

Analysis of Fraud Prevention and Detection Islamic Boarding School Fund Management

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Abstract: *The purpose of this study was to determine how to fraud prevention and fraud detection in the management of pesantren funds in Islamic boarding schools Miftahul Ulum. This research method used descriptive qualitative, with data collection using observation, interviews and documentation which conducted to treasurer and representatives of the leadership of the foundation. The results showed that the foundation is still weak in the terms of prevention and fraud detection, this is due to the weak internal control structure and control activities of the foundation, the organizational culture at the foundation is quite good, but there is no internal auditor team within the foundation that oversees the operational and financial activities of the foundation. on the detection side, the foundation has not prepared financial reports and there is no list of assets so that analysis of the foundation's financial statements and assets cannot be carried out, but the foundation applies the concept of trust (amanah) to all associates in order to carry out responsibility in managing the foundation's operations and finances, so that detection acts of corruption on assatid's responsibilities in the operational and financial activities of the foundation cannot be implemented.*

Keyword : *fraud prevention, Islamic boarding school, fund management*

INTRODUCTION

Pondok Pesantren is a traditional Islamic educational institution where students (santri) are under the guidance of a teacher/kiyai and have a dormitory as a residence for the students. Pondok Pesantren is an Islamic educational institution with a dormitory or cottage system. Kyai is a central figure in Islamic boarding schools and mosques as centers of activity as well as the teaching of Islam under the guidance of the kyai which students follow as the main activity. Islamic boarding schools can also be interpreted as a living laboratory, where students learn to live and socialize in various aspects (Pedoman Accounting Pesantren, 2018).

Fauzi (2017) indicated that the sources of funds and assets of Islamic boarding schools consisted of internal boarding schools, monthly fees/syahriyah santri and community assistance in the form of zakat, shodaqoh, infaq, grants and waqf. Islamic boarding schools use the sources of funds and assets received for the operational needs of the pesantren which consist of operating expenses, and operating expenses are expenditures made for all activities that support the teaching process, salaries of teachers and boarding boards, depreciation of fixed assets, electricity costs and telephone, while capital expenditures are expenditures made to finance fixed asset capital goods such as buying boarding school land, building local boarding schools or schools and buying educational equipment and supplies.

Supervision is considered important in the financial management of non-profit organizations. Because the supervisory role is to control operational activities, with this supervision, it is possible to compare a performance that has been carried out with previously determined policies and can monitor if there are deviations or fraud that occurs in an entity. If supervision is not carried out, it will increase the risk of fraud in an entity. One of the cases related to the low monitoring system on internal control occurred at the University of Bengkulu (UNIB), where the treasurer of UNIB took some of the funds it had. The act of fleeing these funds can be said to be an act of corruption (Halimatus and Aditya, 2017). Based on the facts

described, supervision can detect early the possibility of fraud or fraud so as to prevent fraud within the organization or entity.

Because as is well known, Islamic boarding schools are identical with a high level of religiosity and the general public's perception of the minimal level of cheating which, of course, is related to morals according to religious norms. However, the phenomenon that exists at the Miftahul Ulum Islamic Boarding School Foundation is a weak internal control system which is marked by the absence of crosschecking (crosscheck) on the pesantren treasurer, who manages the cash in and cash out of the pesantren. Miqdad 2008 (in, Recky et al., 2016) says that one way to prevent fraud is to build a good control structure. Judging from this theory, weak internal control will trigger the potential for fraud. Thus, researchers are interested in conducting research related to the potential that will arise due to weak internal control at the Miftahul Ulum Islamic Boarding School Foundation.

LITERATURE REVIEW

Islamic Boarding School Fund

Fauzi (2017) Broadly speaking, explaining the use of funds or education financing in Islamic boarding schools can be divided into two, namely: Operating expenses, namely expenditures made for all activities that support the teaching and learning process, teacher salaries and boarding boards, depreciation of fixed assets, electricity and telephone costs. Capital expenditures are expenditures made to finance fixed asset capital goods such as buying land, building local Islamic boarding schools or schools, and buying educational equipment. An organization is a place or group of people who come together to achieve a common goal. Koppel 2005 (in Wirayuni et al., 2015) states five accountability procedures which include Transparency, Obligations, Control, Responsibility, and Responsiveness.

Islamic Boarding School Financial Management

Arifin (2013), defines financial management of Islamic boarding schools as a process of regulating financial activities or activities at a boarding school and educational institutions within it, starting from planning, analyzing and controlling financial activities, which are usually carried out by the chairman of the board and treasurer, and or the head of the madrasa together with the treasurer of the madrasa and or all institutions (agencies) under the auspices of the Islamic boarding school, Islamic boarding school financial management has three functions, namely Investment Decision (Determining the allocation of funds) Financial Decision (Deciding alternative financing), and Dividend Decision (Policy in the distribution of funds). dividend)

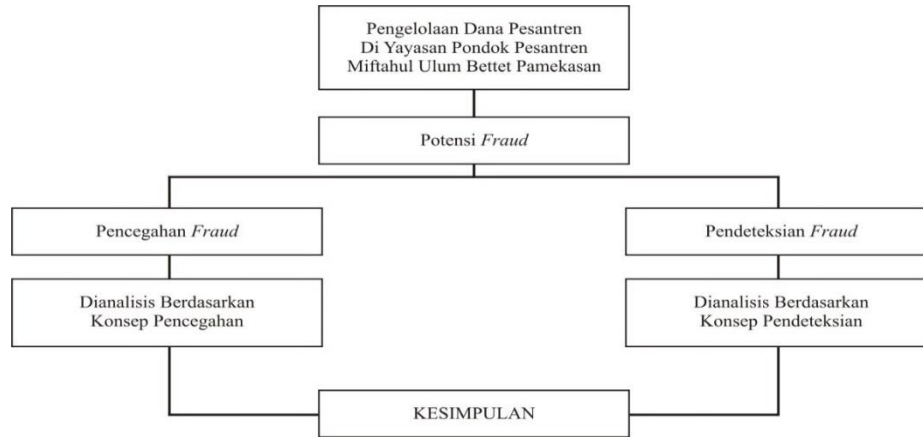
Jusuf 1992 (in Arifin, 2013) suggests that funding for Islamic boarding school activities can be planned, procured, recorded transparently, and used to finance the implementation of Islamic boarding school programs effectively and efficiently through Islamic boarding school financial management activities. For this reason, the objectives of Islamic boarding school financial management include: Increasing the effectiveness and efficiency of the financial use of Islamic boarding schools; Increasing accountability and financial transparency of Islamic boarding schools and Minimizing misuse of Islamic boarding school budgets.

It is described in Law No. 20 of 2003 in Article 48, which states that the management of education funds is based on the principles of justice, transparency, efficiency, and accountability. In addition, the principle of effectiveness also needs to be emphasized in aspects of fairness, transparency, efficiency, accountability, and effectiveness. Arifin (2013) states that the financial management of Islamic boarding schools has three important stages, namely the planning stage (budgeting), the implementation stage (Accounting), and the assessment or evaluation stage (Auditing).

Fraud

Literally, fraud is defined as fraud, but this understanding has been developed further so that it has a broad scope. According to the Association of Certified Fraud Examiners (ACFE) (in Faisol, 2013) fraud is unlawful acts that are carried out intentionally for certain purposes (manipulation or giving false reports to other parties) carried out by people from within or outside the company. outside the organization for personal or group gain, directly or indirectly harming others. The Association of Certified Fraud Examiners (ACFE) in Tuanakotta 2010 (in Zulkarnain, 2013) categorizes fraud into 3 (three) groups, namely Asset Misappropriation, Financial Statement Fraud, and Corruption.

Conceptual Framework



Gambar 1. Conceptual Framework

Supervision is considered important in managing pesantren funds because the role of supervision is to control the operational activities of pesantren. Weak leadership will trigger fraudulent actions or potential fraud in an entity or organization. Islamic boarding schools are educational institutions that have a high level of religiosity and uphold the values of religious norms. Based on this, it is assumed that the difficulty of potential fraud or fraud will occur. The prevention and detection of fraud can be done by increasing internal control over fund management, especially cash receipts and disbursements. To test these assumptions, qualitative research was conducted to prove whether these assumptions were true or find other facts that proved that the potential for fraud could occur anywhere, including within the scope of Islamic boarding schools.

RESEARCH METHOD

This type of research is qualitative with a descriptive approach. The qualitative research method is a strategy that is carried out on natural object conditions and the researcher as a key instrument, combining data collection techniques (triangulation), inductive data analysis, and results emphasize meaning rather than generalization (Sugiyono, 2017:9). The object of research is one of the Islamic boarding schools in Madura, East Java. The data analysis method used is based on qualitative research. Thus, the data in the form of interviews and documentation were analyzed qualitatively.

The data analysis method used in this research is data reduction, data presentation, and conclusion drawing. Data collection techniques are carried out to evaluate the prevention and detection of fraud in the management of Islamic boarding schools funds using observation, interviews, and documentation methods by using several evaluation indicators on fraud prevention, namely internal control structures, control activities, organizational culture, internal

audit, as well as several evaluation indicators on fraud detection. Namely financial statement fraud, asset misappropriation, and corruption.

RESULT AND DISCUSSION

Internal Control Structure

Internal control structure includes the organizational structure and is a method, the measures of which are useful for maintaining the wealth of the organization. Internal control also aims to provide reliable information and promote compliance with established policies. Ustadz AM, who served as general treasurer, explained that:

Pesantren has implemented control over its operations, but the control is only limited to a clear separation of duties because we are not a business or government organization whose control structure is well structured. Meanwhile, the financial control of the pesantren is only fully left to the treasurer of the pesantren to be managed properly, but there are still applicable and binding rules. The monitoring is not significant because here, we apply the mandate, where everything will return to oneself, but the monitoring of the task of asatid is discussed in the evaluation meeting. However, one of the duties and responsibilities of the security and discipline bureau team is to maintain the operations of the pesantren so that no problems arise that are focused on students. The problem of the foundation's information system does not use an accounting system or any method to record financial transactions (Amiruddin, 2020) .

The same thing was conveyed by Ustadz JA who served as deputy chairman of the foundation, explaining:

"Actually, at the pesantren, there is no special control team, either from an operational or financial perspective. From an operational perspective there is a clear separation of duties for each asatid. In terms of finances, it is completely left to the treasurer of the boarding school, so I only know about the amount of cash in and out through the financial statements prepared by the treasurer of the pesantren as the responsibility. However, in terms of operations, the security and order bureau team ensure that no problems arise, but the guard is only focused on students. Operational and financial monitoring is carried out only at evaluation meetings. Now, the foundation's accounting method doesn't use it because we feel we don't need it."

The foundation has a weak internal control structure which is characterized by the foundation's operational control structure being limited to segregation of duties. internal control over the financial activities of the foundation only fully delegates financial management to the treasurer to be managed properly in accordance with established regulations. There is no information system consisting of an accounting system for managing foundation assets, and the preparation of financial statements is still very simple, which only contains information about general cash (cash in and cash out). Monitoring and risk assessment of the foundation's operational and financial activities are not carried out, and this is triggered because the foundation applies a trust system (Amanah) to each asatid.

Aktivitas Pengendalian

Control activities are established by an entity through policies and procedures whose purpose is to ensure management directives reduce the risk of achieving the objectives carried out. The results of interviews regarding control activities with the general treasurer of the foundation obtained the following statement:

"We do a clear division of tasks to each of the Asatids, and the problem of this work review is we only do it like a work program meeting and an evaluation meeting. The work program meeting is held at the beginning of the year where the meeting discusses the division of tasks to each asatid. The evaluation meeting was held in the middle of the year in this meeting to discuss the performance of asatid related to the tasks assigned to each asatid. Asset control is left to the facilities and infrastructure team who are responsible for the pesantren assets, and there is no special control team."

The same thing regarding control activities was also conveyed by the deputy leader of the foundation, who stated:

"At the beginning of every year, we hold a work program meeting (proker) where in the meeting we discuss the division of tasks that will be mandated to each asatid. We also held a work evaluation meeting in which we discussed the performance of the asatid on the tasks assigned to each asatid. Pesantren assets already have a responsible infrastructure and facilities team, not a special control team"

In accordance with the data analysis carried out, it can be said that the control activities at the foundation are still weak, this is evidenced by the activities within the foundation are still limited to the full handover of the foundation's assets to the facilities bureau without any reports on assets compiled by the facilities and infrastructure bureau, reviews of the work carried out once stated in the work evaluation meeting, but there is still a clear separation of duties for each bureau/department within the foundation.

Organizational Culture

Organizational culture, or what is commonly called organizational culture, is a series of systems or principles that are recognized and applied jointly by all elements of the organization in order to achieve common goals and become a differentiator between an organization and other organizations. The results of interviews with the main sources, namely the general treasurer of the foundation regarding organizational culture, obtained the following statements:

"Speaking of organizational culture, perhaps we have implemented it more or less. All operations of the pesantren, it has been carried out in a transparent and accountable manner. And the operations within the pesantren foundation are in accordance with the work program agreed upon together at the work program meeting when it comes to issues of justice and morality that have been well established in the pesantren environment because we are an organization under the auspices of the pesantren, we automatically prioritize justice and good moral attitudes. . However, every task that is assigned to asatid is not based on reliability but is based on the belief that the asatid is capable of carrying out (Amiruddin, 2020)."

The same thing regarding organizational culture was also conveyed by the deputy leadership as follows:

“We always prioritize a good organizational culture, where in the management of pesantren, both operational and financial, it is always transparent and accountable to caregivers. As for justice, morality, and so on, we have implemented considering we are an organization under the auspices of a pesantren (Jamaluddin, 2020).”

In accordance with the data analysis carried out, it was found that the organizational culture at the foundation was quite good; this was motivated by the existence of transparency and accountability that had been carried out properly, operational and financial activities that were in accordance with the agreed regulations or work program. A good organizational culture will have a positive impact on the foundation in terms of implementing a good control structure so as to minimize the chances of fraud.

Internal Audit

An internal audit functions as an assessor of employee awareness of management procedures and policies, laws, and regulations that apply within a company. The results of interviews regarding internal audits with the general treasurer of the foundation are obtained as follows:

"So far, there has been no internal audit within the pesantren environment; only the security of the pesantren has been fully handled by the security of pesantren. Because, in our opinion, we do not need an internal audit because we are not a business or government agency (Amiruddin, 2020)."

This is also confirmed by the statement of the deputy leader of the foundation regarding the internal audit as follows:

"The pesantren's finances are fully controlled by the pesantren treasurer, while the operational security of the pesantren is fully controlled by the security and discipline bureau (Kantib), so there is no internal auditor in the pesantren environment (Jamaluddin, 2020)."

In accordance with the results of data analysis obtained from the general treasurer and deputy leadership of the foundation, it can be said that in the Islamic boarding school environment, there is no internal auditor who acts as a party that checks management's compliance with policies that have been made and determines whether or not the control of the organization's assets is good. So, it can be said that internal auditors have an important role in preventing potential fraud or fraud.

Detection Fraud Financial Statement Fraud

The financial report is a summary of the financial transactions that occurred during the relevant financial year. Fraud that usually occurs in a financial report is like a deliberate error in the recording of financial statements. The results of interviews obtained from the treasurer of the foundation regarding financial statement fraud are as follows:

"For the financial report itself, it already exists because it is included in one of the treasurer's duties, but the financial report here only contains the pesantren's cash balance at the end of the month as well as expenses and income every month, because the financial report is made every month to be reported to the public. Deputy leaders and caregivers of the foundation. Problems related to the analysis of the report were indeed not carried out because here we apply a trust system (amanah), because here we serve teachers (Amiruddin, 2020)."

The same thing was conveyed by the deputy leader of the foundation regarding financial statement fraud as follows:

"Financial reports made by the general treasurer are once a month, the financial statements are simple, only the cash balance of the pesantren, cash flow in and out for a month. The deputy leadership here does not re-check the system here we believe (trust). So the one who really knows about the cash flow of the pesantren is the general treasurer (Jamaluddin, 2020).

The statements from the first and supporting sources are supported by the following documents, namely an example of the financial report of the Miftahul Ulum Islamic Boarding School Foundation. From the data analysis carried out, it can be said that the foundation has not prepared financial reports, but the available data are limited to financial records on general cash containing information on cash in and cash out so that the detection of financial statements in the form of vertical analysis, horizontal analysis and ratio analysis cannot be carried out due to limited data support or data information available. Pesantren foundations should compile complete financial reports to provide information on transactions that occur at the foundation to caregivers.

Asset Misappropriation

Assets are all rights that can be used in the company's operations. The most common asset fraud is the use of company facilities for personal gain. This is triggered by the opportunities that encourage fraud. The existence of these opportunities is motivated by weak internal control. The interview that the author obtained from the general treasurer of the Miftahul Ulum Islamic Boarding School foundation regarding asset misappropriation is as follows:

"In terms of assets, it is actually the facilities and infrastructure bureau that is maintaining it. The checking of the pesantren's assets is carried out once a month. Well, if there is damage that must be repaired and requires funds. So first contact the general treasurer of the pesantren and bring a note of the necessary funds. So, the treasurer will check the record, if it is deemed appropriate, the pesantren treasurer will disburse the funds needed by the advice and infrastructure bureau team. In the pesantren foundation environment, there are also no records of assets or asset repair reports given by the facilities and infrastructure bureau to the treasurer or deputy leader (Amiruddin, 2020)."

The deputy head of the Miftahul Ulum Islamic Boarding School Foundation also conveyed the same thing regarding asset misappropriation as follows:

"The issue of assets has indeed been fully handed over to the team of the infrastructure and facilities bureau, so the vice president just knows if there is something that needs to be repaired or replaced, while the funds needed to repair or replace the asset are the responsibility of the general treasurer. I also found out that there are no records of any assets in the pesantren foundation (Jamaluddin, 2020)."

In accordance with the data analysis carried out, it was found that the facilities and infrastructure bureau had full control over the assets of the foundation, but the facilities and infrastructure bureau did not compile a list of assets owned by the foundation. so that the limited information about assets causes asset detection techniques cannot be implemented.

Corruption

Corruption is an act of someone who abuses trust in an issue or organization for profit. There are several factors that cause corruption, one of which is inseparable from the greedy nature of a person.

The results of interviews obtained from the first resource person, namely the general treasurer of the Miftahul Ulum Islamic Boarding School foundation regarding corruption, are as follows:

"The problem of corruption never seems to happen in this pesantren environment, we also don't have any detection for all the responsibilities entrusted to Asatid, because as I said that here we apply a trust system (trust), our existence here is not actually looking for profit but serving in boarding schools and caregivers. Even if later there is fraud that occurs, we will provide sanctions according to the mistakes made, the sanctions are not immediately available, but are still closed with the deputy leadership, security and orderly bureau (Kantib) (Amiruddin, 2020)."

The author also obtained information from supporting sources, namely the deputy leadership of the pesantren regarding corruption as follows:

"As long as I'm here as a student or asatid, there's never been a problem of cheating like corruption or anything else. Actually, here there is no detection related to anything, because here we have a trust system (trust). However, if there is fraud, we give an example to the treasurer, there is an issue that the treasurer is dishonest, then I as the vice president will call the treasurer to confirm the issue. exist, and bring evidence in self-defense. However, if it is proven that the treasurer is wrong, we will impose sanctions after holding a meeting with the security and order bureau (Kantib) (Jamaluddin, 2020)."

Based on the data analysis carried out, it can be said that the foundation applies the concept of trust (amanah) to all asatids to carry out their responsibilities in managing the foundation's operations, so it can be said that the analysis technique is to examine acts of corruption in the management of foundation funds, the foundation's operational procedures and duties and responsibilities. of any asatid cannot be implemented.

RESULT AND SUGGESTIONS

After the authors conducted an analysis and discussion of data discussions regarding the prevention and detection of fraud in the management of Islamic boarding school funds at the Miftahul Ulum Islamic Boarding School in the previous chapter, it can be concluded as follows Fraud prevention within the foundation is still weak, this is due to the weak internal control

structure and control activities, this is indicated by the full surrender of all operational and financial activities of the foundation to Asatid in accordance with their respective departments, but the organizational culture of the foundation is quite good, this is motivated by transparency and responsibilities that have been carried out properly, operational and financial activities that have been in accordance with agreed regulations or work programs. Meanwhile, in the Islamic boarding school environment, there is no internal auditor who acts as a party that checks management's compliance with the policies that have been made and determines whether or not the control of the organization's assets is good. So, it can be said that internal auditors have an important role in preventing potential fraud or fraud. Detection of fraud within the foundation is still weak, this is due to the fact that the foundation does not prepare complete financial statements, and there is no list of assets that can be used for the development of the foundation's assets so that analysis of the financial statements and assets of the foundation cannot be carried out, but the foundation applies the concept of trust (trust). To all asatid to carry out the responsibility in managing the operations and finances of the foundation so that the detection of acts of corruption on asatid's responsibilities in the operational and financial activities of the foundation cannot be carried out.

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