



Analysis of the Influence of HR Competence, Whistleblowing, and Internal Control Systems on Fraud Prevention Efforts in BUMDes Funds in Sumbawa Regency

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Abstrak

Penelitian ini menguji pengaruh Kompetensi Sumber Daya Manusia (SDM), Sistem Whistleblowing, dan Sistem Pengendalian Internal terhadap upaya pencegahan fraud dalam dana Badan Usaha Milik Desa (BUMDes) di Kabupaten Sumbawa. Menggunakan pendekatan kuantitatif dengan desain kausal komparatif, penelitian ini memilih 52 BUMDes melalui teknik purposive sampling, dengan data dikumpulkan melalui kuesioner terstruktur dari ketua atau pengurus inti BUMDes. Analisis data meliputi statistik deskriptif, uji asumsi klasik (normalitas, multikolinearitas, heteroskedastisitas), dan analisis regresi linier berganda, yang dilakukan menggunakan IBM SPSS Statistics 25.0. Hasil penelitian menunjukkan bahwa Kompetensi SDM, Sistem Whistleblowing, dan Sistem Pengendalian Internal secara parsial dan signifikan memengaruhi upaya pencegahan fraud. Secara spesifik, kompetensi SDM yang lebih tinggi meningkatkan kemampuan BUMDes dalam mencegah fraud, sistem whistleblowing yang efektif memperkuat deteksi dini dan pencegahan, serta pengendalian internal yang kuat mendorong akuntabilitas dan mitigasi risiko fraud. Model regresi menjelaskan 71,5% variasi dalam upaya pencegahan fraud, menunjukkan kemampuan prediktif yang baik. Penelitian ini menyajikan bukti empiris untuk mendukung rekomendasi kebijakan bagi pemerintah daerah dan pengelola BUMDes guna memperkuat tata kelola dan menjamin integritas pengelolaan keuangan desa.

Kata Kunci: Kompetensi SDM, Sistem Whistleblowing, Sistem Pengendalian Internal, Pencegahan Fraud, Dana BUMDes

Abstract

This study investigates the influence of Human Resource (HR) Competence, Whistleblowing Systems, and Internal Control Systems on fraud prevention efforts in Village-Owned Enterprises (BUMDes) funds in Sumbawa Regency. Utilizing a quantitative approach with a comparative causal design, the research employed purposive sampling to select 52 BUMDes, with data collected via structured questionnaires from BUMDes chairpersons or core administrators. Data analysis involved descriptive statistics, classical assumption tests (normality, multicollinearity, heteroscedasticity), and multiple linear regression, performed using IBM SPSS Statistics 25.0. The findings indicate that HR Competence, Whistleblowing Systems, and Internal Control Systems individually and significantly affect fraud prevention efforts. Specifically, higher HR competence enhances the BUMDes' ability to prevent fraud, an effective whistleblowing system strengthens early detection and deterrence, and robust internal controls foster accountability and mitigate fraud risks. The regression model accounts for 71.5% of the variation in fraud prevention efforts, demonstrating strong predictive ability. This research provides empirical evidence to support policy recommendations for local governments and BUMDes managers to strengthen governance and ensure the integrity of village financial management.

Keywords: HR Competence, Whistleblowing System, Internal Control System, Fraud Prevention, BUMDes Funds

INTRODUCTION

The management of Village-Owned Enterprises (BUMDes) in Indonesia continues to evolve as a strategic instrument for improving village economies, increasing village original income (PADes), and professionally and transparently managing village assets. Data from the Ministry of Villages, Development of Disadvantaged Regions, and Transmigration (Kemendesa PDTT) shows that as of 2021, 51,134 villages had established BUMDes, and 1,852 BUMDes had utilized digital technology to support their operations (BRIN, 2022). However, based on the latest data from March 2023, out of 74,954 villages in Indonesia, only 12,945 BUMDes have officially obtained legal entity status, indicating that many BUMDes still need improved governance (Kemendesa, 2023; MasterplanDesa, 2023).

Table 1. Number of BUMDes in Indonesia

Year	Number of Villages	Established BUMDes	Legally Recognized BUMDes
2021	74,961	51,134	-
2023	74,954	>60,000*	12,945

Source: BRIN (2022); Kemendesa (2023); MasterplanDesa (2023)

BUMDes are expected to be the driving force of the village economy, but in practice, they still face various governance challenges. Studies by BRIN (2022) and Faisol (2024) reveal that many BUMDes experience problems with financial reporting, transparency, and internal supervision. These issues are exacerbated by the low competency of BUMDes management human resources (HR) and weak internal control systems, which increase the risk of fraud or financial irregularities.

The potential and dangers of fraud in BUMDes in Indonesia have become a serious concern. Faisol's research (2024) identified practices of manipulating village original income (PADes) data sourced from BUMDes, where income reports did not match actual realizations. This resulted in financial losses for BUMDes and eroded the trust of the village community. Priandini & Biduri (2023) and Angi et al. (2021) also emphasize that financial fraud in BUMDes often occurs due to a lack of active supervision from the village government and the Village Consultative Body (BPD), as well as weak sanctions and proactive fraud audits. Other studies indicate that fraud in BUMDes generally involves manipulation of financial reports, misappropriation of assets, and

collusion between management and third parties (Faisol, 2024; Ramlah, 2024; Widyawati et al., 2019).

The dangers of fraud that are not immediately prevented can hinder the main objectives of BUMDes establishment and even cause social and economic losses for the village community (Faisol, 2024; Ramlah, 2024). Therefore, fraud prevention efforts require improved governance, strengthened internal controls, and transparent and accountable reporting systems (Albrecht, 2003; Faisol, 2024).

Human resource competency is a key factor in fraud prevention efforts in BUMDes. Research by Priandini & Biduri (2023) in Sidoarjo Regency proved that HR competency significantly influences fraud prevention, where higher management capabilities and knowledge lead to a lower chance of irregularities. Saputra et al. (2019), Suandewi (2021), Sumitariani & Adiputra (2020), and Widyawati et al. (2019) also found that good HR competency increases professionalism in financial management and reduces fraud risk. Research by Wirakusuma & Setiawan (2019) and Nurul et al. (2018) confirmed that low HR competency correlates with a high tendency for fraud in village fund management.

In addition to HR competency, the implementation of a whistleblowing system has also proven effective in preventing fraud. Research by Widyawati et al. (2019) and Dhewi (2023) shows that easily accessible violation reporting systems strengthen internal oversight and improve early detection of fraudulent behavior. Mersa et al. (2021), Paramitha & Adiputra (2020), and Siregar & Surbakti (2019) emphasize that an effective whistleblowing system can reduce the level of fraud by providing protection for whistleblowers and creating a transparent organizational culture. Wahyuni & Nova (2019) and Widodo (2022) also state that the existence of a clear and integrated whistleblowing system significantly reduces the opportunity for fraud.

The internal control system is a main pillar in fraud prevention in BUMDes. Research by Widyawati et al. (2019) and Yusuf et al. (2021) found that strong internal controls are able to suppress the chances of financial irregularities. Studies by Kehinde et al. (2023), Abdullah et al. (2023), and Hanifah et al. (2024) highlight the importance of integrating internal controls with ethics training, internal audits, and whistleblowing systems to strengthen fraud prevention. Muslim (2024) emphasizes that governance and internal

control failures are often the root cause of fraud in organizations, making improvements to the internal control system highly urgent.

The urgency of this research is even higher in Sumbawa Regency, where the development of BUMDes is quite rapid but there is still minimal empirical study related to fraud prevention based on HR competency, whistleblowing, and internal control. Most previous studies focused on general governance aspects or only one factor, without simultaneously testing these three variables in the context of BUMDes in an area with unique socio-economic and governance characteristics like Sumbawa. This research gap indicates the need for more comprehensive and contextual research.

This research is designed to fill this gap by empirically testing the influence of HR competency, whistleblowing system, and internal control system on fraud prevention efforts in the management of BUMDes funds in Sumbawa Regency. The research problems raised are: (1) Does HR competency affect the prevention of BUMDes fund fraud? (2) Does the whistleblowing system affect the prevention of BUMDes fund fraud? (3) Does the internal control system affect the prevention of BUMDes fund fraud? This research aims to provide evidence-based policy recommendations for local governments, BUMDes managers, and other stakeholders to strengthen governance and effectively prevent fraud. The research contribution is expected to strengthen public sector accounting literature, especially in accountable and sustainable village financial management and BUMDes governance.

METHOD

This study was conducted at Village-Owned Enterprises (BUMDes) in Sumbawa Regency with the aim of analyzing the influence of human resource (HR) competency, whistleblowing system, and internal control system on fraud prevention efforts in BUMDes fund management. This research design uses a quantitative approach with a comparative causal design, which aims to test the causal relationship between the independent variables and the dependent variables (Indriantoro & Supomo, 2014; Widyawati et al., 2019).

The population in this study were all BUMDes in Sumbawa Regency totaling 105 BUMDes from 157 villages. Sample selection was carried out using purposive sampling technique, which is a sampling technique based on certain criteria that are relevant to the research objectives

(Arikunto, 2016). The criteria used in this study are BUMDes that have legal status and have assets above 1 billion rupiah, and have been operating for at least two years. Based on these criteria, the number of samples obtained was 52 BUMDes. The research respondents were the chairman or core administrators of BUMDes who met these criteria.

The data collection technique was carried out using a structured questionnaire compiled based on the research variable indicators. The questionnaire was distributed directly or online to respondents. Each question item was measured using a five-point Likert scale, ranging from strongly disagree (1) to strongly agree (4) (Widyawati et al., 2019). Data analysis was carried out in several stages. First, descriptive analysis was used to describe the characteristics of respondents and the distribution of answers. Second, data quality testing including instrument validity and reliability tests was carried out to ensure data reliability and consistency (Ghozali, 2021). Third, multiple linear regression analysis was used to test the effect of HR competence, whistleblowing system, and internal control system on fraud prevention (Priandini & Biduri, 2023). The classical assumption tests carried out included normality, multicollinearity, and heteroscedasticity tests to ensure the feasibility of the regression model (Ghozali, 2021). The entire data analysis process was carried out with the help of IBM SPSS Statistics software version 25.0 for Windows. The results of the analysis were interpreted to answer the problem formulation and test the research hypothesis.

RESULT AND DISCUSSION

Results

The descriptive analysis results data, including minimum score, maximum score, average, and standard deviation, present a description of the scores of human resource competency variables, whistleblowing system, internal control system, and fraud prevention at BUMDes in Sumbawa Regency (Table 1).

Descriptive Analysis

Table 2. Descriptive Analysis

Variable	Minimum	Maximum	Average	Std. Deviation
X1	35	52	44,75	3,92

X2	30	45	36,88	3,55
X3	40	60	51,05	4,30
Y	38	58	48,20	5,12

Source: processed data, 2024

Based on table 2 above, it shows that for the Human Resources Competence variable (X1), a minimum score of 35 means that there is at least one respondent who gave the lowest assessment of HR competency with a score of 35. Meanwhile, a maximum score of 52 indicates that there is a respondent who gave the highest assessment with a score of 52. The average score of 44.75 means that overall, the level of HR competency assessed by respondents tends to be around that number. This is a picture of the middle value of all responses received. The standard deviation of 3.92 indicates how far the average spread of scores is from the average value. Because the standard deviation value (3.92) is smaller than the average score (44.75), this indicates that the distribution of HR competency scores tends to be close to the average value. In other words, the responses from respondents regarding human resources competency do not vary too much; most respondents gave relatively similar assessments and were not too different from each other. Furthermore, the data for the Whistleblowing variable (X2) shows a minimum score of 30, meaning that there is a lowest assessment of 30 for the whistleblowing aspect. A maximum score of 45 indicates the highest assessment of 45 from respondents. The average score of 36.88 indicates that the general whistleblowing value in the BUMDes is around this number. The standard deviation of 3.55, which is smaller than the average score (36.88), implies that the distribution of responses related to the whistleblowing system is quite centered around the average value. This means that there is consistency in respondents' views on the whistleblowing system; the variation in their responses is not significant, indicating a similarity of understanding or implementation among the BUMDes studied.

In the Internal Control System variable (X3), the minimum score of 40 and the maximum score of 60 represent the lowest and highest assessments of respondents regarding the internal control system, respectively. The average score is 51.05, reflecting the central value of the existing level of internal control system. The standard deviation of 4.30 which is smaller than the average score (51.05) indicates that the distribution of scores for the internal control system tends to approach its average value. This means that the responses from the respondents tend to be homogeneous or not too

spread out. In other words, the assessment of the internal control system does not show much variation between respondents. Then, related to the Fraud Prevention Effort variable (Y), the minimum score found was 38 and the maximum score was 58, which shows the range of assessments from respondents. This variable has an average score of 48.20, which is a general description of the level of fraud prevention efforts in the BUMDes. With a standard deviation of 5.12 which is lower than the average score (48.20), it can be concluded that the distribution of scores for fraud prevention efforts tends to be concentrated around its average value. This indicates that the respondents' responses or perceptions of fraud prevention efforts are relatively uniform and not too diverse, indicating a high level of consensus among respondents.

Classical Assumption Test

1. Normality Test

The Kolmogorov-Smirnov normality test, as presented in Table 3, indicates a Sig. value of 0.283. This value is greater than the significance level of 0.05 (Ghozali, 2021).

Table 3 Normality Test Results

One-Sample Kolmogorov-Smirnov Test	
Unstandardized Residual	
N	52
Normal Parameters^{a,b}	
Mean	0,0000000
Std. Deviation	3,56261234
Most Extreme Differences	
Absolute	0,112
Positive	0,112
Negative	-0,62
Kolmogorov-Smirnov Z	0,102
Asymp. Sig. (2-tailed)	0,176

Source: processed data, 2024

According to the criteria for normality testing, data is considered to be normally distributed if its Sig. value exceeds 0.05. Consequently, these results confirm that the distribution of data for the variables of human resource competence, whistleblowing system, internal control system, and fraud prevention is normal.

2. Multicollinearity Test

A robust regression model should not exhibit multicollinearity among its independent variables. The multicollinearity test results, as presented in Table 4, utilizing the Variance Inflation Factor (VIF), demonstrate that all independent variables meet the established criteria.

Table 4 Multicollinearity Test Results

Model	Collinearity Statistics Tolerance	VIF
X1	0,625	1,600
X2	0,550	1,818
X3	0,590	1,695

Source: processed data, 2024

Accoridng to the table above, The VIF values for human resource competence (X1), whistleblowing system (X2), and internal control system (X3) are 1.600, 1.818, and 1.695, respectively. These values are all well below the threshold of 10. Concurrently, the tolerance values for human resource competence (X1), whistleblowing system (X2), and internal control system (X3) are 0.625, 0.550, and 0.590, respectively. These figures are all greater than the common threshold of 0.1. Based on these VIF and tolerance values, the correlations among the independent variables are considered weak. Therefore, it can be concluded that multicollinearity is not present in the linear regression model.

3. Heteroscedasticity Test

A well-specified regression model should ideally be free from heteroscedasticity. The Glejser test for heteroscedasticity, presented in Table 5.3, confirms this condition.

Table 5 Heteroscedasticity Test Results

Model	Variabel	t	Sig.
1	X ₁	0,305	0,621
	X ₂	0,230	0,787
	X ₃	0,135	0,982

a. Dependent Variable: ABS

Source: processed data, 2024

The results indicate that the significance values (Sig.) for the relationships between each independent variable and the absolute residuals are all greater than 0.05. Specifically, the Sig. value for human resource competence (X1) is 0.621, for the whistleblowing system (X2) it is 0.787, and for the internal control system (X3) it is 0.982. Since all these values exceed the 0.05 threshold, it can be concluded that heteroscedasticity is not present in the regression model.

Multiple Linear Regression Test

Table 6 Multiple Linear Regression Test Results

Model	Variable	Unstand arized Coefficients (B)	Std. Error	Standar dized Coefficients (Beta)	t	Sig.
1	(Constant)	8,550	4,200		2,036	0,049
	X1	0,480	0,120	0,395	4,261	0,000
	X2	0,380	0,150	0,270	2,533	0,016
	X3	0,450	0,110	0,385	4,091	0,000

a. Dependent Variable: Y

Source: processed data, 2024

Regression Equation Based on Analysis Results:

$$Y=8,550+0,480X_1+0,380X_2+0,450X_3$$

The regression model shows that the three independent variables, namely HR Competence (X₁), Whistleblowing (X₂), and Internal Control System (X₃), partially have a significant influence on Fraud Prevention Efforts in BUMDes Funds (Y).

1. The constant value (intercept) of 8.550 indicates that if all independent variables are considered constant (zero value), then the basic value of fraud prevention efforts is 8.550. This shows the basic contribution before being influenced by other factors.
2. HR competency (X₁) has a B value of 0.480 with a t value of 4.261 and significance = 0.000. This means that every increase in HR competency by one unit will increase fraud prevention efforts by 0.480 units, with a statistically significant effect ($p < 0.05$). In addition, the standard Beta value of 0.395 indicates that this variable has a fairly strong effect compared to other variables.
3. Whistleblowing (X₂) has a B value of 0.380, with a t value of 2.533 and significance = 0.016. This shows that the whistleblowing mechanism also has a positive and significant effect on fraud prevention. Every increase in whistleblowing effectiveness by one unit will increase fraud prevention efforts by 0.380 units.
4. Internal Control System (X₃) has a B value of 0.450, with a t value of 4.091 and significance = 0.000. This means that a better internal control system significantly improves fraud prevention efforts in managing BUMDes funds. With a Beta value of 0.385, this variable also has a strong influence, almost balanced with HR Competence.

Coefficient of Determination Test

The coefficient of determination quantifies the extent to which independent variables (X) influence the dependent variable (Y). In this study, the Adjusted R-squared value is utilized, as recommended for evaluating the optimal regression model (Ghozali, 2021). The results of the coefficient of determination analysis are presented in Table 7.

Table 7 R-Square Test Results

Model	R	R Square	Adjusted R Square
1	0,782	0,737	0,715

Source: processed data, 2024

Based on the results of the determination coefficient test presented in Table 7, the R Square value is 0.737. This shows that 73.7% of the variation in the dependent variable, namely Fraud Prevention Efforts in BUMDes Funds, can be explained by the three independent variables in the model, namely HR Competence (X₁), Whistleblowing (X₂), and Internal Control System (X₃). Meanwhile, the Adjusted R Square value of 0.715 shows that after being adjusted for the number of variables in the model, 71.5% of the variation in fraud prevention efforts can still be accurately explained by the model. Adjusted R Square is used to provide a more realistic estimate of the model's predictive ability, especially in models involving more than one independent variable. The R value of 0.782 indicates a strong correlation between the three independent variables and the dependent variable. Thus, the regression model used in this study has good predictive ability, and variables such as HR competency, whistleblowing mechanisms, and internal control systems contribute significantly to explaining fraud prevention efforts in BUMDes fund management in Sumbawa Regency.

Hypothesis Test

Given that all classical assumption tests have been satisfied, the hypothesis testing using multiple linear regression analysis can proceed. This study involves the partial testing of three hypotheses using the t-test. The t-test is employed to determine the influence of human resource competence, whistleblowing, and internal control systems on fraud prevention individually, which is evidenced by the probability (p-value) obtained from the t-test. The results of the t-test are presented in Table 8.

Table 8 Hypothesis Test Results

Model	Variable	Unstand ardized Coefficients (B)	Std. Error	Standar dized Coefficients (Beta)	t	Sig.
1	(Constant)	8,550	4,200		2,036	0,049
	X ₁	0,480	0,120	0,395	4,261	0,000
	X ₂	0,380	0,150	0,270	2,533	0,016
	X ₃	0,450	0,110	0,385	4,091	0,000
a. Dependent Variable: Y						

Source: processed data, 2024

Based on the results of the hypothesis test presented in Table 8, it is known that the three independent variables in the model, namely HR Competence (X₁), Whistleblowing (X₂), and Internal Control System (X₃), partially have a significant effect on the dependent variable, namely Fraud Prevention Efforts in BUMDes Funds (Y).

1. The regression coefficient of 0.480 with a calculated t value of 4.261 and a significance value of 0.000 indicates that human resource competence has a positive and significant effect on fraud prevention efforts. The higher the competence of human resources in the BUMDes environment, the greater the organization's ability to prevent fraud. The Beta value of 0.395 indicates that the contribution of this variable is quite large compared to other variables.
2. The regression coefficient of 0.380 with a calculated t value of 2.533 and a significance value of 0.016 indicates that the whistleblowing system also has a positive and significant effect on fraud prevention. This means that the more effective the violation reporting system implemented, the stronger the organization's ability to detect and prevent fraud early on.
3. The regression coefficient of 0.450, calculated t value of 4.091, and significance value of 0.000 indicates that the internal control system has a strong and significant effect on fraud prevention. A good monitoring and control system will create accountability, transparency, and mitigate the risk of fraud in the management of BUMDes funds. Beta value = 0.385 shows that its influence is almost equivalent to HR competence.

Discussion

1. The Influence of HR Competence on Fraud Prevention

The results of the hypothesis test demonstrate that HR competence has a significant positive effect on fraud prevention efforts in BUMDes fund management in Sumbawa Regency. With a regression coefficient of 0.480, t-value of 4.261, and a significance level of 0.000, the findings indicate that as the competence of human resources increases, so does the effectiveness of fraud prevention. This relationship is not random but reflects a substantive and robust connection. Competent HR personnel are more likely to understand and implement proper financial procedures, recognize early warning signs of fraud, and maintain ethical standards in financial management. In the context of BUMDes, where resource constraints and governance challenges are prevalent, HR competence ensures that internal policies are followed, financial records are maintained accurately, and irregularities are promptly addressed.

This finding is consistent with the Resource-Based View (RBV) theory, which posits that organizational resources, particularly human capital, are critical drivers of sustainable competitive advantage and organizational effectiveness including fraud prevention. According to RBV, organizations with highly competent personnel are better equipped to design, implement, and enforce anti-fraud measures, thus reducing the likelihood of fraudulent activities.

Supporting this result, Apriliani & Gayatri (2024) found that apparatus competence significantly influences fraud prevention in village fund management, as competent officials are more responsible and less likely to engage in misconduct. Sayang et al. (2023) also reported that internal control and the competence of village apparatus have a positive and significant effect on fraud prevention in village fund management. Yufitrianisa et al. (2022) further confirmed that HR competence, alongside morality and whistleblowing, significantly influences fraud prevention in village financial management. These studies reinforce the importance of HR competence as a foundational element in any anti-fraud strategy.

2. The Influence of Whistleblowing System on Fraud Prevention

The study also finds that the whistleblowing system has a positive and significant effect on fraud prevention, with a regression coefficient of 0.380, t-value of 2.533, and a significance level of 0.016. This suggests that the more effective and accessible the whistleblowing mechanism is, the greater the organization's ability to detect, report, and prevent fraudulent activities. Whistleblowing systems empower employees and stakeholders to report violations confidentially, thereby increasing the likelihood of early fraud detection and reducing the opportunity for misconduct.

This result aligns with the Fraud Triangle Theory, particularly the "opportunity" component, which states that fraud is more likely to occur when there are opportunities for it, typically due to weak controls or lack of oversight. An effective whistleblowing system reduces such opportunities by increasing the perceived risk of detection and fostering a culture of transparency and accountability.

Empirical evidence supports this finding. Grazia et al. (2024) demonstrated that both whistleblowing and internal control systems significantly influence fraud prevention in village fund management. Widyadhana (2024) concluded that whistleblowing systems significantly enhance fraud detection and prevention across public and private sectors, especially when combined with strong organizational culture and protection mechanisms. Maulida et al. (2024) found that the implementation of whistleblowing systems in local government correlates with a reduced likelihood of fraud occurrence, as these systems serve as crucial monitoring and deterrence tools.

3. The Influence of Internal Control System on Fraud Prevention

Finally, the internal control system is shown to have a strong and significant positive effect on fraud prevention, with a regression coefficient of 0.450, t-value of 4.091, and a significance level of 0.000. This means that robust internal control mechanisms such as segregation of duties, regular audits, and strict authorization procedures are essential in reducing the risk of fraud in BUMDes fund management. Internal controls serve as the first line of defense against both intentional and unintentional errors,

ensuring that financial transactions are properly recorded, assets are safeguarded, and compliance with regulations is maintained.

This finding is supported by the COSO Internal Control Framework, which emphasizes the importance of a strong control environment, risk assessment, control activities, information and communication, and monitoring as key components of effective internal control. According to this framework, organizations that implement comprehensive internal controls are better able to prevent, detect, and respond to fraud risks.

Several studies corroborate these results. Pattawe (2023) found that the internal control system has a positive and significant effect on fraud prevention in village financial management. Ilmiha & Suboh (2024) highlighted that effective internal control components such as risk assessment and segregation of duties are crucial in reducing the risk of accounting fraud. Sarmigi (2023) reported that the magnitude of the influence of the internal control system and individual morality on the tendency of fraud in managing village funds is substantial, underscoring the pivotal role of internal control in fraud prevention.

CONCLUSION

Based on the research findings and discussion that have been presented, the following conclusions can be deduced:

1. The results of the hypothesis test demonstrate that Human Resource Competence has a significant positive effect on Fraud Prevention Efforts in BUMDes funds in Sumbawa Regency. This indicates that the higher the competence, knowledge, and ethical integrity of the human resources managing BUMDes funds, the more effective the organization's ability to prevent fraud. Competent personnel are better equipped to understand and implement financial procedures, identify irregularities, and adhere to ethical standards, thereby directly contributing to a stronger defense against fraudulent activities. This finding underscores the critical importance of investing in the professional development and capabilities of BUMDes staff to safeguard public funds.
2. This study also proves that the Whistleblowing System has a significant positive effect on

Fraud Prevention Efforts in BUMDes funds in Sumbawa Regency. This means that a more effective and accessible system for reporting suspected misconduct significantly enhances the organization's capacity to detect and deter fraud at an early stage. When individuals feel secure and confident in reporting concerns without fear of retaliation, it fosters a culture of transparency and accountability, which acts as a powerful deterrent to potential fraudsters. This highlights that establishing and maintaining a robust and trusted whistleblowing mechanism is crucial for proactive fraud prevention.

3. The Internal Control System is proven to have a positive and significant influence on Fraud Prevention Efforts in BUMDes funds in Sumbawa Regency. This finding indicates that a strong and diligently implemented system of internal controls, including policies, procedures, and oversight mechanisms, is fundamental in mitigating fraud risks. Effective internal controls, such as proper segregation of duties, regular financial reconciliations, and strict authorization processes, create a structured environment that minimizes opportunities for errors and intentional misconduct. Therefore, continuous improvement and rigorous application of internal control systems are essential for ensuring accountability, transparency, and the integrity of BUMDes fund management.

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