



@is The Best :

Accounting Information Systems and
Information Technology Business Enterprise
Volume 9, Issue 2 (2024) Pages 136-150
ISSN: 2252-9853 (Print) | ISSN: 2656-808X (Online)
<https://ojs.unikom.ac.id/index.php/aisthebest/index>

Accredited Ranking 4th, SK Number: 105/E/KPT/2022

DOI: <https://doi.org/10.34010/aisthebest.v9i2.15053>

Fraud Control Plan System: The Role Investigation Division In Fraud Prevention

Desy Amaliati Setiawan¹, Rimi Gusliana Mais^{2*}, Rachmad Risqy Kurniawan³,
Hastuti Indra Sari⁴

^{1,2} Accounting Study Program, Sekolah Tinggi Ilmu Ekonomi Indonesia Jakarta, Kayu Jati Raya St. No.11A,
East Jakarta City, Special Capital Region of Jakarta, Indonesia, 13220

^{3,4} Management Study Program, Institut Bisnis dan Komunikasi Swadaya, Jatiwaringin St. No.36, East Jakarta City,
Special Capital Region of Jakarta, Indonesia, 13620

Email: rimi_gusliana@stei.ac.id

ABSTRACT

The Financial and Development Supervisory Agency (BPKP) has an important and vital role in preventing corruption and fraud to create good governance that can be implemented in all government agencies. BPKP has made integrated efforts to prevent fraud and corruption, but in its implementation, there are still obstacles so that the achievement is considered less than optimal. This study aims to see the role of the Investigation Division of BPKP in preventing fraud by using the Fraud Control Plan (FCP) which consists of 10 attributes, namely: anti-fraud policy, anti-fraud structure, standards of behavior and discipline, fraud risk assessment, human resource management, third party management, whistleblowing system, proactive detection, investigation, and corrective action by conducting socialization of the use of FCP, diagnostic assessment, technical guidance, and evaluation. This study is a type of qualitative research, with data collection: interviews, observations, and documentation. Interviews were conducted with 3 key informants of BPKP Jakarta employees who work in the Investigation Division. The results of this study indicate that the Investigation Division has intensified fraud prevention by using the FCP. However, there are still agencies that are less concerned about this. The BPKP Investigation Division, by using the Fraud Control Plan, hopes to provide a major role and impact on fraud prevention, by mitigating, and facilitating the disclosure of fraudulent actions and it is recommended that every agency use and implement it to create an anti-fraud environment.

Keywords: Fraud, Fraud Control Plan System, Investigation Sector, BPKP

Introduction

One of the fraud phenomena that often occurs in Indonesia is corruption. According to the Indonesian Corruption Watch 2021, there were 553 cases of embezzlement with 1,173 suspects if described in a nominal amount of IDR 29,438 trillion. This can damage the image of a country. Based on a review of data collection conducted by the Association of Certified Fraud Examiners (ACFE) [1], there were 2,110 cases of fraud with an average loss of IDR 27,039 billion from 133 countries in the data presented by ACFE. According to [2], transparency and accountability are needed in the activities of an organization/agency which can increase trust from the public or interested parties. The Corruption Eradication Commission (KPK) stated that practices in the licensing and public service sectors are still susceptible or very vulnerable, resulting in corruption. In general, the form of corruption that often occurs is bribery where it aims to influence not only the management process but also decision-making and policy-making "a small percentage" of additional costs, also known as "grease money". The act of bribery has become an open secret and at this time may have been rationalized by some parties. Sadly, government agencies/institutions are often found to commit fraud during their term of office[3].

According to the Association of Certified Fraud Examiners [1] states that fraud is an act that is intentionally carried out by someone who aims to use the resources of an organization

unreasonably such as the acquisition of selfishness through illegal actions and false representation of facts. Fraud can be broadly divided into three types: misappropriation of assets, misstatement of financial statements, and misappropriation. Opportunity, pressure, and rationality are factors in the occurrence of fraud. The phenomenon of fraud is like an iceberg phenomenon where only a small part of the surface that looks like fraud is detected and only a small part can be handled. Meanwhile, other large parts were detected but could not be resolved many acts of fraud were not detected [4].

The iceberg phenomenon shows that only about 20% of fraud can be resolved and investigated, the rest about 40% can be identified but cannot be resolved and 40% of fraud is not identified. The picture, explains that the resolution of fraud actions is only a small part that can be resolved from various fraud problems in each agency/organization. While the 80% that is not revealed, this is the problem of the agency/organization. It is the same as the Titanic ship that caused the ship to sink is part of the base of the iceberg, not the tip of the iceberg which seems to be still far away [3].

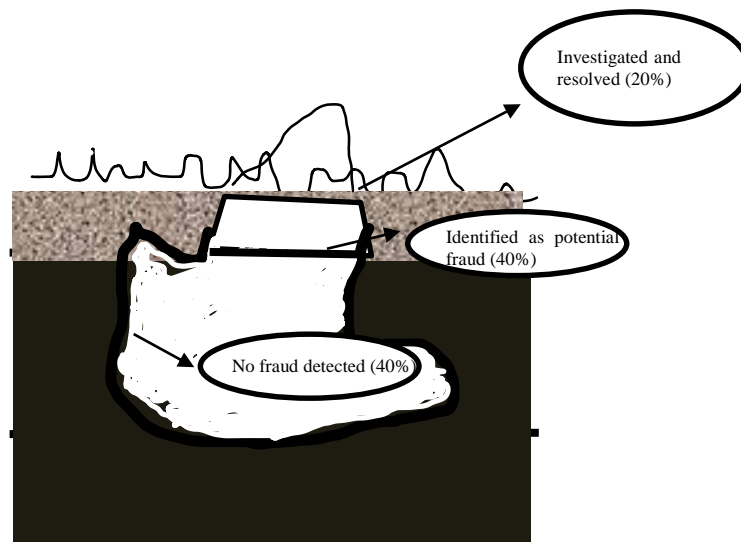


Figure 1. Fraud and iceberg phenomenon

Source: Business Crime and Ethics-Fraud concept and case studies in Indonesia and globally [4]

Fraud is an act that is considered negative in society. According to the Association of Certified Fraud Examiners (ACFE), fraud is an act that is intentionally carried out by someone who aims to use the resources of an organization unfairly, such as selfish acquisition through illegal actions and misrepresentation of facts (concealment of facts) [1]. Fraud can be broadly divided into three types: misappropriation of assets, misstatement of financial statements, and embezzlement. Opportunity, pressure, and rationality are factors in the occurrence of fraud. According to Cressey, three conditions cause fraud: pressure, opportunity, and rationalization, which is called the fraud triangle [5].

Pressure is an encouragement that makes someone move to commit fraud. For example, someone needs funds to pay off their debts or bills that pile up due to an excessive lifestyle [6]. This can generally be described as fraud can occur because of need or even because of mere desire. Then opportunity is something that allows fraud to occur which usually occurs due to a weak control system, lack of supervision, or abuse of power [6]. From the fraud triangle, opportunity is the element that is most likely to occur but is most likely to be minimized, such as through good internal control. Next is related to rationalization which is a factor in the occurrence of fraud. This

rationalization is the perpetrator's attempt to seek justification for what he did, which he consciously did, which could provide personal benefits and harm other parties [4].

According to [8], the corruption that occurs in the public sector, government agencies or state-owned enterprises are related [3], namely: losses to the state or the country's economy, bribery, embezzlement, forced requests or extortion of positions as well as fraudulent acts and conflicts of interest. Given fraudulent acts that can cause losses, the Government of Indonesia established the Financial and Development Supervisory Agency (BPKP). Regulation of the Head of BPKP Number 17 of 2016 explains that the BPKP is tasked with carrying out internal supervision of state and/or regional financial accountability for sectoral activities as well as carrying out financial and development supervision by applicable regulations. BPKP, in which some fields carry out their duties in mitigating fraud, namely the Investigation Division with various efforts such as implementing preventive strategies, investigative strategies, and educative strategies [10].

Fraud in government agencies poses a significant threat to the effective and ethical functioning of public agencies. The consequences of fraud go beyond financial loss, potentially damaging public trust, eroding institutional integrity, and compromising the delivery of equitable government services. As stewards of public funds, government agencies must be especially vigilant in safeguarding resources against fraudulent activities that could divert their core mission.

The need for robust mechanisms to detect, prevent, and address fraud in public administration has never been more critical. Fraud prevention and control strategies are essential not only to minimize financial risk but also to promote transparency, accountability, and good governance. Among the tools available to achieve these goals, a fraud control plan system stands out as a comprehensive framework designed to proactively identify vulnerabilities, implement preventive measures, and ensure effective response mechanisms.

These systems, mandated in many jurisdictions, provide a structured approach for government agencies to assess risk, establish safeguards, and create an ethical organizational culture. By integrating fraud prevention directly into an agency's operational processes, a fraud control plan system helps identify and address potential fraudulent activity before it becomes a significant problem. Furthermore, it fosters a culture of proactive accountability, ensuring that agencies are better prepared to respond to emerging risks and protect public resources.

The importance of investigating and preventing fraud through such a structured system cannot be overstated. This paper examines the mechanics of a fraud control plan system, its role in preventing fraudulent practices, and its effectiveness as an important tool within a broader framework of public administration reform and governance.

According to [4] so far BPKP has continued to implement fraud prevention efforts with educational (pre-emptive), preventive (prevention), repressive (handling), and repressive preventive (follow-up which includes prevention) approaches. The effectiveness of repressive measures that are less massive towards fraud prevention. So BPKP in its duties carries out other efforts, namely repressive and preventive integration efforts to optimize control of fraud to prevent and improve the ease of disclosing acts that are indicated as acts of corruption by implementing a Fraud Control Plan (FCP). Where the Organization must manage the risks faced in a systematic, structured, logical, and well-documented. Risk management must be recognized as something fundamental.

The implementation of the FCP program is expected to prevent fraud to create good governance and can be implemented in all government agencies. FC which is designed to protect an agency/organization from the risk of fraud has 10 control attributes, namely: anti-fraud policy, accountability structure, standards of behavior and discipline, fraud risk management, Human Resources Management, third-party management, whistleblowing, proactive detection, investigations, and corrective actions.

The Association of Certified Fraud Examiners (ACFE) defines fraud as an act against the law or applicable regulations characterized by dishonest acts of embezzlement or violation of authority.

Such actions do not depend on actions in the form of threats of violence using physical force or actions without using physical force used by a person or organization for personal gain or the benefit of certain parties who commit acts of fraud. ACFE as described by Tuanakotta [14] classifies fraud into three types based on actions, namely: Asset misappropriation, which is a form of fraud, misuse or theft of assets of an organization/agency, is a fraud that is easy to detect because it is tangible. False statements (fraudulent) include actions taken by officials or management of a company or government agency to cover up the actual financial situation and to manipulate financial reports to gain profit. Corruption is the most difficult type of fraud to detect because in this case the action is carried out not only by one party but in collaboration with other parties to gain profit [15].

A fraud Control Plan (FCP) is a control designed specifically, regularly, and measurably by an organization to prevent, deter, and facilitate the detection and disclosure of possible corruption/fraud as indicated by the existence and implementation of several attributes to achieve overall organizational goals [5]. FCP attributes consist of 10 attributes, namely [3]:

1. An anti-fraud policy can run effectively if the fundamental requirements have been met, namely the commitment of the organization's leadership to implement it and the creation of an organizational anti-fraud culture that is aligned with the fraud control strategy set by the organization.
2. The anti-fraud structure aims to ensure that the outcome of the anti-fraud strategy can be achieved on an ongoing basis and ensures that the FCP is in line with the implementation of other systems within the organization.
3. The standards of behavior and discipline applied by the organization must be aligned with the vision, mission, goals, and strategic goals of the organization.
4. Fraud risk assessment is an essential and crucial part of fraud risk management.
5. Human resource management is a series of processes of planning, organizing, directing, and supervising the activities of procuring, developing, providing compensation, integrating, maintaining, and releasing human resources to achieve individual goals, organizational goals, and national development goals.
6. Third-party management, in carrying out its activities the organization deals with individuals, organizations, and other entities, both contractual and non-contractual relationships.
7. A whistleblowing system is used to encourage the active role of employees and external parties to convey information regarding suspected fraud.
8. Proactive detection plays a role in looking for the possibility of a fraud occurring rather than waiting for the fraud to occur and then have a bigger impact.
9. Investigation of the organization's internal procedures in collecting and analyzing data and information to find out or prove an alleged incident of fraud.
10. Corrective action is the process of identifying and eliminating the root cause of the problem so that the problem does not recur.

Based on the Regulation of the Deputy Head of the Financial and Development Supervisory Agency for Investigation Number 1 of 2021 concerning Consultancy on Fraud Control, the FCP stages consist of socialization and diagnostic assessment, technical guidance on FCP implementation, and FCP evaluation. These stages are the flow in the implementation of the FCP [16].

1. Outreach and Diagnostic Assessment

Socialization is the process of providing, adapting, adjusting, recognizing, and elaborating information regarding fraud control. Furthermore, diagnostic assessment is the process of identifying, analyzing, and evaluating the existence and implementation of FCP attributes.

2. FCP Implementation Technical Guidance

Technical guidance is an activity of assisting in the form of advice and advice so that a process of transferring knowledge and technology occurs to solve technical problems in the field of fraud control.

3. FCP Evaluation

FCP evaluation is an activity of juxtaposing, comparing, and comparing the processes and results of the implementation of fraud control strategies with the aim of fraud control as well as determining the factors that influence the success or failure of FCP implementation within the framework of achieving organizational and national development goals.

Method

The method used in this study is qualitative. Qualitative research based on the philosophy of postpositivism is used to research the conditions of natural objects where researchers are key instruments [17]. The approach used in this study is a descriptive qualitative approach where researchers describe the role of the BPKP Investigation Division in mitigating fraudulent acts using the Fraud Control Plan (FCP).

The research data comes from primary data and secondary data. Primary data comes from interviews with relevant informants. Secondary data comes from government regulations governing the role of the BPKP Investigation Division and the implementation of the Fraud Control Plan. Data collection techniques in this study by interviews, observation, and documentation.

Data analysis was carried out in several stages, namely: first, data reduction by summarizing the data obtained where selecting relevant data, and eliminating data that is less relevant. Second, the presentation of data can be in the form of graphs, tables, pictures, or narratives. Third, conclusions to answer the problem formulation and explain the results of the research [17].

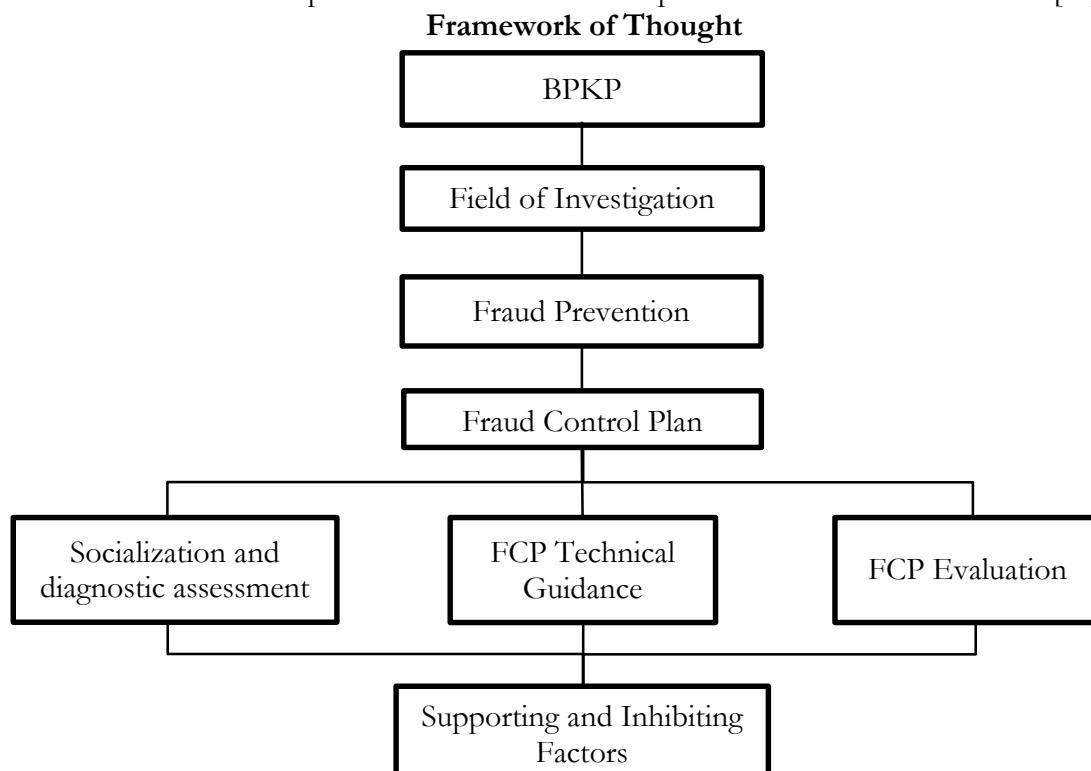


Figure 2. Research Thinking Framework
Source: Data processed by researchers

BPKP acts as a supervisory institution that ensures that state finances are managed well, efficiently, and accountably. By conducting audits, examinations, and providing systematic recommendations, BPKP supports the realization of transparent state financial management and plays an important role in preventing abuse of authority and acts of corruption. BPKP's functions and duties contribute to better and more sustainable state financial management.

In BPKP Jakarta, there is one sector that is tasked with mitigating the occurrence of fraud, namely the Investigation Division. The Investigation Division in carrying out its functions and duties makes efforts to prevent fraud. The Investigation Division uses the Fraud Control Plan instrument as one way to prevent fraud and control corruption. In implementing the Fraud Control Plan, there are several stages in achieving the goal of an organization that is free from fraud. Socialization and diagnostic assessment, before conducting a diagnostic assessment that looks at the 10 attributes of the Fraud Control Plan.

The Investigation Division or the one that carries out the fraud risk assessment using the FCP conducts socialization which generally explains the occurrence of corruption in Indonesia, government policies and strategies, and matters related to the FCP. After the stages of socialization and diagnostic assessment, FCP technical guidance is carried out, which contains the objectives and work steps of the technical advice. The next is the FCP evaluation related to the assessment of the extent to which the agency/organization has developed and implemented a fraud control strategy by the FCP document. With the creation of this, Indonesia will increase achievements in national development.

Results and Discussion

BPKP representative for Jakarta province is one of the BPKP representatives based on Jl. Scout No. 33 Utan Kayu Utara, Kec. Matraman City of East Jakarta DKI Jakarta. BPKP acts as an agency that provides a model in fraud prevention as well as socializes and facilitates other agencies/companies in efforts to prevent fraud. BPKP with the Investigation Division as the facilitator has created a fraud control tool, namely the Fraud Control Plan, which is designed simply. However, it has a significant impact on fraud prevention efforts.

The Role of the BPKP Investigation Division on Fraud Prevention by Using the Fraud Control Plan

Its role in preventing fraud is to use the Fraud Control Plan. There are several stages carried out by the BPKP Investigation Division, namely: dissemination and diagnostic assessment, FCP technical guidance, and FCP evaluation. These three stages are implemented within the BPKP as BPKP representatives who carry out duties in fraud prevention and when the BPKP Investigation Division evaluates partners, namely PT. Pupuk Indonesia Logistik, PT. Pupuk Indonesia Utilities, and PT. Mega Eltra uses the Fraud Control Plan.

Outreach and Diagnostic Assessment

The researcher asked for an explanation from Mr. AA as the BPKP Junior Investigation Auditor regarding the socialization of corruption prevention which explains the areas that are by the implementation of FCP, the impact of fraud, and other things that can support the smooth implementation of FCP.

The following is the explanation given by Mr. AA:

“In essence, this socialization and diagnostic assessment explains and conducts an initial assessment related to the implementation of the 10 existing attributes, meaning providing an explanation and photographing the existing conditions.”

Then Mr. RR as the BPKP Main Investigation Auditor explained the diagnostic assessment in FCP as follows:

“There are 10 attributes, so we will make a kind of planning related to corruption prevention there. The first thing we do is make a diagnosis, how to implement it.”

Making a diagnosis of the implementation of FCP. In this diagnostic assessment, there is an FCP attribute assessment process consisting of 10 attributes. The ten attributes are correlated with each other, just like the antifraud policy which is interrelated with other attributes. The antifraud policy is correlated with the antifraud structure, where the antifraud structure contains the person in charge of each antifraud policy that has been made. Then other attributes such as pro-active detection, and whistleblowing systems are linked to investigation attributes.

Here are 10 attributes of the Fraud Control Plan:

1. Anti-Fraud Policy

Mr. DD explained regarding the assessment of the anti-fraud policy as follows:

“The core policy is whether this agency already has a policy, rules or anything that states that we have started FCP, then how to start the practices in it, there is a whistleblowing system, conflicts of interest, gratification like that, is there a policy or not.”

From the interview above, it is clear that an anti-fraud policy is the first thing that must be in an agency/organization. Where the anti-fraud policy is used as a guideline or reference in implementing an anti-fraud environment. The elements of the policy are made to support fraud prevention. The elements of the policy are by the company or partner of BPKP Jakarta that uses FCP, namely PT. PIL, PT. PIU, and PT ME.

2. Anti-Fraud Structure

The anti-fraud structure is an element that describes the person in charge in each area that is considered to have the potential for fraud. Mr. DD explained the anti-fraud structure as follows:

“The second structure, the structure means that after the policy is there, are there people responsible for managing this FCP in the agency.”

From Mr. DD's explanation regarding the anti-fraud structure, it can be concluded that the second attribute, assesses and checks whether the policies that have been made have employees or parties responsible for managing the Fraud Control Plan. Ideally, this anti-fraud structure, means that for every policy that has been made, there is a party responsible for the policy. Mr. AA added his opinion:

“How is the policy, has it been communicated to employees or interested parties, then how is the process of processing it.”

From his explanation, it can be seen that every policy that has been made by the leadership must be immediately communicated regarding how to implement and the flow of responsibility to each employee. Every task that has been carried out in preventing fraud must be documented in the implementation of tasks and positions structurally.

3. Standards of Behavior and Discipline

Mr. DD explained in general terms related to standards of behavior and discipline in the FCP attribute assessment as follows:

“Then the third standard of behavior and discipline usually discusses the code of ethics, the rules of behavior that regulate employees, that's it. Not only that but also look at the code of

ethics, is there anything that discusses fraud, meaning which criteria are considered fraud, then if this employee commits fraud, what should be done, is it punished or what.”

The FCP attribute of standards of behavior and discipline in its assessment looks at the employee's code of ethics. Which in the code of ethics looks at whether the code of ethics has created rules of behavior in preventing fraud up to the follow-up if the employee is proven to have committed fraud.

4. Fraud Risk

In the interview, Mr. AA explained that the assessment of fraud risk contains:

“Risk assessment creates risk mitigation by creating a risk register...if the risk assessment in fraud such as employees receiving gratuities, employees committing corruption, collusion, and nepotism, that is included in fraud. What are the possible risks that may occur in this section or agency related to fraud, yes...”

Then Mr. DD also explained related to the risk of fraud. What is seen from the attributes as follows:

“The fourth is the risk of fraud, the point is that in risk management there is already identification, risk mapping has a risk register in which the risk of fraud, later there will be an RTP.”

5. Human Resource Management

The BPKP (Badan Pengawasan Keuangan dan Pembangunan) Standard Operating Procedures (SOP) for Human Resources (HR) in the context of Fraud Control Plan (FCP) are focused on ensuring effective prevention and management of fraud risks related to HR processes within government agencies and public organizations. These SOPs are essential for maintaining integrity, transparency, and accountability in personnel management, recruitment, employee behavior, and internal controls related to human resources.

BPKP's SOP regarding HR within the context of the Fraud Control Plan (FCP) is designed to ensure the integrity of HR processes, reduce the risk of fraud and misconduct, and promote transparency and accountability in government agencies and public institutions. By emphasizing clear policies, strong internal controls, ethical standards, and regular monitoring, BPKP helps create a work environment where fraud risks are minimized and employees are held to the highest standards of behavior.

In the human resource management attribute, it is seen whether human resources (HR) have a high level of concern for fraudulent actions.

Mr. DD explained human resource management as follows:

“Then, human resource management has not been socialized to those people to make their HR care and there is awareness to improve the anti-fraud culture. There is also to improve the competence of the auditor or the person related to the fraud.”

From Mr. DD's explanation of the attribute, it works to improve the competence of employees or stakeholders so that they become employees who care more about anti-fraud actions to create and improve the anti-fraud environment. The investigation sector in its role in assessing the implementation and existence of the Fraud Control Plan by partners provides input related to the need to create rules or guidelines in implementing employee surveys related to fraud understanding and employee concern in internal control.

6. Third Party Management

The researcher obtained information related to third-party management and its application in general from Mr. DD which is explained below:

“Then the sixth is third-party management, meaning how we manage stakeholders related to our assignments. Let's say we haven't socialized the call that we are anti-fraud. For example, in the previous assignment letter, it was conveyed to the auditee that we do not accept gratuities, if we accept or ask for them, please report it, meaning it is calling on them that we are not allowed to do that.”

From the explanation above in third-party management related to how to manage stakeholders, namely parties whose FCP implementation is being assessed by the Jakarta BPKP Investigation Division, the supervisory section does not accept gratuities or other things that can reduce the auditor's independence in making their assessments. The assignment letter that includes a statement regarding not asking for or accepting gratuities, calls on the auditor or the Jakarta BPKP investigation division who is on duty and on stakeholders not to commit fraud in any form.

Talking about third-party management here means that agencies/companies that use the Fraud Control Plan must have a list of third parties that collaborate with the company. So that agencies/companies can optimize efforts in preventing fraud because they already have a list of third parties that can make it easier to create an anti-fraud commitment owned by the company.

7. Whistleblowing System

The Whistleblowing System (WBS) which can also be called fraud risk reporting, also reflects whether employees have a high level of concern for fraud prevention. So if employees find fraudulent actions around them, the employees report it through the whistleblowing system. Mr. DD explained what is seen from the whistleblowing system:

“Then the seventh whistleblowing is the same, the point is that in us if our friend is committing fraud, do we care, do we dare to report it? Then to report it, is there a facility or not, has the office provided it for the reporting facility? Then how to follow up on it and all sorts of things.”

Mr. RR added a statement related to whistleblowing or fraud risk reporting:

“Actually, from here we already have guidelines, yes, there are questions related to the evaluation of the WBS is actually from attributes 1 to 10, this can also be related.”

From the explanation above, Mr. DD explained more about what needs to be considered in the Whistleblowing System (WBS), namely regarding the concern between employees regarding fraud prevention. Then the courage of employees in reporting if fraud occurs, to facilitate employees in reporting fraudulent acts, facilities are provided to support employees so that they do not feel afraid in the reporting process. Meanwhile, in his explanation, Mr. RR stated that the Whistleblowing System (WBS) shows the relationship between one attribute and another.

In its implementation, WBS in each company/agency is different. However, the purpose of WBS is to create an environment that can mitigate fraud. All BPKP Jakarta partners, namely PT PIU, PT PIL, and PT ME, have a whistleblowing system. The PT PIU website provides a WBS form whose contents are related to the type of violation, the name of the reported party, the location of the incident, the date and time of the incident, and details of the incident.

Formulir Whistleblowing

Dalam rangka meningkatkan penerapan kualitas prinsip-prinsip, PT Pupuk Indonesia Energi menetapkan Sistem Pelaporan Pelanggaran/Whistle Blowing System (WBS).

Jenis pelanggaran* (dropdown menu: not set)

Nama terlapor* (text input: (dapat diisi lebih dari satu nama))

Lokasi kejadian* (text input: (detail Nama tempat/kejadian))

Nama kota* (text input)

Provinsi* (text input)

Tanggal & waktu kejadian* (date and time picker: Hour: 08, Minute: 00)

Detail kejadian* (text input)

Figure 3. Form Whistleblowing PT PIU

Source: www.pi-utilitas.com/tata-keelola/sistem-pelaporan-pelanggaran

8. Detection

Mr. DD explained proactive detection as follows:

“Proactive detection means that we have not made some kind of monitoring, yes, in fraud language, it is a red flag. Red flag is very broad, you can see, for example, why this employee is so luxurious, then see if it is true or not, well when it is not normal, it shows something, oh where did this person get that wealth from.”

From the statement above, in this case, proactive detection means seeing changes in lifestyle and other anomalies such as employees not wanting to take leave, missing documents, illogical analysis, and so on. When these anomalies can be detected properly, it will increase success in preventing fraud. In this case, a proactive detection strategy policy is made in the form of a surprise audit or profiling. Then these efforts are carried out in preventing fraud.

9. Investigation

In his interview, the researcher interviewed Mr. DD regarding the investigation. Mr. DD explained it as follows:

“Investigation, for example from the proactive detection earlier, from whistleblowing, or from third-party management, there is someone who committed fraud, well here to follow up on the report there must be an investigation, is it true that this person committed fraud, so there is a special audit or investigation that is carried out, well there must also be supported by HR. HR is experienced in making investigative audits.”

Based on the explanation above, it can be explained that the investigation attribute is a special action in following up on reports related to fraudulent actions obtained from proactive detection, whistleblowing systems, or third-party management. This investigation process begins with the implementation of the investigation audit by applicable regulations. Investigation in this FCP attribute is an internal organizational procedure for collecting data to prove fraudulent actions.

This investigation can be carried out independently, namely by the company/agency itself by seeing that the employees on duty have good competence. However, if the company/agency does

not have employees who have competence in the field of investigation, they can forward it to other organizations such as BPKP, or collaborate with other organizations.

The findings that are often found by informants related to fraudulent actions that require investigative actions are corruption. Mr. AA gave an example of an area where fraud could occur, namely in the personnel department, namely when recruiting new employees, there could be the possibility of fraud in the form of gratification or recruiting employees through "back channels". Then in the procurement of goods/services, an agreement could occur with the vendor where this was to manipulate the recording of the price of goods/services received.

The statement above is supported by statements from the three informants in the interview process conducted by the researcher. The three informants stated that the fraud that was often found was corruption.

Mr. AA explained as follows:

“Corruption. Misuse of assets is rare. For example, corruption of time.”

Then Mr. DD and Mr. RR conveyed something wrong with Mr. AA that the findings that were often found were corruption. So with these actions, investigative actions were carried out such as re-checking the fraudulent actions found whether they happened or not, supported by Human Resources who understand investigative audits.

10. Corrective Action

Regarding corrective action, Mr. DD explained in general terms:

“This corrective action, for example, let's say from point 9, the results of the investigation show that this person committed an unlawful act and caused great harm to the country, so what action do we take? Report it to law enforcement officers, or indeed by returning the state's losses. Well, there must be a regulation on how our domain is, meaning it can only be, for example, in compensation actions, or later if it is in a serious category, it can indeed be reported to law enforcement officers. There must be a mechanism and all sorts of things.”

In this corrective action, it means the final step of the 10 FCP attributes where corrective action is the process of identifying and eliminating the root of the problem so that the fraudulent act is not repeated in the future. The steps of this corrective action can be in the form of disciplinary action such as emphasizing more on the implementation of FCP which must be optimized. If the fraud is serious, a decision can be made to report it to law enforcement officers or the authorized agency.

In this case, partners can consult with the legal function/advisor before taking disciplinary action. So that when taking action it is by regulations and laws.

FCP Technical Guidance

Technical guidance is an activity of assisting in the form of advice and advice so that a process of transferring knowledge and technology occurs to solve technical problems in the field of fraud control. In this technical guidance, the auditor together with the Fraud Risk Owning Entity or Entity who is currently being assessed on the application of the FCP identifies from the results of the diagnostic assessment which areas have the possibility of fraud occurring. Then jointly make an action plan to mitigate the fraud. This is Mr. RR's explanation as follows:

“Then secondly we carry out technical guidance from technical guidance we identify we make the name AOI area of interest.”

Based on information from Mr. AA as the Junior Auditor for the Investigation Sector of BPKP, this technical guidance for the Investigation Sector provides more assistance to Fraud Risk

Entities to mitigate risks and Fraud Risk Entities may consider the assistance provided by the Investigation Sector in its efforts to prevent fraud.

FCP Evaluation

FCP evaluation is an activity of juxtaposing, comparing, and comparing the processes and results of the implementation of fraud control strategies with the aim of fraud control as well as determining the factors that influence the success or failure of FCP implementation within the framework of achieving organizational and national development goals.

Based on information from Mr. AA as the Junior Auditor for Investigations at BPKP, in the evaluation process, the results of the FCP implementation were compared before the technical guidance was carried out or during the diagnostic assessment with the FCP implementation after the technical assistance was carried out. Then compare the results of implementing FCP in the diagnostic assessment with the results of implementing FCP after carrying out technical guidance. From this, it means that the FCP evaluation is reassessing the application of the FCP. Has the technical guidance on the implementation and existence of the FCP improved or is it still the same as during the diagnostic assessment?

If the implementation and existence of the FCP increases and experiences improvements, it can be seen what factors support these improvements, such as companies/agencies implementing recommendations on technical guidance in following up on Areas of Improvement (AoI) or areas that need improvement. However, if the implementation and existence of the FCP have not improved or increased, it can be seen whether after the technical guidance the company/agency implements the recommendations or it can also be caused by other reasons such as weaknesses in the leadership aspect, adequacy of resources, employees or parties implementing fraud control or aspects others which may result in no improvement to the Area of Improvements (AoI).

From the description related to the dissemination and assessment of diagnoses, FCP technical guidance, and FCP evaluation, the flow can be described as follows:

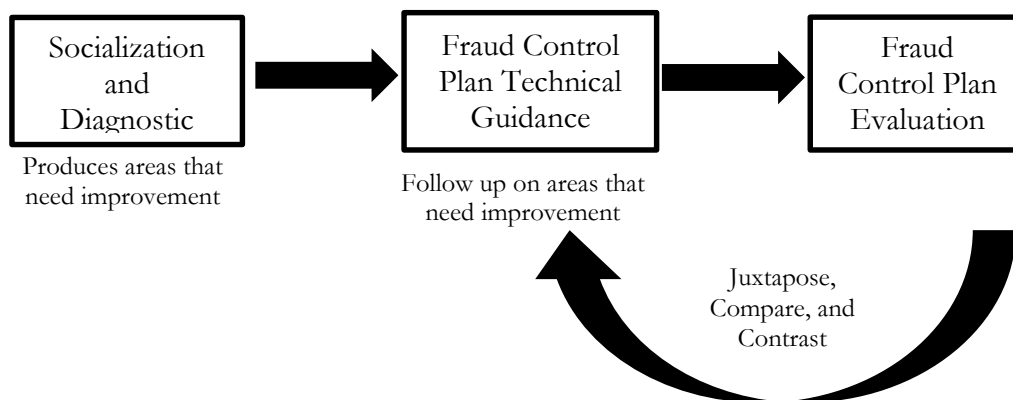


Figure 5. FCP technical guidance, and FCP evaluation
Source: the results of processing researchers

The Socialization and diagnostic assessment shows the Area of Improvement (AoI), namely areas that require improvement from each attribute that has been measured. As in the above risk assessment attribute, AA and DD explained the steps that can be taken to improve the area. Other things such as the anti-condition structure in its improvement can be documented in the implementation of tasks and positions in general. Likewise with other attributes, if in their implementation there are areas that require improvement, the BPKP Investigation Division will provide recommendations for strengthening and controlling areas to partner companies/agencies.

FCP evaluation is an activity to juxtapose, compare, and contrast the process and results of implementing fraud control strategies to control fraud and determine the factors that influence the success or failure of implementing FCP within the framework of achieving organizational goals and national development.

FCP evaluation is an activity to juxtapose, compare, and contrast the process and results of implementing fraud control strategies to control fraud and determine the factors that influence the success or failure of implementing FCP within the framework of achieving organizational goals and national development.

The BPKP Investigation Division in carrying out its duties and responsibilities as an applicator in using the FCP for fraud prevention at partner agencies/organizations has played an active role in every stage it has carried out. Starting from socialization and assessment of diagnoses where the investigative field has provided partners with a good understanding regarding the importance of implementing the FCP and how to apply anti-corruption or fraud behavior.

Then, in the technical guidance of the investigative field, examine which areas are prone to fraudulent acts and then carry out mitigation efforts. Then in the final stage, namely evaluation where the field of investigation looks at the existence and implementation of FCP at related partners, namely PT. Pupuk Indonesia Logistik, PT. Pupuk Indonesia Utilities, and PT. Mega Eltra.

Supporting Factors for BPKP Investigation in Fraud Prevention

Education or training is a driving factor for fraud prevention. Education/training can take the form of seminars or workshops that contain knowledge and practices on fraud prevention, anti-corruption culture, and concern for all parties to anti-fraud actions. This is reflected in Mr. AA's statement during the interview as follows:

“..... the first is education: Holding anti-corruption workshops/seminars.”

The risk of fraud still exists, but using systems and technology can improve the way fraud prevention works. With all integrated data, it makes it easier to supervise or monitor entities/sections that have a risk of fraud. FCP is included in the element of Good Governance where it can be concluded that if the governance of an agency/company is good, it will support the increase in the existence of FCP. Where this is reflected in Mr. AA's explanation as follows:

“FCP is included in the GCG element, for example, whistleblowing, gratuities, then what are the corrective actions there, everything is in the FCP. This means that each FCP does not support the running of GCG. So if we run FCP well, GCG will also increase, so that's supported from a fraud standpoint, right?”

Based on information from Mr. AA as the Primary Auditor for the Investigation Division of BPKP, with an integrity pact someone who serves as an auditor or someone as an obrik (entity who owns the area of fraud) has guidelines or boundaries in carrying out his duties and responsibilities. Integrity pact describes a person's independence in carrying out his work.

Inhibiting Factors of BPKP Investigation in *Fraud Prevention* Using FCP

Based on information from Mr. AA as the Junior Auditor for Investigations for BPKP, abuse of authority is an act to enrich oneself without considering other parties so that it tends to harm other parties. One of the acts of abuse of authority is corruption. In addition to the abuse of authority, other inhibiting factors from the implementation of the FCP, according to Mr. AA, are as follows:

“Yes, that hasn't been a concern for an agency or company, especially regarding this fraud. So we want to explain that, fraud. Because for example in a state-owned company, they are still

looking for profit, so the risks they identify are still business-related, so they are still not aware of fraud in identifying the risks.”

In preventing fraud by using FCP here it is not only influenced by one party. Based on the explanation above, it can be said that partners/clients are also an important part of playing a role in fraud prevention. If only the auditors carry out their duties properly but no changes are made by the partners, fraud prevention will not run massively.

The researcher assessed that the Investigation Division of BPKP Jakarta in carrying out its duties and responsibilities as an applicator in using FCP to prevent fraud in partner agencies/organizations has played an active role in every stage it has carried out. Starting from socialization and diagnostic assessment where the investigation sector has provided a good understanding to partners regarding the importance of implementing FCP and how to implement anti-corruption or fraudulent behavior. BPKP Jakarta at the diagnostic assessment stage provides assessments and recommendations on what needs to be done by partners to improve the Area of Interest (AoI).

Then in technical guidance, the investigation sector examines which areas are prone to fraudulent actions, and then mitigation efforts are made by conducting Focus Group Discussions (FGD). Then at the final stage, namely evaluation, where the investigation sector looks at the existence and implementation of FCP in related partners, namely PT. PIL, PT. PIU, and PT. ME. This study has the same results as the research conducted by [5], [13], [12], [3]. The Investigation Division of BPKP Jakarta by using the Fraud Control Plan has a major role and impact on fraud prevention. Where the Fraud Control Plan can prevent, mitigate, and facilitate the disclosure of fraudulent acts.

Conclusion

Based on the results of research and discussion on the role of BPKP in the field of financial and development supervisory agency investigations in preventing fraud using the Fraud Control Plan system, which has been described descriptively with data obtained from interviews with primary sources, observations, and documentation, our findings are that the BPKP Investigation Sector by its specific duties and functions, based on the Regulation of the Financial and Development Supervisory Agency of the Republic of Indonesia Number 17 of 2017 concerning Guidelines for Managing Investigation Sector Activities and the regulation of the Deputy Head of the Financial and Development Supervisory Agency for Investigation Sector Number 1 of 2021 concerning Control Planning Consultancy, it is explained that the Investigation Sector has a role and responsibility in preventing fraud. BPKP has a major role in preventing fraud using the Fraud Control Plan system. The BPKP Investigation Sector carries out its duties and responsibilities by applicable provisions. In this case, BPKP investigations continue to intensify the culture of anti-corruption or fraud prevention in each work partner. There are 3 (three) BPKP partners who use FCP, including PT. Pupuk Indonesia Logistik, PT. Pupuk Indonesia Utilities, and PT Mega Eltra. So it is felt that there are still a few companies/agency partners of BPKP that use the Fraud Control Plan. Several supporting and inhibiting factors in preventing fraud by using the Fraud Control Plan are felt by the investigation sector of BPKP Jakarta. Where it is seen that supporting factors such as education/training, information technology, good governance, and auditor independence can reduce the obstacles faced by BPKP investigations in preventing fraud. By optimizing the existing supporting factors, the obstacles encountered can be reduced. Such as optimizing education/training can increase the awareness of each party involved in creating an anti-fraud culture so that it can minimize the obstacles faced such as abuse of authority and lack of awareness from partners.

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