research consist of 6 types, namely documents, archival records, interviews, direct observation, participant observation, and physical artifacts. Researchers used interviews, institutional document analysis, and observation to collect data.

- a. **Unstructured interview:** According to (P. Sugiyono, 2015) it is a free interview where researchers do not use guidelines that have been arranged systematically (on text) and completely for data collection when conducting interviews. This study conducted unstructured interviews with informants related to village financial management more specifically to the management of village funds and fraud schemes that occur in village funds. In addition to being unstructured, this interview will be conducted informally by researchers, namely without a standardized text guide. The purpose of this type of interview is to find problems more openly, where the interviewee is asked for his opinions and ideas (P. Sugiyono, 2015). Interviews were conducted to obtain information related to fraud schemes in financial management in Pelangi Village, especially income sourced from village funds.
- b. **Analysis of institutional documents.** Institutional documents are data sources obtained from institutions, data can also be obtained from various sources, using various data collection techniques (triangulation), and carried out continuously until the data is saturated (P. Sugiyono, 2015). In this study, researchers will try to obtain institutional documents that can provide information on research questions. Such as the results of the RPJMDesa, RKPDesa, APBDes, village administration books, and annual reports on village funds in Pelangi Village, including information or news about financial management in Pelangi Village.
- c. **Observation** is a person's ability to use their observations through the work of the five senses of vision and assisted by the other five senses (Bungin, 2011). Researchers will conduct direct fieldwork to find data about the situation and conditions of Pelangi Village, informant behavior, time, expressions, and others. The reason researchers make observations is to present a realistic picture of behavior or events, to answer questions, and to help understand informant behavior.

RESULTS AND DISCUSSION

Fraud Scheme in the Planning Stage

Pelangi Village is one of the villages in Jingga, this government began to be mandated by the state to prosper its people starting from development to being able to help the poor in the village economy. Pelangi Village plays an important role in village financial management,

especially since the implementation of Law Number 6 of 2014 concerning Villages, where villages receive village funds from the APBN, which in managing village finances is regulated by the Minister of Home Affairs Regulation Number 113 of 2014 concerning Village Financial Management.

Village funds often called DD are closely related to the preparation of the RPJMDesa made every 6 (six) years, the Village RKP is made more specifically each year taken from the RPJMesa, from the new Village RKP will be made APBDesa. The Village RPJM is prepared by the village government together with several community members through a deliberation called Musrenbangdes. The preparation of the RPJM Village discusses the problems that exist in the village concerned and then makes a work plan for six years. Similar to the Village RPJM, the Village RKP is prepared jointly by the village government and the community through Musrenbangdes. This annual Musrenbangdes will discuss what needs to be addressed in the year in question, taking into account the six-year work plan that has been summarized in the Village RPJM to be subsequently poured into the form of a budget. the preparation of this plan will detail which activities are urgent and which are not. Urgent activities will then be prioritized to be included in the next budget year.

Planning Proposal from Village Head

The implementation of Law No. 6/2014 on Villages can provide greater opportunities for villages to become more independent. Especially in the planning stage, to achieve the government's expectations to become a village with good planning and really planned seriously. The village government plays a very important role in improving village development and carrying out this mandate properly and correctly because the village regulates all forms of fields in the village government, including regulating village financial management specifically at the planning stage. The planning stage is a stage to realize the ideals of becoming an independent village that requires really good and mature planning in order to become a competitive village and have original village income that can be used for the welfare of the community.

The planning stage is the initial stage in village financial management, at this stage, the village provides proposals related to what will be planned during the making of the RPJMDesa. These proposals are discussed in the village musrenbang to discuss the proposals and the work plan will be determined, but in Pelangi Village, the village musrenbang is only a formality, this village musrenbang invites all community leaders and important elements in the community but with a ready-made draft and the draft of the activity contains the village head's proposal. no community leaders were present, only the village head the officials, and the chairman of the BPD. The following is the expression of the village head regarding the proposal process at the planning stage.

“Usulan desa terkait dengan perencanaan yaitu dengan mengadakan musyawarah yang dihadiri oleh aparat desa BPD dan Tokoh masyarakat (yang hadir hanya tetangga) dan pendamping desa kalau dulu konsultal kecamatan”. Said the Village Head

The results of the interview stated that those who attended the deliberations were BPD village officials community leaders and village assistants. This is in line with the Regulation of the Minister of Villages, Development of Disadvantaged Areas and Transmigration Number 21 of 2020 as follows The Village Development Planning Deliberation, hereinafter referred to

as the Village Musrenbang, is a deliberation between the BPD, the Village Government, and elements of the community organized by the Village Government to determine priorities, programs, activities, and Village Development needs funded by the Village revenue and expenditure budget, Village community self-help, and/or district/city regional revenue and expenditure budget.

The Musrenbangdes, which is attended by many people, is certainly an effort to accommodate all the aspirations of the existing community so that future programs are truly launched based on the needs of the community. However, Pelangi village is different. The following is the statement of the head of Pelangi village:

“Usulan itu harusnya berasal dari masyarakat. Masyarakat disini antusias nya bagus namun terlalu bertele-tele jika semua akan dibahas mulai awal. Jadi biar lebih cepet kita siapkan usulan usulan untuk di diskusikan agar ga lama-lama. Kalau masih cari ide dan menanggapi satu-satu yo suwi banget mbak, ga rampung-rampung (ya lama sekali mbak tidak selesai-selesai)” Said the Village Head

From the results of the interview, the village head realized that the proposal should have come from the community, not from himself, but due to the large number of participants present and the enthusiasm of the community to propose programs, the village head committed fraud on the proposal that should have played an important role in proposing. The community in Pelangi Village only had the opportunity to propose formally, whatever happened in the meeting would not change the draft plan in the RPJMdesa and RKPDesa.

Just like the village head, the village secretary here seems to be aware that the planning proposal comes from community leaders, not from the village head. In conducting the proposal process as the head of the RPJMDesa preparation, the village secretary went down to the field to find out whether the village head's proposal was feasible or not. The following is what the village secretary said.

"Alur usulan tetap dari bawah berdasarkan ide kepala desa yang nantinya saya tinjau kembali pada dusun yang akan dituju. Misalnya ide kepala desa memperbaiki jalan aspal dusun C nanti saya kesana melihat layak atau tidak untuk di bangun, cukup atau tidak uang DD tersebut."

The results of the interview with the village secretary realized that the planning stage should be from the bottom (community leaders), but if the community in Pelangi Village is given the opportunity to propose, then all things will be proposed, so from the apparatus to the community or see directly whether or not the village head's proposal is feasible. This certainly contradicts Permendes PDTT Number 21 of 2020 where in article 24 Point C it is explained that organizing the interests and initiatives of individuals and/or groups in the Village Musrenbang, meaning that the village Musrenbang should be a forum for organizing community interests and proposals, not for accommodating the interests of the village head.

Village Musrenbang

The village musrenbang is very important in the preparation of the RPJMdesa because the main basis for proposals in Pelangi Village is through deliberations to discuss proposals and work plans, but in Pelangi Village, the village musrenbang is only a formality, what is proposed in the discussion will not change the draft activities that have been made. As

explained in the previous sub-chapter, during the planning of proposals, the community is very ambitious to mention everything that comes to their mind, so it is very unlikely that it will be implemented. The following is what the village head said about the village musrembang:

“Musyawarah biasanya mendapatkan surat pemberitahuan dari pihak kecamatan. Ya sesungguhnya musyawarah yang benar semua tokoh masyarakat, LPM, BPD hadir semua dan rembukan bareng (berdiskusi bersama)” said the village head.

From the results of this interview, the village head inadvertently realized that the musrembang should be attended by the community. The village musrembang in Pelangi Village is only a formality. Musrembang is the initial stage in the preparation of the village RPJMDesa but it is only a formality. It should really be a forum for meetings between community leaders and officials, especially with the implementation of the Village Law with the aim that villages can be independent. The village secretary realized the importance of deliberation in building a beautiful village, not by taking pictures, eating, and going home. According to the BPD, notification of the deliberation was impromptu, following is the expression of the BPD Chairman about Musrembang.

"Kalau ada musyawarah gitu saya biasanya di undangi saja suruh hadir kesana, Nyampek sana sudah di tampilkan beberapa rencana kegiatan untuk di setujui kalaupun ada usulan ya Cuma di iya-iya in aja. Musyawarah desa itu sangat penting tapi berhubung masyarakat desa disini seperti tidak begitu di anggap usulannya ya mau bagaimana lagi. Saya sudah berusaha untuk mengusulkan banyak hal tapi kalau ga ada tanggapan ya percuma. Akhirnya yang di setujui yang sudah di reng-reng mereka (pengelola keuangan) sendiri".

BPD plays an important role in Musrembang, but invitations are only invitations, whatever is submitted never gets a positive response. In the preparation of the RKP, which is carried out through Musrenbangdesa, the community should have a big role, the presence and participation of the community are very important, so that the Permendes PDTT Number 21 of 2020 mandates the village head to ensure the presence of invitations from elements of the community. However, the situation in Pelangi Village is different. When researchers asked for proof of meeting minutes, everything was clearly written but did not match what happened at the meeting. The proposal was adjusted to the RKP that had been designed by the village apparatus. Musrembang in terms of planning is very important not just a formality but must really be carried out to discuss things that will be planned and performance that will be made in the coming 1 year as well as decisions in a proposal. Musrembang in planning is the initial stage in preparing the RPJMDesa.

Planning Creation

Planning is a process of stages of activities organized by the Village Government involving the Village Consultative Body and elements of the community in a participatory manner in order to utilize and allocate village resources in order to achieve village development goals (Minister of Home Affairs Regulation No. 114/2014 on Village Development Guidelines, Article 1). A plan requires planning documents in order to achieve village development goals. Planning documents are documents that are used as guidelines in the implementation of

activities, especially in carrying out activities funded by the government, such as village funds in this study.

There are 3 documents in the management of village funds, namely the RPJMDesa which has been made for 6 years, the RKPDesa derivative of the RPJMDesa which is made once a year and the APBDDesa derivative of the RKPDesa. Every year the village should make an RKPDesa and APBDDesa planning document and RAB in carrying out an activity. During the initial research, researchers asked about planning documents such as the Village RPJM, Village RKP, APBDDesa as well as the RAB made in each activity. But the village head seemed to stutter and diverted the conversation to other things.

“Intinya ada RAB nya dan RAB itu kita sepakati bersama-sama sesuai dengan apa yang ada dilapangan” Said the village head

The point is that there is an RAB and we agree on the RAB together according to what is in the field”. Said the village head

“Kita kasih tau apa aja yang harus ada termasuk beberapa permintaan dari dinas-dinas mbak, karena kadang mereka minta. Yang penting tidak melebihi Batasan harga dari pemerintah kabupaten” said the village secretary.

According to the village secretary, the village government often receives requests from other parties to include programs that involve them and development programs also need to be budgeted carefully so that they are not minus, so the village government hires a third party to help create the planning documents. The third parties who are asked for help are not separated from local government or district employees, they are asked personally for a fee of 2-3 million for each plan. According to the village treasurer, this is something that is usually done by every village, for the sake of security and suitability so as not to drain a lot of time and energy.

“Semua desa ya begitu mbak, soalnya kalau mengerjakan sendiri kadang sampai kecamatan masing di revisi masih di kembalikan justru lama dan ga selesai-selesai kalau pakai bantuan begitu sudah pasti sesuai”

The district should be the organizer who assists villages in working on planning documents. According to the village secretary, as the head of planning, especially the RPJMDesa, even though he was often taught, he was still afraid that if it was not appropriate, it would add more work. The village secretary had already attended training on the regulations of Law No. 6/2014, in which the village secretary knew that the village (himself as the head of the drafting team) was responsible for preparing the document, but the village secretary felt that it was very risky if it had to be done alone. This is in line with the answer conveyed by the village staff.

“Ya semua itu kan sudah di atur dengan baik demi kebaikan bersama mbak, banyak kegiatan yang sifatnya titipan dari pejabat-pejabat dan kasihan kalau sekdes dan bendahara harus mikir sendiri jadi yang memang mereka menyerahkan itu kepada pihak lain, desa terima beres saja” said the village staff.

In the preparation of the Village RPJM according to the Minister of Home Affairs Regulation 114 of 2014 concerning village development guidelines article 7, namely at the stage of making the RPJMdesa, the drafting team is the Village head as the coach, the Village

secretary acts as chairman, the chairman of the community empowerment agency as secretary and members who come from village officials, community empowerment institutions, village community empowerment cadres, and other community elements. According to Permendagri Number 113 of 2014 concerning Village Financial Management article 20 number 1, the Village Secretary prepares the Draft Village Regulation on the APBDesa based on the Village RKP for the year.

Pelangi Village has committed fraud in terms of planning the village secretary who should be the head of the planning team along with other village governments, but this was taken by other parties in the process. According to Law No. 6/2014, a village is a legal community unit that has boundaries that are authorized to regulate and manage government affairs, and the interests of the local community based on community initiatives, origin rights, or traditional rights that are recognized and respected in the Government System of the Unitary State of the Republic of Indonesia. The existence of this law the village should be an independent village, that can take care of its own government but in reality, the village cannot be independent because starting from the experience before the implementation of the Law on Villages, the village is not independent by using other parties in its making.

In addition, the village government has the mandate to manage village funds for the benefit of the community for development programs and community empowerment, of course, in accordance with the fields and infrastructure needed by the community, not based on third-party orders, in this case, the village has committed fraud, namely preparing the Village RKP based on the interests of other parties. This is part of fraud in village financial management at the planning stage.

Village Facilitator

Village assistance is an activity to carry out community empowerment actions through assistance, organizing, directing, and facilitating the Village in the village minister's regulation on village assistance. With the new regulation, the government has recruited village assistants and local village assistants. The purpose of government recruitment is to assist the village in running its government, but this does not apply. Here is what the village secretary said:

"Pendamping desa itu kalau datang ya cuma foto-foto untuh bahan laporan kinerja dia atau dibuat status Whatsapp aja mbak"

According to the village secretary, the village was not helped by the presence of the village facilitator, because the village facilitator was only present during deliberations and the implementation of activities. In addition to the village secretary, this statement was also conveyed by the village staff.

"Pendamping desa ya Cuma kadang-kadang aja datangnya mbak ambil foto duduk-duduk. Kalau kegiatan yang ada amplopnya dia datang tapi tetep aja kalau udah mau laporan mereka minta-minta notulensi dan foto-foto ke saya" said the Village Staff.

The statement of the village staff is in line with the village secretary that the village facilitator has nothing to do, the village facilitator cannot help the village in accordance with what has been expected by the government. This is also the reason why in the planning process and others, Pelangi Village uses other parties, so the village facilitator only sits at home. As a financial manager, the village secretary felt that he really needed the assistance of the village facilitator to help the village, especially in terms of village financial management. According

to the regulation of the Minister of Villages number 3 of 2015 concerning village assistance, the village assistant has the task of assisting villages in planning, implementing, and monitoring village development and empowering village communities, assisting villages in carrying out basic social service management, developing village economic businesses, utilizing natural resources and appropriate technology, developing village infrastructure, and empowering village communities, Conducting capacity building for village governments, and village community institutions in terms of development and empowerment of village communities. The duties and functions of the village facilitator are not carried out by the village facilitator in the village.

CONCLUSION

Based on the results and discussion, it can be concluded that the Fraud Scheme in village financial management is diverse. Fraud schemes in Pelangi Village are structured from the planning stage to the accountability stage. This organized and massive fraud scheme is not only carried out by one person but by a team or a group. The planning stage of the fraud scheme occurs in that the planning proposal has occurred before the musrenbang so the musrenbang is only a formality. Musrenbang is only to fulfill reports and to take documentation. Planning is made according to requests from interested parties, not from community proposals. This is inversely proportional to the mandate of Law No. 6/2014 where villages are given the mandate to become independent governments that can manage their own programs.

At the implementation stage, there are several things that are done. If at the planning stage, everything has been made based on interests in this implementation stage is the real action in the field, a lot of fraud occurs to absorb the maximum budget with the minimum possible realization. What happens at this stage is that the activity implementation team that does not have any authority is only to supervise field workers if it requires handyman services or only to order materials if it is a construction project or only prepare places etc. if it is in the form of empowerment projects such as seminars etc.. Even the activity implementers do not need to order goods in development projects because the goods or materials needed are provided by one of the financial managers. Empowerment programs are sometimes just a formality that is used to take documentation to fulfill reports. At the implementation stage, the village head is rarely present to monitor the realization of existing programs. He only ensures that the profit he receives is appropriate and that the compulsory dues of the assisted village are paid.

The administration stage is also inseparable from fraud, one of which is falsification of proof of transactions, namely where financial managers make reports by falsifying proof of transactions by collecting stamps and receipts from stores so that they can write and make their own notes according to the needs in the RAB not according to the actual transaction. In addition to the falsification of transaction evidence, there is also the falsification of payment request letters. This letter should have been made by the activity implementer and submitted to the village secretary, but in Pelangi Village, the letter was made by the village secretary himself with an amount that had been adjusted to the interests without involving the activity implementer.

The reporting and administration stages, too, are inseparable from this scheme. Reports are manipulated according to needs, not based on existing realizations, to obtain maximum

savings. This series of schemes from planning to reporting and accountability is a plan that has been prepared and carried out every year and repeated continuously. Not without reason all of that is done to meet needs that cannot be budgeted. One type of thing that they must pay and cannot be budgeted for is levies from the district attorney and the local police resort. Every year the village must pay 30-50 million to continue the cooperation. The cooperation is meant to secure the village and its officials from prison or other cases.

Villages that have cooperated with law enforcement will always be protected and receive accurate information. For example, if there is going to be an inspection from the inspectorate to the village, the law enforcer will contact the village to prepare the things that will be inspected. If there is a report from the community or an NGO about a development project that is disputed or may be considered not in accordance with existing regulations, the law enforcer will inform and secure the matter. If there is a problem that drags the name of the village or its officials into the realm of law, the law enforcement officer will side with the village.

This is one of the reasons why village officials and financial managers feel safe and not worried when committing fraud because they are protected by those who should process their actions, so they feel secure. If the savings they collect in one fiscal year are still left over, they will be divided between the village head, village secretary, and village treasurer. Thus, from the planning stage, anything related to finance only revolves around these three people because it is their secret. The village head is the one who gets the largest share of the remainder, which they often refer to as *pulihan*, which is compensation for all the capital he spent when he was running to become village head.

Recommendation

Based on the results of the study, it is recommended to further improve transparency and community participation in decision-making related to the budget and use of village funds and to strengthen internal and external monitoring mechanisms in village financial management.

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