

**FACTORS THAT INFLUENCE FRAUD PREVENTION IN THE  
MANAGEMENT OF VILLAGE FUND ALLOCATIONS IN HOAT SORBAY  
DISTRICT, TENGARA MALUKU DISTRICT**

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**ABSTRACT**

*This research aims to empirically test the factors that influence fraud prevention in managing village fund allocations in Hoat Sorbay District, Maluku Tenggara Regency. The population in this study were some village officials who worked in Hoat Sorbay District. The sample in this study consisted of 35 people, some of whom were village officials who participated in the village internal control system in Hoat Sorbay District. The sampling technique used was Purposive Sampling. The research method used is a quantitative research method. Data was obtained through distributing questionnaires and measured using multiple regression analysis which was processed using SPSS 22 software. The results of this research show that the presentation of village financial reports, internal control, individual morality and competence have a significant influence on preventing fraud in managing village fund allocation in the sub-district. Hoat Sorbay, Maluku Regency, a landmark.*

*Keywords: Presentation of Village Financial Reports, Internal Control, Individual Morality, Competence, Fraud Prevention.*

**1. INTRODUCTION**

Villages are part of regional government organizational units that are directly related to the community. Village funds are allocated through the Regency/City Regional Revenue and Expenditure Budget and are allocated fairly and evenly to each village which has been calculated based on the proportion and village fund formula. One important aspect in village implementation is the distribution of village funds from the State Revenue and Expenditure Budget to the Village Government. To realize the principles of transparency and accountability and ensure utilization and village outcomes, the village fund requirements process requires several criteria that must be met by the Regency/City Government as regulated through Minister of Finance Regulation No. 50/PMK.07/2017 [1]. With village funds, the government hopes that public services in villages will improve, village communities will progress and be empowered, and most importantly, villages will become the subject of development.

According to G. Jack Balogna and Robert in Karyono (2013) [2] fraud is deliberate deception which is generally implemented as lying, plagiarism and theft. Apart from the three types of fraud that have been classified by ACFE in Novia Tri Kurniasari, et.al (2018) [3] There are other factors that underlie fraud, namely: 1. Incentives or pressure to commit fraud. 2. Opportunities to commit fraud. 3. Attitude or rationalization to justify fraudulent acts.

In Indonesia, there are facts about village financial management issues, according to the Indonesian Corruption Watch (ICW). For this reason, Indonesian Corruption Watch (ICW) carried out monitoring which found that from 2015 to 2017 corruption cases in

villages increased. There are 127 cases of ongoing village budget misappropriation. Misappropriation of the village budget is mostly carried out by the Village Head (Fitriyah & Munari, 2019) [4]. The village government requires that financial information be provided to village communities in the form of financial reports which aims to prevent fraud in the management of village fund allocations. Village Financial Reports regarding Village Financial Management Guidelines, there are two types of Village Financial Reports, namely the first is the APBDes Realization Accountability Report and the second is the Village Financial Report. Reports on wealth owned are included in the Regulation of the Minister of Home Affairs of the Republic of Indonesia Number 113 of 2014 [5]. The financial report produced is a financial report that is presented properly and correctly, because it is a form of accountability for the realization of village fund allocations. The village financial reports presented must comply with the rules referring to Government Regulation Number 71 of 2010 concerning Government Accounting Standards [6].

The phenomenon that occurs is of concern to the regional government to remain firm in managing the allocation of village funds by channeling an audit team of accompanying staff funds so that village funds can be accounted for financially. Transparency in the plan for using the Village APBD accountability is still low, the accountability report made by Warwut Village does not follow accounting standards which is vulnerable manipulation, and the Village APBD that is prepared does not fully reflect the needs of the village. This is proven by the difficulty of accessing information related to planning and accountability by the Warwut Village government.

The problem formulation in this research is: 1. Does the presentation of village financial reports affect fraud prevention in managing village fund allocations in Hoat Sorbay District, Southeast Maluku. 2. Does internal control influence fraud prevention in managing village fund allocations in Hoat Sorbay District, Southeast Maluku. 3. Does individual morality influence fraud prevention in managing village fund allocation in Hoat Sorbay District, Southeast Maluku? 4. Does competency influence fraud prevention in managing village fund allocation in Hoat Sorbay District, Southeast Maluku? Therefore, the objectives of this research are: 1. To empirically test the effect of presenting village financial reports on fraud prevention in managing village fund allocation in Hoat Sorbay sub-district, Southeast Maluku. 2. To empirically test the influence of internal control on fraud prevention in managing village fund allocation in Hoat Sorbay District, Southeast Maluku. 3. To empirically test the influence of individual morality on fraud prevention in managing village fund allocation in Hoat Sorbay District, Southeast Maluku. 4. To empirically test the influence of competence on fraud prevention in managing village fund allocation in Hoat Sorbay District, Southeast Maluku.

## **2. LITERATURE REVIEW**

### **Agency Theory (Agency Theory)**

Agency theory emerged due to the existence of a work contract based on mutual agreement between the agent and the principal. The agent is the party who carries out certain tasks for the principals, while the principal is the party who provides compensation to the agent. The relationship between agency theory in this research can be seen through the relationship between the village government (agents) and the community (principals). This relationship creates a contract between the community and the village government. This contractual relationship allows for conflicts of interest between the community and the village government (Arifin 2005) [7].

According to Ismail et al (2016) [8] Agency theory is a concept that explains the contractual relationship between principals and agents. The principal is the party who gives the mandate to another party, namely the agent, to carry out all activities on behalf of the principal in his capacity as a decision maker.

### **Presentation of village financial reports**

Village Financial Reports or Village Financial Management are regulated in Chapter V of the Minister of Home Affairs Regulation Number 113 of 2014 [5] concerning Village Financial Management which consists of planning, implementation, receipts and expenditures with complete and valid evidence, administration, and reporting accountability to government and must be informed to the public both in writing and using information media.

Presentation of village financial reports is the most important factor in presenting accountability or accountability in village financial management. The Village Government must be able to prepare village financial reports in accordance with accounting standards. Providing complete information in financial reports will highlight transparency thereby realizing accountability. The main task of the village report is to present it with facts, because this is related to the responsibilities shared. With the basic tasks of the village as completing civilization or production progress, working to improve living standards and standardizing Village majority rule in a Democratic manner, the level of village reporting is the implementation of programs and achievement of the main tasks of the village.

### **Internal controls**

Internal Control is a system/procedure that exists within an organization to maintain operational activity processes in accordance with established policies in order to achieve the organization's own goals. According to Krismiaji, (2018) [9] states that internal control is an organizational plan and methods used to maintain or protect assets and produce accurate and reliable information. The role of village government in managing village finances is a form of service to village communities by presenting accountable financial reports, providing open financial information and providing supervision in the financial management process in order to produce accountable financial management. So the village government carries out its duties for the interests and welfare of the village community.

### **Individual morality**

According to Kohl Berg in Siti Rohmah Nurhayati (2006) [10] the assessment of moral considerations can be seen from the correctness and goodness of an action as well as aesthetic and technological or wise, while the stages of moral development can be seen from the results of an increasingly developed ability to understand social reality or to organize and integrating social experiences so as to give rise to the ability to think logically which influences the measurement of a person's moral high and low based on the development of their moral reasoning. There are 3 (three) levels of moral development, namely the lowest stage (preconventional) is a stage that is responsive to culture regarding good and bad in terms of physical consequences, the second stage (conventional) is a conformist level by making efforts to maintain the expectations and rules of the family, group, or nation and the highest stage (post-conventional) is the stage towards autonomous, independent moral principles, which have validity and application, regardless of the authority of the groups or individuals who hold them and regardless of Kohl Berg's (2006) identification ) [10].

### **Competence**

According to Marwansyah (2012) [11], competency is a combination of knowledge, skills, attitudes and other personal characteristics needed to achieve success in a job, which can be measured using agreed standards, and which can be improved through training and development. Competency includes internal aspects (intention), action (action) and outcome (results). Atmadja, AT, & Saputra, AK (2017) [12] said that the competence of apparatus has an important role in managing village finances to achieve the common goal of improving community welfare through improving the village economy, social, cultural and other fields, especially since the apparatus will be

supervised and have direct contact with an independent financial supervisory body appointed by the central government to supervise the use of village funds and hold them accountable. Wirakusuma and Setiawan (2019) [13] stated that competence has a negative effect on the tendency for accounting fraud. This shows that the higher a person's competence causes the lower the tendency for accounting fraud to occur. Competence refers to knowledge, skills and abilities, which can be demonstrated to certain standards (Rudana, 2005:6) [14]. Apparatus competency indicators include the ability to manage financial administration, compile, number and store proof of transactions as well as input transaction account codes, budget item codes and match cash balances.

### **Fraud prevention**

Fraud is a crime that can be overcome by preventing or detecting, but actually prevention efforts are the most important way because they can minimize the occurrence of fraud early on. Fraud prevention is management's responsibility, internal audit is responsible for testing and assessing the adequacy and effectiveness of management's actions to fulfill these obligations. . Thus, internal audit must carry out audits in accordance with procedures, monitor symptoms of fraud, carry out investigations to prevent fraud, and identify all fraud that may occur. According to Amrizal (2004) [15] fraud that may occur must be prevented, among other things, by the following methods: 1. Building a good internal control structure. 2. Making control activities more effective 3. Improving organizational culture 4. Making the internal audit function more effective. In the BlaksLaw Dictionary quoted by Karyono (2013: 4) [16] is "Fraud includes all kinds that humans can think of and which are attempted by someone to gain advantage from other people with wrong advice or forcing the truth and includes all unexpected, devious, cunning, hidden and any dishonest means that causes others to be deceived.

### **Village Financial Management**

Problems in managing village finances are caused by the lack of knowledge of village officials in managing and reporting village finances, so there is the potential for abuse of power in the form of acts of corruption (Yusuf, 2016) [17]. Village financial management cannot be separated from the Village Head and other Village officials. The following is a mechanism regarding the Village Financial Management Cycle.

The hypothesis development is as follows: H1: presentation of financial reports can influence the prevention of fraud in the management of village fund allocation. H2: Internal Control can influence the level of fraud prevention in managing village fund allocation. H3: Individual morality influences fraud prevention in managing village fund allocation. H4: Competence of village officials influences fraud prevention in managing village fund allocation.

## **3. DATA AND RESEARCH TECHNIQUE ANALYSIS**

This empirical research uses a quantitative approach, where this research distributes questionnaires using instruments for measurement and processing them statistically and in the form of numbers. The researcher took the research object, namely the management of village fund allocation towards fraud prevention, questionnaires which were processed with the help of the SPSS application. The data sources used in this research are: Primary data sources were obtained through interviews and giving questionnaires, direct observation in the field. Secondary data sources were obtained through documentation and providing questionnaires, literature studies with the help of print and internet media as well as field notes. In this research, the technique for determining the sample taken was *purposive sampling* , that is, the sample was determined based on certain criteria. The sample in this study amounted to 35 people. The data collection technique is carried out by providing several question points in the form of written questions which will be answered by respondents, namely by ticking the available columns. In this research, data

collection was carried out using a questionnaire distributed to thirteen village offices in Hoat Sorbay District. Questionnaire sheets were distributed directly to respondents in the form of questionnaires in print out form. Before being given to respondents, the questionnaire created was ensured to be easy for respondents to understand and understand, to make it easier for respondents to answer.

In measuring respondents' opinions, a five-point Likert scale was used. The five-point Likert scale was chosen to emphasize the results obtained and make respondents more decisive in choosing the answers provided in the questionnaire. The list of questions in the questionnaire was taken from several research literature and the results of previous research developments. The measurement value is from 1 to 5, with alternative answers: Strongly Agree (SS), Agree (N), Neutral (S), Disagree (TS), Strongly Disagree (STS) where each answer is given its own score.

The data analysis technique used is descriptive statistical analysis technique and uses multiple linear analysis. 1. Data Quality Test using Validity Test and Reliability Test. 2. Classic Assumption Test using Normality Test, Multicollinearity Test and Heteroskedasticity Test. 3. Test the Hypothesis by testing Multiple Linear Regression as well as the t Test (Partial) and the Determination Coefficient Test.

#### 4. RESULT AND DISCUSSION

Analysis of the research results will be explained in several tests and discussions, as follows:

##### Data Quality Test

##### Validity Test Results

Table 1 . test the validity of the Presentation of Financial Statements

No	r count	r table	Information
P1	0.452	0.344	Valid
P2	0.772	0.344	Valid
P3	0.710	0.344	Valid
P4	0.571	0.344	Valid
P5	0.463	0.344	Valid
P6	0.453	0.344	Valid
P7	0.562	0.344	Valid

Source : SPSS processing data , 2023

Table 2 . internal control validity test

No	r count	r table	Information
P1	0.583	0.344	Valid
P2	0.531	0.344	Valid
P3	0.600	0.344	Valid
P4	0.598	0.344	Valid
P5	0.547	0.344	Valid
P6	0.562	0.344	Valid
P7	0.613	0.344	Valid

Source : SPSS processing data , 2023

Table 3 . test the validity of individual morality

No	r count	r table	Information
P1	0.520	0.344	Valid
P2	0.636	0.344	Valid

P3	0.352	0.344	Valid
P4	0.599	0.344	Valid
P5	0.419	0.344	Valid
P6	0.600	0.344	Valid
P7	0.511	0.344	Valid

Source: SPSS processing data , 2023

Table 4 . competency validity test

No	r count	r table	Information
P1	0.539	0.344	Valid
P2	0.697	0.344	Valid
P3	0.584	0.344	Valid
P4	0.529	0.344	Valid
P5	0.604	0.344	Valid
P6	0.675	0.344	Valid
P7	0.727	0.344	Valid

Source : SPSS processing data , 2023

Table 5. Test the validity of fraud prevention

No	r count	r table	Information
P1	0.677	0.344	Valid
P2	0.886	0.344	Valid
P3	0.756	0.344	Valid
P4	0.904	0.344	Valid
P5	0.823	0.344	Valid
P6	0.904	0.344	Valid
P7	0.758	0.344	Valid

Source : SPSS processing data , 2023

It was concluded that the variables for presenting village financial reports, internal control, individual morality, competence and fraud prevention had valid criteria for all question items with a significance value below 0.05. So it can be concluded that all the questions for the variables of village financial report presentation, internal control, individual morality, competence and fraud prevention are valid.

### Rehabilitation Test Results

Table 6. Reliability Test Results

No	Cronbach Alpha	R table	Information
Presentation of Village Financial Reports (X1)	0.929	0.60	Reliable
Internal control (X2)	0.952	0.60	Reliable
Individual Morality (X3)	0.754	0.60	Reliable
Competency (X4)	0.761	0.60	Reliable
Fraud Prevention (Y)	0.866	0.60	Reliable

Source : SPSS processing data , 2023

The results of the reliability test show that the Cronbach's alpha value for the village financial report presentation variable is 0.929, internal control is 0.925, individual morality is 0.754, competence is 0.761 and fraud prevention is 0.866. Thus it can be concluded that the statements in this questionnaire are reliable because they have a Cronbach's Alpha value of more than 0.60.

**Partial t test results**

Table 7. Partial t test results

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	Q	Sig.
1	(Constant)	,271	,607		,447	,658
	presentation of village financial reports (X1)	,253	,187	,240	0.004	,004
	internal control(X2)	,367	,204	,348	0.003	,001
	individual morality(X3)	.107	.102	,142	0.005	,000
	Competency(X4)	,189	,165	,196	0.001	,002

Dependent Variable: fraud prevention(Y)

Source: SPSS processing data, 2023

Based on the results, it shows that the significance value of the t test results on the presentation of village financial reports (X1) is less than  $0.004 > 0.05$ , this means accepting H1 so it can be concluded that the presentation of village financial reports (X1) has a significant effect on fraud prevention (Y). The significance of the t test result value for the internal control method (X2) is smaller than  $0.001 > 0.05$ , which means that H2 can be concluded that internal control (X2) has a significant effect on fraud prevention (Y). The significance value of the t test results on individual morality (X3) is smaller than  $0.000 > 0.05$ . This can accept H3 so it can be concluded that individual morality (X3) has a significant effect on the t results of fraud prevention (Y). competency (X4) is smaller  $0.002 > 0.05$ , this can accept H4 so it can be concluded that competency (X4) has a significant effect on fraud prevention (Y).

**Normality Test Results**

Table 8. Normality

		Unstandardized Residuals
N		35
Normal Parameters <sup>a</sup>	Mean	.0000000
	Std. Deviation	1.97396508
Most Extreme Differences	Absolute	.135
	Positive	.135
	Negative	-.107
Kolmogorov-Smirnov Z		,800
Asymp. Sig. (2-tailed)		,544

a. Test distribution is Normal.  
b. Calculated from data.  
c. Lilliefors Significance Correction.

Based on table 4.9. above shows that the Kolmogorov-Smirnov test result is .544 greater than 0.05. This means that H0 is accepted, which means the residual data is normally distributed and the results are consistent with the previous test.

**Multicollinearity Test**

Table 9. Multicollinearity test

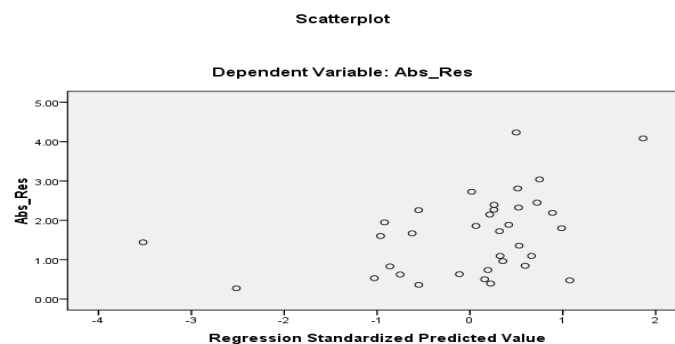
Model	Collinearity Statistics	
	Tolerance	VIF
1		
X1	.151	6,641
X2	.070	14,235
X3	.177	5,644
X4	.174	5,744

Source: Processed primary data, 2023

Based on Table 4.10 above, it can be seen that the tolerance value approaches the number 1 and the variance inflation factor (VIF) exceeds the number 1 for each variable as indicated by the tolerance value for presenting financial reports (X1) 0.151, the tolerance value for internal control (X2) 0.070, the tolerance value for morality (X3) 0.177, and for competence tolerance value (X4) 0.174. Meanwhile the VIF for the financial report presentation variable (X1) is 6641. VIF for the internal control variable (X2) is 14,235. VIF for the morality variable (X3) is 5,644, and the VIF for the competency variable is 5,744. Thus it can be concluded that this regression equation model has a multicollinearity problem and can be used in this research.

### Heteroscedasticity Test Results

Figure 1. Heteroscedasticity Test Results



Source: Processed data, SPSS

Based on Figure 1 above, the scatterplot graph shows that the data is spread above and below the number 0 (zero) on the Y axis and there is no clear pattern in the distribution of the data. This means that there is no heteroscedasticity in the regression equation model so that the regression model is suitable for use to predict factors that influence the management of village fund allocations towards preventing fraud.

### Multiple linear regression test results

Table 10. Multiple Linear Regression test results

Model	Coefficients <sup>a</sup>				
	Unstandardized Coefficients		Standardized Coefficients	Q	Sig.
	B	Std. Error	Beta		
1 (Constant)	-1,487	2,852		-,521	,606
presentation of financial reports	,511	,194	,507	2,641	,013
internal controls	-,251	,280	-,252	-,897	,377



Individual morality	,402	,198	,359 2,032 ,051
competence	,358	,180	,356 1,996 ,055

a. Dependent Variable: fraud prevention

Based on table 10 above, the results of the glesjer test show that the significance of the variables Presentation of Financial Reports (X1), internal control (X2), individual morality (X3), and competency (X4) is 0.013, 0.377, 0.051 and 0.055 which is greater than 0.05 , then it can be interpreted that heteroscedasticity does not occur.

### Determination Coefficient Test ( $R^2$ )

Table 11. Determination Coefficient Test

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,899 <sup>a</sup>	,809	,784	2,226

a. Predictors: (Constant), Competence, Individual Morality, Presentation of financial reports, internal control

b. Dependent Variable: fraud prevention.

P in Table 11 shows the Adjusted R Square ( $R^2$ ) value of 0.0784 or 7.84 % . The coefficient of determination of Adjusted R Square ( $R^2$ ) of 0.0 784 means that 7.84 % of managerial performance can be explained by factors that influence the management of village fund allocations towards preventing fraud. 77.4 % is explained by other variables not explained in this research. .

## Discussion

### The effect of presenting financial reports on fraud prevention

Statistical testing of the hypothesis (H1) shows that the presentation of village financial reports (X1) has a significant effect on fraud prevention (Y). In the table you can see the results of the t statistical test value for the village financial report presentation variable of 0.005 with a significance value of t of 0.004 which is smaller than  $\alpha = 0.05$ . Thus, the results of hypothesis H1 are accepted so it can be said that the presentation of village financial reports has a significant effect on fraud prevention.

The first results of this statistical test aim to prove that there is an influence of the presentation of village financial reports on fraud prevention. The presentation of Village Financial Reports is in accordance with the Regulation of the Minister of Home Affairs of the Republic of Indonesia Number 113 of 2014. Accountability Reports for the Realization of the APBDes & Village Owned Wealth Reports are included in the Financial Reports that must be accounted for by the village. The responsibility report consists of income, expenditure and financing.

Based on the presentation of the Financial Report, it is a normative measure that needs to be implemented in accounting information as a result that can meet the objectives. These normative measures are in the Conceptual Framework for Government Accounting, the characteristics of financial reports in PP 71 of 2010 which include relevant, reliable, comparable & available. So it can describe if the presentation of village financial reports is good & supported by reports on the expertise of village officials who are safe from incidents (Ramadani, 2020).

The presentation of village financial reports which states that they have an effect on fraud prevention because the system for presenting financial reports is not yet optimally in accordance with the applicable criteria or rules, this can result in obstacles due to the lack of socialization regarding the implementation of good and correct presentation of village

financial reports. Thus, it can be concluded that presenting high or low levels of village financial reports has a significant effect on fraud prevention.

Presenting village financial reports can help organizational leaders in controlling activities so that it is hoped that they can help in achieving the organization's own goals. A village financial report presentation system that is implemented optimally will certainly have a positive impact on the smooth prevention of fraud among the community. This village financial report presentation system has been identified as very important in helping fraud prevention decision making so that a better financial report presentation system will improve. Therefore, a village financial report presentation system that is not implemented well often makes a leader make mistakes, namely being late in making decisions, thus preventing fraud.

#### **The influence of internal control on fraud prevention**

Statistical testing of the hypothesis (H2) shows that internal control (X2) has a significant effect on fraud prevention (Y). In the table above you can see the results of the t statistical test value for the internal control variable of 0.005 with a significance value of t of 0.001 which is smaller than  $\alpha = 0.05$ . Thus, the results of hypothesis H1 are accepted so it can be said that internal control has a significant effect on fraud prevention.

The second result of this statistical test aims to prove that there is an influence of internal control on fraud prevention. Internal control is a way to supervise, direct and measure the resources of an institution or organization and has an important role in preventing and detecting fraud. Internal control must have clear policies and procedures that aim to guarantee and provide financial information reports in accordance with established procedures (Wardani and Ika, 2017).

With the existence of an internal control system, the process of managing village finances can be directed, monitored and detected if there is fraud so that the report can be accounted for. With this internal control, it has a significant role in preventing fraudulent behavior. Poor internal control design can lead to weak controls which can create opportunities for fraudulent behavior in the Hoat Sorbay sub-district. Good internal control coupled with the implementation of a Whistleblowing system has a significant influence in improving the proven fraud control system (Puryati & Febriani, 2020).

#### **The influence of individual morality on fraud prevention**

Statistical testing of the hypothesis (H3) shows that the influence of individual morality (X3) has a significant effect on fraud prevention (Y). In the table above you can see the results of the t statistical test value for the internal control variable of 0.005 with a significance value of t of 0.000 which is smaller than  $\alpha = 0.05$ . Thus, the results of hypothesis H3 are accepted so it can be said that internal control has a significant effect on fraud prevention.

The third result of this statistical test aims to prove that there is an influence of individual morality on fraud prevention. Morality can influence ethics or the actions carried out by a person. Individual morality will be related to a person's tendency to commit accounting fraud (Dennyningrat and IDG Dharma, 2018).

Morality or what is usually called morality is a teaching about the good and bad actions and attitudes of a person or individual, while being moral is a consideration of the good and bad of a person's morals (Junia, 2016).

Morality is very necessary to prevent acts of fraud or cheating, especially in village financial management, this is because if a person has good morality then the use and management of village funds will run according to prioritized needs. This is in line with research conducted by Wardana et al., (2017) which states that partially the morality of officers influences fraud prevention and Rahimah et al., (2018) which proves that morality influences fraud prevention.

#### **The influence of competence on fraud prevention**

Statistical testing of the hypothesis (H4) shows that the influence of competence (X4) has a significant effect on fraud prevention (Y). In the table above you can see the results of the

t statistical test value for the competency variable of 0.005 with a significance value of t of 0.002 which is smaller than  $\alpha = 0.05$ . Thus, the results of the hypothesis H4 are accepted, so it can be said that competence has a significant effect on fraud prevention. Based on previous research, it is clear that the Village Government, in managing village finances, is required to carry out its tasks in an accountable and transparent manner so that there is no misappropriation of funds. Therefore, high-quality human resource competence is needed to carry out duties and obligations in managing village finances. Human resource competency is the ability that a person or individual has in dealing with situations or circumstances in carrying out their work responsibilities. Putri et al., (2017). Based on Law Number 13 of 2013 concerning Employment, a person's competency factor is related to individual abilities which include aspects of knowledge, skills and work attitudes.

Wardani and Ika (2017) explained that in good regional financial management, village officials must have quality human resources, supported by educational and training backgrounds and have experience in the financial sector. Lack of competence in understanding and applying accounting logic will have an influence on errors in financial reports made and non-conformity of reports with standards set by the Government, so that the information received by users will be inaccurate and will influence subsequent decisions (Ferina et al. , 2016).

## 5. CONCLUSION

Based on the data that has been collected and processed to obtain the results of tests carried out on problems using a multiple regression model, the following conclusions can be drawn: 1. Statistical testing of the hypothesis shows that the presentation of Village Financial Reports has a significant effect on fraud prevention. 2. Statistical testing of the hypothesis shows that internal control has a significant effect on fraud prevention. 3. Statistical testing of the hypothesis shows that the influence of individual morality has a significant effect on fraud prevention. 4. Statistical testing of the hypothesis shows that the influence of competence has a significant effect on fraud prevention.

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