The Effect of Public Sector Accounting Implementation to Prevent Fraud in the Public Sector in the Digital Era at PT. PLN UP3 Binjai

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A R T I C L E I N F O	ABSTRACT
	This study supposed to determine the effect of the application of public sector accounting to prevent fraud in the public sector in the digital era at Pt. Pln Up3 Binjai The method used by the author in this research is This research uses qualitative descriptive research methods. This qualitative descriptive research is to determine the role of public sector accounting to prevent fraud in the public sector in the digital era at PT. PLN Up3 Binjai. This descriptive study aims to provide researchers with a history or to describe aspects relevant to the phenomenon of attention from the perspective of an organization. The type of data the author uses in this research is qualitative data. This qualitative data is obtained from direct interviews with the Internal Supervisory Unit (SPI) regarding the Role of the Internal Supervisory Unit in fraud prevention at PT PLN UP3 Binjai. The results of the conclusions in this study are the first characteristics of fraud in the public sector that occur in the digital era, including the use of misconceptions about the role of digital technology in carrying out the duties of public accountants, utilizing digital technology to optimize opportunities for fraud, taking advantage of problems in human error and lack of knowledge in the use of digital technology, using digital technology products. Furthermore, the application of Public Sector Accounting can prevent fraud in the public sector in the digital era if implemented by considering factors that affect fraud, such as performance accountability, and accompanied by the application of fraud prevention methods which include technical strategies, two paradigm approaches, and preventive strategies.

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1. INTRODUCTION

Fraud occurs because of opportunity or negligence, although based on some research (agency theory), the opportunity is the biggest cause of fraud. The opportunity arises because of the position of management who have control and access to data and resources from the company. Instinctively management (agent) will maximize benefits for itself (several agency problem studies have proven that). Taking advantage of this is what if done, and even done to the extreme, will lead to fraud that will harm BUMN. SOEs have had governance principles (good corporate governance index) for a long time and have also been implemented. The governance points have even been updated several

times and adjusted to business developments. Governance is often only assessed at the end, or at certain times, to fulfill requirements, or for the sake of contests and competitions. Governance is only assessed at the end of the period and this assessment tends to be a corporate tool. Governance assessments at the end or at some point in time tend to be easy to modify and manipulate the data so as to obtain a high score or one that suits the wishes and needs of management.

The survey results show that the most common fraud that causes the largest losses in Indonesia is corruption. Respondents also stated that fraud in the form of corruption has a loss impact between Rp. 100 million and Rp. 500 million rupiah per case. Corruption can be detected immediately in less than 12 months (<1 year). The media plays the biggest role in detecting fraud, namely through the means / channels of complaint reports which, when traced, come from company employees where corruption occurs. Based on the profile, the majority of fraud perpetrators are at the age of 36-45 years. At that age, fraudsters occupy positions and have the opportunity to manage the finances of the company or institution. The educational background of the fraudsters in the first order has a Bachelor's degree and the second order is Master's degree. Fraud is committed by employees with 6-10 years of service. The survey results also show that most respondents think that fraudsters have never been punished. This finding is in line with the 2016 Indonesian Fraud Survey and the 2018 Report to the Nation which explains that most fraudsters have never been punished (Association of Certified Fraud Examiners, 2019).

Figure 1 : Fraud In Indonesia
Sources : ACFE 2019

The survey results show that the most costly fraud in Indonesia is Corruption. In sequence, 167 respondents or 69.9% stated that corruption is the most detrimental fraud in Indonesia. The next sequence as many as 50 respondents or 20.9% stated that Misuse of State & Company Assets / Wealth which caused losses. While the third was 22 respondents or 9.2% stated that financial statement fraud caused losses.

The results of the work of government agencies that have been achieved, in the context of implementing government affairs in accordance with the field of government that is their responsibility, can be known through information about the performance accountability of each government agency. Information on the performance accountability of government agencies is needed by the government because based on this information, the government has decision-making materials to make management improvements in the implementation of better government affairs. This information is also needed as the basis for preparing the accountability report of the Head of Government as a government organizer to the public through the DPR / D at the end of each fiscal year and at the end of the position of the Head of Government.

Performance accountability of government agencies is one part of the strategic policy issues in Indonesia today because improving the performance accountability of government agencies has an impact on efforts to create good governance. Improved performance accountability of government agencies also has a broad impact on the economic and political fields (Dwiyanto, 2002). In the economic field, improving the performance accountability of government agencies will encourage the improvement of the investment climate, while in the political field, improving the performance accountability of government agencies will be able to improve the level of public trust in the government. The low performance accountability of government agencies in Indonesia has been

caused by many factors, one of which is the rampant practice of fraud that occurs in various government agencies. According to the Theft Act 1968, one type of fraud practice is corruption (Jones & J.Bates., 1990). The practice of corruption in the government has made Indonesia one of the most corrupt countries in Southeast Asia and the world. (Santoso & Pambelum, 2008).

One of the cases of Fraud (corruption) that befell SOEs in Indonesia was the case that befell PT (PLN Persero) in June 2018. This case was committed by Jordan Christo Lumi (Head of the Batui Sub Rayon guard office in charge of the PT. PLN (Persero) unit who allegedly collected extortion related to the cost of installing new electricity, which was not in accordance with the costs set by the company and contrary to the regulations issued by the minister (ESDM) No.33 of 2014 related to the amount of costs incurred for the installation of new electricity. Banggai Police Chief AKBP Moch. Sholeh during a press release at the Banggai Police Headquarters explained that this corruption case was carried out by increasing the price of new electricity installations with 900 VA and 1300 VA power, the price for new electricity installations with 900 VA power should be paid by customers at Rp. 946,000, - then sold at a price of Rp. 1,800,000, - and the price for new electricity installations with 1,300 VA power should be paid by customers at Rp. 1,374,000, - then sold at a price of Rp. 2,200,000, -. This action is considered detrimental to customers.

Fraud perpetrators can come from anywhere, in between the narrowness that can make opportunities, then fraud can occur. According to the fraud theories that have been mentioned, the fundamental principle of the theory is that two categories of factors, namely internal forces in the form of capabilities and rationalizations and external factors in the form of pressures and opportunities, motivate people to commit fraud. According to the Fraud Triangle, fraud can occur when there is a situation of high pressure, opportunity, and supported by people who have low integrity. Fraud has been rampant in the corporate world both in the private sector and in the public sector. No wonder all fraud implementation or prevention is often done to reduce the increase in fraud cases.

One of the efforts that companies can make in preventing fraud is through the application of public sector accounting. Institutions in the public sector run and use an accounting system known as public sector accounting (Enyi & Enyi, 2019). Local governments, foundations, political parties, and other non-profit organizations are examples of the types of entities included in the field of public sector accounting in state institutions (Halim, 2014). In Indonesia itself, fraud has existed, one of which is in the field of accounting operating in the public sector. This fraud is a threat to the management of a public sector accounting. Can threaten the management order that has been built by a company or institution in managing its company. To reduce or prevent the occurrence of sustainable fraud, institutions or companies are expected to be able to make prevention efforts that can start from within the institution itself. For example, by implementing management systems in it. The system can be a system with the application of the public sector accounting model to prevent fraud. Apart from the system of applying the public sector accounting model, institutions can also implement an internal control system to minimize fraud.

The accounting implementation model is applied with the aim of minimizing fraud. Because with the right accounting implementation system or model, it is expected that abuse, fraud, and other adverse actions are expected to be reduced. Internal control as referred to in Government Regulation Number 60 of 2008 Article 1 Paragraph (1) is a process of continuous actions and activities carried out by leaders and all employees to provide adequate assurance that organizational goals will be achieved through effective and efficient activities, accurate financial reporting, protection of state assets, and compliance with laws and regulations. Seeing this context, the phenomenon that exists in Indonesia is the issue of fraud prevention that has often occurred. Therefore, research was conducted to find out how much influence the application of the public sector accounting model and internal control in an effort to prevent fraud in Indonesia.

2. RESEARCH METHOD
The method used by the author in this research is This research uses descriptive qualitative research methods. (Satori & Komariah, 2013). This qualitative descriptive research is to determine the role of public sector accounting to prevent fraud in the public sector in the digital era at PT PLN Up3 Binjai. This descriptive study aims to provide researchers with a history or to describe aspects relevant to

the phenomenon of attention from the perspective of an organization. The type of data the author uses in this research is qualitative data. This qualitative data is obtained from direct interviews with the Internal Supervisory Unit (SPI) regarding the Role of the Internal Supervisory Unit in fraud prevention at PT PLN UP3 Binjai. Data analysis is part of the data testing process, and the results are sufficient evidence to draw conclusions from the work (Sugiyono, 2019). The purpose of data analysis in a study is to solve research problems, provide answers to the formulation of problems posed in the study, and serve as a source of conclusions and suggestions to help further research policies. In this study, the data analysis technique used was a qualitative descriptive analysis technique using the Miles and Huberman model. Activities in data analysis are: Reduction, Display, Conclusion Drawing/Verification.

3. RESULTS AND DISCUSSIONS
Identity of Respondents of PT PLN UP3 Binjai

Table 1. Identity Respondents based on gender

No	Gender	Total	Persentage
1	Male	37	65%
2	Female	20	35%
Total		**57**	**100%**

Source: Data processed by the author 2024

Based on the table above, it can be seen that the gender of the respondents shows that the majority of respondents of PT PLN UP3 Binjai are men, namely 37 people with a percentage of 65%. Meanwhile, female respondents were 20 people with a percentage of 35%.

Table 2. Identity Respondents based on age

No	Age	Total	Persentage
1	25 - 35 years	9	16%
2	36 – 45 Years	29	50%
3	45 – 55 Years	19	34%
Total		**57**	**100%**

Source: Data processed by the author 2024

Based on the table above, it can be seen that the age of the respondents of PT PLN UP3 Binjai shows that the respondents are with an age range of 25 - 35 years, namely 9 people with a percentage of 16%, respondents with an age of 36 - 45 years as many as 29 people with a percentage of 50% and respondents with an age range of 45 - 55 years as many as 19 people with a percentage of 34%.

Validity Test

Validity testing is carried out to determine whether the research instrument that has been made is valid or not. Valid means that the instrument can be used to measure what should be measured.

Table 3. Validity Test Result

No	Variable	Items	r-count	r table	Description
1		Item 1	0,778	0,256	Valid
2		Item 2	0,648	0,256	Valid
3	Public Sector	Item 3	0,655	0,256	Valid
4	Accounting (X)	Item 4	0,659	0,256	Valid
5		Item 5	0,721	0,256	Valid
6		Item 6	0,727	0,256	Valid
7		Item 7	0,663	0,256	Valid
8		Item 8	0,599	0,256	Valid
9		Item 9	0,728	0,256	Valid
10		Item 10	0,743	0,256	Valid
11		Item 11	0,808	0,256	Valid
12		Item 12	0,745	0,256	Valid

No	Variable	Items	r-count	r table	Description
13	Fraud (Y)	Item 13	0,625	0,256	Valid
14		Item 14	0,779	0,256	Valid
15		Item 15	0,737	0,256	Valid
16		Item 16	0,728	0,256	Valid
17		Item 17	0,732	0,256	Valid
18		Item 18	0,648	0,256	Valid
19		Item 19	0,438	0,256	Valid

Source: Data processed by the author 2024

Based on the results of the validity test on the public sector accounting and fraud prevention variables with a total of 19 statement items, it can be concluded that all question items are valid because they have a rcount value greater than 0.256.

Reliability Test

Reliability testing is carried out to determine whether or not the research instrument that has been made is reliable. If the alpha reliability coefficient value> 0.60 then the instrument is classified as reliable. If the alpha reliability coefficient value <0.60 then the instrument is classified as unreliable.

Table. Reliabilty Test Result

Variable	Cronbach's Alpha	N of Items	Description
Public Sector Accounting (X)	.901	10	Reliable
Fraud (Y)	.770	9	Reliable

Source: Data processed by the author 2024

Based on the table above, the reliability test results for the two research variables Cronbach's alpha value> 0.60, which means that the question items in this study are considered reliable.

Disucussion

The rise of fraud that occurs in institutions such as the public sector, makes the institution as a victim to be able to try to overcome and prevent fraud that occurs and is likely to occur. In the public sector, fraud that occurs or fraud that is very detrimental to many related parties must of course be emphasized in its prevention. Prevention of fraud that occurs in the public sector can be done by one of them is the application of the public sector accounting model. In this case, fraud prevention is often carried out in terms of fraud that commonly occurs, namely in financial budgeting. The application of this public sector accounting model can be supported by sophisticated electronic tools such as today.

Fraud prevention is related to the application of seven public sector accounting factors, including public planning, public budgeting, public budget fulfillment, acquisition of public goods and services, public financial reporting, public sector auditing, and public accountability (Bastian, 2015)(Pasaribu, 2024)(E. A. B. P. L. H. M. Nasib, 2023). According to (Free C, 2015) about the fraud triangle which states that fraud can arise due to three causes, namely opportunity, pressure, and rationalization, the application of these seven elements cannot be separated from the risk of fraud. Coupled with the use of digital technology, which seems to offer more opportunities and increase capacity in line with the idea of fraud diamond (Thanasak Ruankaew, 2016)(N. Li. N. N. A. S. A. D. M. R. Nasib, 2023).

The ability or capacity referred to here is the ability to commit fraud by utilizing various digital technology devices. In research (Kristiyani & Hamidah, 2020) found that the use of public sector accounting is useful for preventing fraud in the public sector. The public sector in the digital era if implemented by paying attention to factors that affect fraud, such as performance accountability, and combined with the use of fraud prevention techniques. To avoid fraud, technical strategies utilize privacy officer services, IoT access, monitor data access, create fast reporting, and control data in real time. By implementing internal controls, the two-paradigm strategy aims to foster an anti-fraud culture and reduce opportunities for fraud. Prevention strategies require the creation of a fraud detection system that uses machine algorithms, data mining, and meta learning methods (Kuswanto, 2020).

Public sector accounting is a private accounting mechanism that is applied in the practices of public organizations. Public sector accounting has the scope of state institutions and departments under them, such as local governments, foundations, political parties, and other non-profit organizations (Halim, 2014). Thus, public sector accounting practices are the same as accounting practices in general, except that there are limitations on stakeholders who are parties from the government and the wider community.

ACFE IC proposes a basic strategy to overcome fraud that can be applied by the public sector in particular and other business sectors. The strategy focuses on efforts to prevent data loss (Association of Certified Fraud Examiners (ACFE) Indonesia Chapter, 2018). The form of strategy that can be done is to use the services of a privacy officer who understands technology and law, has a work program, is able to set a data security policy, follows the technology and instruments needed to keep company data safe, understands the importance of confidentiality of customer data and company data, manages data connectivity with the internet to ensure, determine the level of confidentiality of company data along with the authority rating for data access, establish a reporting schedule and prioritize the timeliness of reporting, and carry out monitoring and control of data in real time.

The results of the study (Santoso & Pambelum, 2008) explained that the resulting information in the form of financial statements should be able to show information about the accountability of the performance of government agencies needed, because with this information the government has the material in making decisions to make improvements in the management of government affairs better. To achieve this, the determination of measures that can be used is the economic value and efficiency of the report as well as the effectiveness of the use of resources and clearly visible outcomes. With the existence of clear measures and can be ascertained its achievement by building a good internal control system, improve the effectiveness of control, improve organizational culture and streamline the internal audit function by creating a good control environment in the form of leadership commitment and the inherent supervision of organizational activities, supported by adequate compensation in the form of financial compensation and non-financial compensation, fraud prevention will occur.

4.   CONCLUSION

The conclusion of this study is the first characteristic of fraud in the public sector that occurs in the digital era, among others, the use of misconceptions about the role of digital technology in the implementation of public accounting tasks, the utilization of digital technology to optimize opportunities to commit fraud, utilizing problems in human error and lack of knowledge in the use of digital technology, using digital technology products. Furthermore, the application of Public Sector Accounting can prevent fraud in the public sector in the digital era if it is implemented by considering factors that affect fraud, such as performance accountability, and accompanied by the application of fraud prevention methods which include technical strategies, two-paradigm approaches, and preventive strategies.

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