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THE INFLUENCE OF APPARATUS COMPETENCE AND INTERNAL CONTROL SYSTEMS ON FRAUD PREVENTION MANAGEMENT GRANT FUNDING FINANCE

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ABSTRACT

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 an 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

INTRODUCTION

Grants are generally used as a form of support for national development programs as well as natural disaster management and humanitarian assistance. However, it is different from the Jambi Province General Election Supervisory Agency Work Unit. Based on Article 166 paragraph 1, Law no. 10 of 2016 concerning the Second Amendment to Law Number 1 of 2015 concerning the Stipulation of Government Regulations in Lieu of Law Number 1 of 2014 concerning the Election of Governors, Regents and Mayors into Law which states that funding for election activities is charged to the State Revenue and Expenditure Budget in accordance with the provisions legislation. Furthermore, in accordance with the Regulation of the Minister of Finance of the Republic of Indonesia Number 89/PMK.05/2016 concerning Procedures for Managing Direct Grants in the Form of Money for Election Activities for Governors, Regents and Mayors, it is mandatory that grant funds received in the context of regional head elections be managed using the APBN mechanism.

Efforts are needed to utilize grants so that they can be used effectively and efficiently. Grants can be used effectively while still paying attention to the principles of utilization from the planning, implementation, monitoring and evaluation, and administration stages. In order to realize the smooth management of direct grant funds, accountability and transparency regarding the use of grant funds as well as creating uniform understanding of treatment and simplifying the control process for the management of grant funds in the context of 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, require Technical Instructions that regulate the preparation of work plans and budgets, administration, accountability and reporting of grant funds through the Decree of the Chairman of the General Election Supervisory Board Number 0238/K.BAWASLU/OT.03/IX/2019 Dated 04 September 2019.

Prevention efforts are needed*fraud* to be able to provide reliable financial reporting to internal and external stakeholders, strive to carry out operations efficiently and effectively, give auditors confidence that transactions are running well, personnel comply with all applicable laws and regulations so that transactions can be ensured to run correctly, finally preventive measures*fraud* This is also able to secure all Work Unit assets (Coso, 2013). Each type of control can be designed to be preventive or detective in nature. Controls can also be designed manually or automatically.

For the public, corruption is always believed to be an incorrect act, especially corruption carried out by state officials because it is considered to be very detrimental to the state. Corruption as a form of fraud in Indonesia it is carried out systemically so it needs systematic handling. This is in line with UNCAC in 2003 which was ratified with Law no. 7 of 2006. UNCAC in 2003 stated that preventing corruption must also be carried out in line with repressive efforts in eradicating corruption. Preventing corruption requires instruments that can strengthen internal control of government agencies (https://www.bpkp.go.id).

Previous research by Usman (2021)*Influence of Whistleblowing Systems, Effectiveness of Intenal Audits and Good Government Governance on Fraud Prevention*. There are 3 independent variables, namely*Whistleblowing Systems, Internal Audit Effectiveness, Good Government Governance*, and 1 dependent variable, namely*Fraud Prevention*. By using the multiple linear regression test, it was found that all independent variables had an effect on the dependent variable. The difference between this research and previous research is that it is an empirical study, namely previous research on the Provincial Government and Regional Government of Gorontalo City, whereas this research was conducted at the Jambi Province General Election Supervisory Agency.

LITERATURE REVIEW

Cheating or*Fraud*

Fraud according to the ACFE is any activity that relies on fraud to achieve profits. *Fraud* becomes a crime when knowingly misrepresenting the truth or concealing material facts to induce others to act to their detriment (*Black's Law Dictionary*). In other words, if you lie to deprive a person or organization of money or property, it is called committing fraud.

Corruption is the cause of most fraud cases and financial losses in Indonesia, according to a survey conducted by the ACFE Indonesia Chapter. People who took part in this survey also estimated that each case of fraud related to corruption costs between 100 million and 500 million rupiah. Direct corruption detection can be done in less than twelve months (<1 year). In uncovering fraud cases, the media is very important. The reason is, they collect complaints through various channels, and if traced, these complaints are usually submitted by employees of the relevant ministries or institutions.

Financial Management of Grant Funds

Grants are any state revenue in the form of foreign exchange, foreign exchange converted into rupiah, goods, services and/or securities obtained from the grantor which does not need to be repaid, originating from within the country or abroad (PP No. 10 of 2011) . A grant is a gift by transferring rights to something from the grantor to the grantee whose purpose has been specifically determined and carried out through an agreement (PMK No. 99/PMK.05/2017).

According to Minister of Finance Regulation No 99/PMK.05/2017, administration is a series of activities which include bookkeeping, accountability and reporting. If administration is not in accordance with existing procedures, it will result in the financial reports, especially the balance sheet, being irrelevant and unreliable.

Competence of Work Unit Apparatus

State Civil Apparatus, hereinafter abbreviated as ASN, is a profession for civil servants and government employees with work agreements who work for government agencies.

Nowadays, using technology in financial management must be in line with the individual's ability to operate it. Every village is required to use an application called siskeudes (Village Financial System) which has been provided by the central government to make it easier for villages to carry out their activities (Putri, 2020). The problems that occur at the district level are due to the lack of available budget to provide training or technical guidance for village officials at the regional government level. Meanwhile, at the village level, the obstacle to implementing the siskeudes (Village Financial System) is the lack of village human resources'

ability to operate computers. It can be seen that competence has a very significant effect on financial management, so that the use of technology should be one of the strategies in preventing fraud, but the ASN entrusted to manage it does not have the ability to operate this technology.

Every individual who occupies a position must have socio-cultural competencies as outlined in the Minister of State Apparatus Empowerment and Bureaucratic Reform Regulation Number 38 of 2017. These competencies include a variety of knowledge, abilities, attitudes and behavior related to religion, ethnicity, culture, national insight, ethics, values, morals, emotions, and principles, as well as the ability to observe, measure, and develop these areas in order to carry out their work effectively and fulfill their roles.

Integrity ethical behavior is part of Socio-Cultural Competency which is measured through Employee Performance. ASN is committed to implementing Integrity Facts while carrying out its duties and functions. Not only ASNs are required to have ethical integrity competencies, the Work Unit also takes part in efforts to prevent corruption through the title of Corruption Free Area (WBK)/Clean and Serving Bureaucratic Area (WBBM). This predicate is believed to be a reason for the public to see how the officers serving in the Work Unit are clean and free from corruption.

In Permenpan-RB Number 38/2017, to ensure whether an employee has socio-cultural competency standards appropriate to their position, measurements are carried out through carrying out competency tests. A series of competency tests are carried out in order to measure the level of proficiency possessed by employees compared to job competency standards which are the minimum competency requirements that ASN must have in carrying out their job duties.

Government Internal Control System

Internal control system according to Government Regulation no. 60 of 2008 which regulates the Government Internal Control System (SPIP) is an integral process of activities and actions carried out continuously by leadership and achieving organizational goals through effective and efficient activities, reliability of financial reporting, security of state assets, and compliance with legislation. According to PP no. 8 of 2006, the internal control system is a process influenced by management that is created to provide adequate confidence in achieving effectiveness, efficiency, compliance with applicable laws and regulations, and the reliability of presenting government financial reports.

An organization's internal control system is a series of procedures that, with the support of human resources and IT infrastructure, aim to ensure that the business achieves its goals. Organizational resources can be better directed, monitored, and measured through internal controls, which also help in fraud detection and prevention. The term "internal controls" refers to a set of rules and processes that are implemented to ensure that things are legal and financially reliable, as well as to achieve goals. Compliance with rules and regulations, timeliness of feedback regarding the achievement of strategic and operational goals, and accuracy of financial reports are the objectives of internal control at the organizational level.

Thinking Framework

This research tests two independent variables, namely the competence of work unit officials and the internal control system.

InfluenceCompetence of Work Unit Apparatus in Fraud Prevention

Research byRahmawati*et al*., (2020) states that Apparatus Competency (X_1) has a positive influence on fraud prevention (Y). In line with researchInawati (2021) stated that Apparatus Competence has a positive influence on fraud prevention. The higher the competence of the apparatus, the more likely this will happen*fraud* will decrease. The competence possessed by the apparatus can change the behavior of the apparatus to be more careful in carrying out their duties and functions because they already understand the sanctions when carrying out them.*fraud*.

H_1 : Work Unit Apparatus Competence influences Prevention*fraud* management of grant funds from Bawaslu Jambi Province and Bawaslu Districts/Cities throughout Jambi Province.

InfluenceInternal Control System for Fraud Prevention

StudyRahmawati*et al*., (2020) states that the internal control system (X_2) has a significant effect on Fraud Prevention (Y). This can be explained that improving the internal control system

can prevent fraud in village financial management*reliable* is greatly influenced by effective internal control, and this should apply to all stages of village financial management. In line with researchBachtiar*et al*., (2020) states that internal control has a significant effect on Fraud Prevention.

H_2 : The Internal Control System influences Prevention*fraud* management of grant funds from Bawaslu Jambi Province and Bawaslu Districts/Cities throughout Jambi Province.

METHODS

Research Objects and Research Subjects

The object of research in this study is to determine the influence of Work Unit Apparatus Competency, Internal Control System for Prevention*fraud*. In this study, the research subjects were employees at Bawaslu of Jambi Province and Bawaslu of Districts/Cities throughout Jambi Province.

Research Methods and Approaches

This research is included in non-experimental quantitative research. Non-experimental research is also called ex-post facto design or "*after the fact*". The main objective is to describe the relationship between existing variables, and determine the relationship between independent variables, namelyCompetence of Work Unit Apparatus,Internal Control System and dependent variable, namely Prevention*fraud*.

Research design

This research uses a survey research design with the aim of describing the variables studied, namely Work Unit Apparatus Competence, Internal Control System and Prevention.*fraud* among employees at Bawaslu Jambi Province and Bawaslu Districts/Cities throughout Jambi Province.

Operational Variables

In this research, the variables used consist of two types of variables, namely independent variables and dependent variables. The explanation of each variable is as follows:

Apparatus Competence

The indicators used to measure the Apparatus Competency variable consist of (Adhivinna*et al*., 2022)

1. Background and level of education
2. Principles*good governance*
3. Attitudes and behavior of officers
4. The societal role of the apparatus
5. Mastery of knowledge and skills
6. Ability to work

Internal Control System

The indicators used to measure the Internal Control System variables according to (Coso, 2013) consist of:

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information and Communication
5. Supervision Activities

Prevention of Fraud Management of Grant Funds

The indicators used by the author to measure this variable are as follows (Putri*et al*., 2021)

1. Raising awareness about the existence of fraud (*fraud awareness*)
2. Self-management and participatory
3. Transparent
4. Accountable
5. Democratic
6. Orderly administration and reporting
7. Mutual trust.

Data analysis method

In this research, data analysis uses an approach*Partial Least Square* (PLS). PLS is an equation model*Structural Equation Modeling* (SEM) which is component or variant based. According to Ghozali (2015), PLS is an alternative approach that shifts from a covariance-based to a variance-based SEM approach. The advantage of using PLS is that PLS is a powerful analysis

method because it does not assume the data must be on a certain scale and the sample size is small (Ghozali, 2015).

PLS is basically defined by two sets of equations, namely the inner model and the outer model. The inner model determines the specifications of the relationship between the latent construct and other latent constructs, while the outer model determines the specifications of the relationship between the latent construct and its indicators (Ghozali, 2015). Partial Least Square (PLS) is stated as an alternative method to Structural Equation Modeling (SEM) which can be used to solve relationship problems between complex variables with a small sample data size between 30 to 100, where SEM has a minimum data sample size of 100, Hair et al (2010).

The PLS approach is distribution free (does not assume a certain distribution of data, it can be nominal, categorical, ordinal, interval and ratio). PLS can also be used to confirm Ghozali's theory (Latan & Ghozali, 2015). The choice of the PLS method was based on the consideration that in this study there were three latent variables which were formed with formative indicators and formed a moderating effect. Reflective means that the direction of causality flows from the construct to the indicator so that the indicator is assumed to reflect variations in the latent variable. In other words, changes in the construct are expected to have an impact on changes in all the indicators (Ghozali, 2015).

SEM is a methodological combination of two scientific disciplines, namely the confirmatory factor analysis model (*confirmatory factor analysis model*) taken from psychometrics and structural equation models (*structural equation model*) taken from econometrics (Latan & Ghozali, 2015). SEM is a statistical technique for simultaneously testing and estimating causal relationships between several independent and dependent constructs or between variables. Another definition is a statistical technique for testing and estimating causal relationships based on causal statistical and qualitative data (Urbach & Ahlemann, 2010).

Thus, SEM answers a series of related research questions in one unified, systematic and factor analysis, discriminant analysis, multiple linear regression and so on) which is a comprehensive analysis. The reason for using SEM is because SEM has advantages over ordinary multivariate techniques (analysis allows researchers to connect theory with research data (Latan & Ghozali, 2012). The ability to deal with LVs (latent variables) which cannot be measured directly but which require model measurement. consisting of one or many indicators (Urbach & Ahlemann, 2010).

Analytical steps using*Structural Equation Modelling* namely as follows:

Outer Model/Measurement Model Testing

Testing the outer model or measurement model is intended to determine the level of consistency and accuracy of data collected from the use of research instruments. Outer Model is a measurement model to assess the validity of measurement model parameters (convergent validity, discriminant validity, composite reliability and Cronbach's alpha) (Hamid & Anwar, 2019)

a. *Cronbach's alpha* and*Composite reliability*

   Reliability testing in PLS can use two methods, namely Cronbach's alpha and Composite reliability. Cronbach'alpha measures the lower limit of the reliability value of a construct, while composite reliability measures the actual value of the reliability of a construct. A construct is said to be reliable if the Cronbach's alpha value must be more than 0.6 and the composite reliability value must be more than 0.7 (Hamid & Anwar, 2019).

b. Convergent Validity

   Convergent validity testing was carried out using factor loading values. An indicator is declared valid and can be used as an indicator to measure the latent variable if the loading factor value is greater than 0.708. An established rule of thumb is that latent variables should explain a substantial portion of each indicator's variance, usually at least 50%.

   Another measure to establish convergent validity at the construct level is*average variance extracted* (AVE). This criterion is defined as the mean value of the squared loading values of the indicators related to the construct (i.e., the sum of the squared loadings divided by the number of indicators). Therefore, AVE is equivalent to construct communality. Using the same logic as used with individual indicators, an AVE value of 0.50 or higher indicates that, on average, the construct explains more than half of the variance of its indicators. In contrast, an AVE of less than 0.50 indicates that, on average, more variance remains in item errors than in the variance explained by the construct. (Hair et al., 2017).

c. Discriminant Validity

   Discriminant validity is the cross loading value of factors which is useful for finding out whether a construct has adequate discriminants, namely by comparing the loading value on the

targeted construct which must be greater than the loading value with other constructs (Hussein, 2015).

Discriminant validity was also tested using the Fornell-Larcker method. The Fornell-Larcker method can be done by comparing*square roots* over AVE with latent particle correlation. The discriminant variable is said to be if*square roots* above the AVE along the diagonal line is greater than the correlation between one construct and another.

Inner Model

Inner model testing was carried out to see the structural relationships between the latent variables studied. Latent variables are divided into two, namely exogenous variables and endogenous variables. Exogenous variables are independent variables, while endogenous variables are dependent variables.

The steps for testing the inner model include:

1. Coefficient of Determination (R2)

   The coefficient of determination (R2) essentially measures how far the model's ability to explain the variance of the dependent variable. A small coefficient value means that the ability of the independent variables to explain dependent variations is very limited. A value close to one means that the independent variables provide almost all the information needed to predict the dependent variable. According to Hamid and Anwar (Hamid & Anwar, 2019), the result of R2 = 0.75 indicates strong model strength; R2 = 0.50 indicates moderate strength and R2 = 0.25 indicates weak or less strength.

2. Size Effect (f2)

   The f2 value is used to see the substantive influence of exogenous constructs on endogenous constructs. Determining the magnitude of the direct influence of exogenous constructs on endogenous constructs is classified into 3 categories: 0.02 small influence, 0.15 medium influence, and 0.35 large influence (Setiaman, 2020).

RESULTS AND DISCUSSION

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:

a. Based on Education

Table 1

Characteristics by level of education

No	Education	Amount	Percentage
1	SMA	7	10,80
2	Diploma	9	13,85
3	Strata 1 (S1)	45	69,23
4	Strata 2 (S2) and Strata 3 (S3)	4	6,13
Amount		65	100,00

Source: Processed respondent data

Based on Table 1, information is obtained that respondents based on education level were dominated by respondents with a Bachelor's Degree (S1) level of 45 people or 69.23%.

b. By Age

Table 2

Characteristics by Age

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

Source: Processed respondent data

Based on Table 2, information is obtained that respondents based on age level are dominated by respondents aged 31 - 40, with 24 people or 36.92%.

c. Based on Length of Service

Table 3

Characteristics based on length of service

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

Source: Processed respondent data

Based on Table 3, information is obtained that respondents based on length of work status are dominated by respondents with a length of work of 1 - 10 years as many as 46 people or 70.77%.

d. By Gender

Table 4

Characteristics by Gender

No	Gender	Amount	Percentage
1	Man	47	72,31
2	Woman	18	27,69
Amount		65	100,00

Source: Processed respondent data

Based on Table 4, information is obtained that respondents based on gender are dominated by 47 male respondents or 72.31%.

Descriptive Table

Descriptive statistical analysis is an analysis that provides a general description of the characteristics of each variable seen from the average, maximum, minimum, standard deviation, kurtosis and*skewness*. The results of descriptive statistical analysis research can be seen in table 5 below:

Table 5

Descriptive statistics

	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
Prevention*fraud*	4.747	6.000	7.000	1.000	2.530	1.587

Source: Processed respondent data

Based on table 5 with a total of 65 questionnaires, it can be seen that the average of the Work Unit Apparatus Competency variable is 6.029, the average of Internal Control System is 6.386 and Prevention*fraud* amounting to 4,747. This can be interpreted that the Respondent experienced Work Unit Apparatus Competency at a fairly high level. Control System at a fairly high level at a fairly high level and Prevention*fraud* approaching a sufficient level.

The standard deviation value of Work Unit Apparatus Competency is 1.182 and Internal Control System Internal is 0.841 and the deviation value of Prevention*fraud* amounting to 2,530. Data with an average value greater than the standard deviation indicates this type of data deviation. Based on the results of descriptive statistics, it can be seen that the mean value of each variable is greater than the standard deviation value. This means that the data deviation in this study is low, so that the value distribution is even.

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.

Figure 1 Initial Research Model

After drawing it, the next step is to carry out calculations on the model. The calculation results in the initial research model with Smart PLS software.

Next the value is displayed*Outer loading* for the first model in the following table:

Table 6

Outer Loading Second Model

	Competence of Work Unit Apparatus	Internal Control System	Fraud Financial Management of Grant Funds
X1.1	0.857		
X1.10	0.827		
X1.11	0.838		
X1.12	0.888		
X1.13	0.831		
X1.14	0.812		
X1.15	0.882		
X1.16	0.764		
X1.2	0.811		
X1.3	0.727		
X1.8	0.874		
X1.9	0.835		
X2.10		0.868	
X2.11		0.750	
X2.12		0.864	
X2.13		0.848	
X2.14		0.748	
X2.17		0.817	
X2.18		0.812	
X2.2		0.749	
X2.4		0.753	
X2.6		0.744	
X2.7		0.821	
X2.8		0.823	
Y1			0.791
Y11			0.711
Y21			0.750
Y6			0.818
Y7			0.856
Y8			0.747

Sourece : Output PLS

Based on Table 6, 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.

Discriminant Validity Test(Discriminant Validity)

Discriminant validity is a construct that is assessed as different from other constructs based on empirical standards. To evaluate discriminant validity researchers consider*factor cross-loadings* and*fornell-larcker criterion*. *Fornell-larcker criterion* interpreted as a measure of comparisons*square root* from the AVE value to the relationship between latent variables. Thus, values*square root* of each construct the AVE must be greater than the correlation value with other constructs. The results of the discriminant validity test can also be known through the values*Average Variant Extracted* (AVE). Each latent construct must have an AVE value > 0.5 to reflect a good measurement model. The AVE values for the variables in this research can be seen in the following table:

Table 7
Average Variance Extracted (AVE)

	Average Variance Extracted (AVE)
Fraud Financial Management of Grant Funds	0.609
Competence of Work Unit Apparatus	0.689
Internal Control System	0.642

Source: PLS output

Based on table 7 above, it is known that each indicator of the latent construct is able to explain 50% or more of the variance (Wong, 2013; Sarstedt,*et al*., 2011).

Composite Reliability Test

In SEM-PLS analysis, a construct is declared reliable if it has a value*composite reliability* > 0.6 and reinforced by the value*Cronbach's Alpha* > 0.7. Test result*composite reliability* can be seen in the following table:

Table 8
Composite Reliability

	Cronbach's Alpha	Composite Reliability
Competence of Work Unit Apparatus	0.959	0.962
Fraud Prevention	0.871	0.879
Internal Control System	0.949	0.952

Source: PLS output

Based on table 8, it can be seen that Mark*composite reliability* of 0.6 – 0.7 as well as value*Cronbach's alpha* > 0.7 is considered to have good reliability (Sarstedt,*et al*., 2011). Based on the table above, all constructs have values*composite reliability* and*cronbach's alpha* > 0.7 so it is concluded to be reliable. The results of the model calculation are described as follows:

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 table*R-square* from the results*running calculate* model. The following R Square table from this research is as follows:

Table 9
R-Square

	R Square	R Square Adjusted
Fraud Prevention	0.606	0.594

Source: PLS output

Based on table 9, it can be seen that the value*R Square* for the performance variable of 0.606, it means that the model contribution can be explained by 60.6%, the rest is explained by other factors outside the research model.

Hypothesis Testing Results (Variables)

To carry out hypothesis testing, testing is done through boostrapping 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 10
Path Coefficient

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Competence of Work Unit Apparatus -> Prevention of Fraud Financial Management of Grant Funds	0.233	0.231	0.106	2.200	0.028
Internal Control System -> Fraud Prevention	0.631	0.642	0.093	6.794	0.000

Financial Management of Grant Funds					

Sumber: Output PLS

Based on table 10, you can see the magnitude of the influence between variables which can be seen from the columns*original sample* and the significant level can be seen from the column*p value*.

Testing the first hypothesis produced a path coefficient value of 0.233 (positive) and a significance level of 5% (*p value* = 0.028 < 0.05). This shows that the first hypothesis is accepted. Thus, it can be concluded that the competence of work unit officials influences prevention*fraud*.

Testing the second hypothesis produced a path coefficient value of 0.631 (positive) and a significance level of 5% (*p value* = 0.000 < 0.05). This shows that the second hypothesis is accepted. Thus it can be concluded that the internal control system has an effect on prevention*fraud*.

Discussion

Competence of Work Unit Apparatus Against Prevention*Fraud*

Based on hypothesis testing, it is concluded that the competence of the work unit apparatus has an influence towards prevention*fraud*. This is shown by testing the first hypothesis which produces a path coefficient value of 0.186 (positive) and with a significance level of 5% (*p value* = 0.035 < 0.05). This shows that the first hypothesis is rejected. Thus, it can be concluded that the competence of work unit officials influences prevention*fraud*. The competence possessed by the apparatus can change the behavior of the apparatus to be more careful in carrying out their duties and functions because they already understand the sanctions when carrying out them.*fraud*. The higher the competence of the apparatus, the more likely this will happen*fraud* will decrease.

Internal Control System Against Prevention*Fraud*

Based on hypothesis testing, it is concluded that the internal control system has an effect on prevention*fraud*. This is shown by testing the second hypothesis which produces a path coefficient value of 0.439 (positive) and with a significance level of 5% (*p value* = 0.000 < 0.05). This shows that the second hypothesis is accepted. Thus it can be concluded that the internal control system has an effect on prevention*fraud*. The influence of the internal control system on prevention*fraud* It is alleged that Bawaslu's objectives have proceeded according to plan with control and supervision, so that with control and supervision fraud can be prevented and it can be ensured that the level of accounting fraud can be reduced. The results of this study indicate that prevention*fraud* will increase as the internal control system becomes more effective.

CLOSING

Conclusion

Based on the results of the analysis and discussion described in the previous chapter, the following conclusions can be drawn:

1. The competency of the work unit apparatus influences prevention*fraud* financial management of grant funds.
2. The internal control system influences prevention*fraud* financial management of grant funds.

Suggestion

Based on the research findings, suggestions that can be given from researchers are as follows:

a. Suggestions for Work Units

With the finding that perceived ease of use has a significant effect on performance, it is hoped that research objects can implement the results of this research. So that work unit management can prevent this *fraud* in managing grant funds. Management support in the form of employee development, training and training to improve internal capabilities and expertise*prevention**fraud* will provide affective commitment and result in emotional feelings of responsibility for the progress of the work unit.

b. Advice for Academics

Given the limitations of this study, new avenues for future research may open. Prospects for further study include, first, considering factors other than those already mentioned, such as organizational culture that impacts prevention efforts*fraud*. After that, Village Apparatus Organizations (OPD) can be the subject of further research.

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