

Corruption in Schools, What's the Matter ?

Ismet Ismatullah

Universitas Muhammadiyah Sukabumi, Indonesia

Corresponding Author: ismet.ismatullah@ummi.ac.id

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Abstract:

Fraud can be committed by anyone because the main factor of fraud is human. A study conducted by Indonesia Corruption Watch on the trend of prosecution of corruption cases shows that the education sector is one of the sectors that is consistently the most corrupted sector. The large budget given to the education sector is one of the potential corruptions for irresponsible parties, even in the midst of the Covid-19 pandemic, corruption in the education sector has not stopped. This research is a literature review where researchers review literature related to this research. The results of this study are expected to provide benefits for related parties in preventing fraud in the world of education. Fraud prevention can be carried out by all parties with the aim of rejecting or understanding everything that can harm the company. In developing an effective fraud prevention strategy, organizations must pay attention to several things, including: 1) internal and external environmental conditions, 2) the complexity of business activities, 3) the potential, types and risks of fraud, 4) the adequacy of the resources needed.

Introduction

Since it was first introduced by Donald R Cressey (1953) in the book *Other People Money: A Study in The Social Psychology of Embezzlement*, the theory of fraud continues to develop until now (Duma Megaria Elisabeth, 2020; Faradiza, 2019). The assertion of the perpetrators of all fraud theories is that fraud can be committed by anyone, anytime and anywhere (Baroroh & Purbobinuko, 2020; Endahsari et al., 2020; Handoko, 2011). Therefore, fraud does not only occur in a company or government parliament, fraud can also occur in educational institutions (Ismatullah & Eriswanto, 2016; Minanari, 2016; Nasyia, 2020) such as schools or better known as school fraud.

Fraud can be committed by anyone (Baroroh & Purbobinuko, 2020; Handoko, 2011), because the main factor in fraud is human (Puspitasari, 2019). The Association of Certified Fraud Examiners (ACFE) defines fraud in general as any illegal act or deliberate improper activity with the aim of deceiving others where the victim suffers a loss and the fraudster benefits (Kennedy & Siregar, 2017).

The Association of Certified Fraud Examiners (ACFE), which is the largest Anti-Fraud Organization in the world, classifies corruption as part of fraud (Aksa, 2018; Alam, 2020; Apriani, 2020; Siregar, 2021). This can be seen from the tree fraud which classifies fraud into 3 main branches (Sigiuro, 2018), namely asset misappropriation, false statements or misstatements (Fraudulent Statement) and Corruption.



Source: ICW, 2023

Figure 1. corruption cases in the education sector 2016-2021

A study conducted by Indonesia Corruption Watch (ICW) on the trend of prosecuting corruption cases shows that the education sector is one of the sectors that has consistently been the most corrupt sector (Ananda et al., 2021). The education sector is included in the top three corruption categories by sector, after the village budget and government sectors. As of Semester 1 2021, the education sector has caused losses to the state of IDR 1.6 trillion (Ananda et al., 2021; Sjafrina & N, 2021).

The large budget given to the education sector is one of the potentials for corruption (Handayani, 2009; Zakariya, 2015) for irresponsible parties, even in the midst of the Covid-19 pandemic, corruption in the education sector has not stopped (Sjafrina & N, 2021), such as the head of the Madrasah Ibtidaiyah working group in West Java who has succeeded in embezzling BOS (school operational assistance) funds amounting to IDR 8 billion (Permadi & Aditya, 2021), a school principal in Batam who took his family for a trip using BOS (school operational assistance) funds (Darmawan, 2022) and other embezzlement cases. Apart from embezzlement of BOS (school operational assistance) funds (Wardani et al., 2019; Zainudin, 2021), fraud in schools has many variations which are associated with the personal attitude of the perpetrator (Rahayu et al., 2020).

Fraud prevention can be done with organizational commitment (Reni Anggriani, Syahril Djaddang, 2019) in realizing good governance (Anugerah, 2014; Marciano et al., 2021; Sarwono, 2018; Soleman, 2013). The Ministry of Education published a book on Good School Governance (GSG) which is a guidebook for improving performance in schools. GSG or good school governance is another term that GCG applies to the education sector, especially schools. Better governance has the potential to significantly improve the quality of education offered in public schools, expand their growth and enhance their financial stability (Ismara et al., 2019). Good School Governance is a supporting tool to form a school with good governance (Susanti, 2019). In GSG, financial management is one of the subjects (Ismara et al., 2019). According to OECD 2019, the main factors that must exist in GSG are (1) transparency; (2) Accountability; (3) Responsibility; (4) Independence; (5) Fairness; (6) Participation; (7) Effective and Efficient; (8) Consensus Oriented.

Many researchers have examined fraud in various sectors including the education sector. Fraud research in the education sector is more focused on the misuse of BOS (school operational assistance) funds while research on fraud prevention in schools is still small. This research is a literature review in which the researcher reviews the literature related to this research. The results of this study are expected to help related parties in preventing fraud in the world of education.

Researchers conducted this research because there were many cases of corruption in the field of education in Indonesia so that researchers wondered about the implementation of good school governance whether it had been implemented or not. The implementation of good school governance in schools in Indonesia should help reduce corruption cases that occur. The research conducted is expected to contribute to society. corruption in the field of education can be reduced with the initiation of the community so that schools can implement good school governance properly not just a slogan.

This research was conducted to see whether the application of the concept of good school governance in schools can make schools free from fraud?

Research Method

This research is a research using a literature review which is carried out in stages: (1) determining the formulation of problems and research questions using the PICO (Problem,

Intervention, Comparison and Outcome) method. (2) searching for scientific articles based on predetermined inclusion and exclusion criteria, (3) synthesizing analysis of the collected articles. The literature review was conducted based on various published studies which were then evaluated using electronic search strategies from several scientific article databases such as Scopus, Web of Science and Google Scholar.

The PICO method provides a structured framework that assists researchers in formulating research questions so that they can be more focused. The researchers then searched for articles related to the research theme taken in accordance with the provisions such as the year of the article and others. Raw data in the form of articles are sourced from specialized websites for articles such as google scholar, neliti, copernicus, garuda dikti and other websites. The literature review collection used several stages including are searching for articles based on outline topics, grouping articles based on relevance to the topic and year of research and then sorting of explanatory structures and comparison of interconnected data.

The literature search in the database uses several keywords such as "fraud", education fraud", good school governance", "corruption in schools" and other keywords. Articles used in this study must meet the following inclusion criteria: (1) reported as a publication or report and written in Indonesian or English, (2) previous research is qualitative research or quantitative research, (3) focus on the fraud prevention process, (4) publications conducted in the last 10 years, except for some publications related to the initial theory. Furthermore, researchers analyze the complete article for each title so that a concept of the theory sought in the publication is obtained.

In conducting the review, the researcher conducted a traditional review due to limited sources. Research on corruption in schools is only limited to the embezzlement of BOS funds while other cases are still not widely researched. The journal analysis from this literature review uses the critical appraisal method appraisal method. Critical appraisal is the process of analyzing journals that are used as a theoretical basis related to the differences, similarities and shortcomings of journals. theoretical basis related to the differences, similarities and shortcomings of the journals used. journal used.

Result and Discussion

Fraud is a deliberate fraudulent act which is divided into 3 main parts, namely corruption, misuse of assets and false statements that can harm other parties. Perpetrators commit fraud with the intention of their own interests or the interests of their group. Fraud occurs because of causes that are integrated with the conditions of the perpetrator. Fraud prevention is intended to eliminate or minimize things that can make fraud occur. Fraud prevention can be carried out by all parties with the aim of rejecting or understanding everything that can harm the company. In developing an effective fraud prevention strategy, organizations must pay attention to several things, including: 1) internal and external environmental conditions, 2) the complexity of business activities, 3) the potential, type and risk of fraud, 4) the adequacy of the resources needed.

Transparency in the activities carried out by schools is an important step to maintain the integrity and trust of external parties such as parents and local governments to the school. There are several steps that schools can take to implement transparency in preventing fraud, such as establishing clear policies and procedures in regulating the use and management of school funds and assets. In addition, strict supervision of school finances and transactions can involve regular checks by a special internal audit team or can use the services of independent external auditors or schools can also collaborate with universities in the region in lecturer service activities. Regular reconciliation and matching of financial records with bank statements and other transaction documents should be carried out by the school and ensure there are accurate and detailed records of transactions. Provide financial reports that are transparent and easy to understand by interested parties, be it local government, parents or other parties.

Increasing the awareness of all school officials through training, seminars and others of the magnitude of potential fraud that occurs and the importance of transparency in school financial management is a form of wisdom from the leadership so that the potential that may occur can be minimized by all school officials. Schools are also expected to provide a safe and confidential complaint channel for employees or outsiders who want to report any indications of fraud in the school environment. Transparency is key in preventing fraud where potential violations can be detected more quickly and appropriate preventive measures can be taken. In addition, it is also important to create an organizational culture that values integrity, honesty and accountability to encourage transparency in all aspects of operations.

Accountability is an effective strategy to minimize the risk of violations in an organization. Some steps that can be taken to implement accountability in the context of fraud prevention include creating clear policies and procedures related to financial management, asset use, and transaction reporting. Make sure all team members understand and comply with this policy. There is a separation of duties and authority between people responsible for initiating, authorizing, and recording financial transactions. Establish an independent internal audit team to conduct regular checks and evaluations of financial systems and operational processes. Perform active monitoring and oversight of financial transactions and activities. This may involve monitoring financial statements, regular audits, or the use of advanced technology such as fraud detection systems. Provide training on business ethics, anti-fraud policies, and warning signs to look out for to all team members.

Raise awareness of fraud risks and the importance of accountability at all levels of the organization. Provide safe and open reporting channels for employees or outsiders who wish to report indications of fraud. Ensure there is a whistleblower protection policy and prompt action in handling the report. Establish clear sanctions and consequences for fraud perpetrators as a form of deterrence and enforcement. This signals that violations will not be tolerated and can reduce incentives to commit fraud. Accountability is an important basis for fraud prevention because it encourages transparency, responsibility, and adherence to policies and procedures. By integrating accountability into the organizational culture, the risk of fraud can be reduced, and integrity and trust can be maintained.

Responsible conduct is an important step in maintaining organizational integrity and preventing fraudulent acts. Building an organizational culture that promotes responsibility and integrity at all levels means promoting attitudes and behaviors that value business ethics, honesty, and high accountability. A clear code of ethics and anti-fraud policy that binds all team members. Providing periodic training to employees on business ethics, the importance of responsibility, and fraud identification and prevention can increase awareness of the risks and consequences of fraud. Clear division of duties and authority by avoiding giving too much authority to one individual in the financial process or management of company assets. Monitoring of financial transactions and operations can be done through regular checks, internal audits, and the use of technology that supports fraud detection. Schools can also set up safe and reliable reporting channels for employees or outsiders who want to report any indication of corruption that occurs where the reporter must be guaranteed security. The principal should be a good example of responsibility and honesty and practice the values of responsibility in every aspect of operations. By encouraging responsibility in all aspects of the school, a more responsible work environment is created and the risk of fraud is minimized. All individuals within the school have an important role to play in maintaining integrity and avoiding fraudulent actions, creating a stronger and more sustainable school.

Independence is an important strategy in maintaining integration and reducing the risk of fraud in schools. Independence in schools is critical in preventing fraud, as it provides a separation of power and authority that helps prevent errors and fraud. Maintaining independence in the organizational structure and operational processes in schools can help create a safer and more reliable school environment. Like independence, fairness is an important principle in maintaining the integrity of the school and preventing fraud from occurring. Applying the principle of fairness in all aspects of school operations can also help to create a fair, equal environment in which fraud is avoided. By ensuring that everyone is treated fairly and equally, schools can prevent opportunities and incentives to commit fraud.

Engaging employees in fraud prevention is key to creating a fraud-responsive culture and encouraging active participation in fraud prevention and disclosure. By increasing the awareness and involvement of all members of the school, the risk of fraud can be reduced and the response to fraud can be more effective. Effectiveness and efficiency involve the optimal use of resources and the effective organization of processes to reduce opportunities for fraud. Effectiveness and efficiency can take the form of system automation or the use of other technologies. By promoting effectiveness and efficiency in operations, schools can help reduce gaps and opportunities for fraud. By combining strong control systems, the use of technology, employee education and proper supervision, the potential for fraud can be reduced while improving overall organizational performance.

Consensus orientation involves all relevant elements in the decision-making process and enforcement of anti-fraud policies. This principle reflects the effort to reach a common agreement and build a shared consensus within the framework of fraud prevention. By focusing on achieving consensus in fraud prevention, schools can build trust and establish mutual commitment among all relevant parties. In decision-making and fraud prevention

actions, the principle of agreement makes it possible to accommodate diverse interests and perspectives, thereby increasing the effectiveness of preventive actions taken.

Implement transparency in operations, financial management and decision-making. This includes providing clear and open access to information for relevant stakeholders, including employees, investors and the general public. Implementing a strong accountability system where every individual in the school is responsible for their actions and decisions. This includes clear reporting, performance monitoring and appropriate sanctions for fraud. Placing strong responsibility as an important principle in the organization. Each individual should be aware of their responsibility for the tasks and decisions they take, and have an awareness of their impact on the organization and other stakeholders. Ensure independence of decision-making and oversight. This includes segregation of duties, clear authority, and the involvement of independent external parties such as auditors or advisors. Ensure that solutions and processes are fair and equitable to all parties involved.

Support the active and inclusive participation of all stakeholders in the school in the decision-making process including involving all school employees in the planning and evaluation process. Carry out school operations effectively and efficiently, with a focus on achieving school goals optimally through the appropriate use of resources. Building agreement and consensus in decision-making can be done through dialogue, negotiation and reaching a mutual agreement that is acceptable to all parties involved. By implementing these principles into operational practices, schools can create a safer environment, maintain integrity and reduce the risk of fraud.

Previous studies show that there is a relationship between the implementation of good governance and fraud prevention. The application of the concept of good governance in schools or better known as good school governance must be in the form of concrete steps taken by school leaders and communicated with organizers and parent representatives. The application of good school governance can prevent irregularities committed by unscrupulous teachers or by unscrupulous school employees in managing school funds, either funds derived from students or funds derived from assistance from other parties or the government. School management using the concept of good governance can help school leaders, foundations and representatives of parents to always be able to monitor school performance. The implementation of good school governance must also be based on the mutual agreement of all school elements such as teachers, students, school leaders, the organizing foundation, and parents of students who are the main donors. This mutual understanding of the implementation of good school governance is a step forward for schools towards schools with better quality improvement.

Conclusion

This literature review study shows that the application of the concept of good governance in schools or good school governance has a positive influence in preventing fraud in schools. The implementation of good school governance must be based on the mutual agreement of all school elements such as teachers, students, school leaders, the organizing

foundation and parents. Nevertheless, this study still has limitations, among others: (1) the research location based on the article is only limited in Indonesia and (2) the limited number of studies on good school governance makes the author have limited data. Therefore, the author hopes that research on the concept of good school governance can be the main topic of research that is juxtaposed with various other sciences so that school management in Indonesia can be even better in the future.

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