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Dewi Indriasih, Dien Noviany Rahmatika, Yeni Priatna Sari
Universitas Pancasakti
Tegal, Indonesia
dewi.indriasih@gmail.com

Abstract

The losses caused by the fraud tend to experience increased every year. Association of Certified Fraud Examiner/ACFE (2014:27) revealed the banking and financial services industry ranks highest of the most frequent fraud. Many facts showed the company with bad governance gave tragic impact with the findings of the fraud that consists of: corruption, asset misappropriation, and financial statement fraud. This study attempted to develop a model to detect fraudulent indication of level of good corporate governance. Measured detection using the symptom and the red flags of fraud through the development triangle linked with good corporate government. Early detection and supervision attached (Fraud Control System) pressing potential fraud in financial reporting, asset management and corruption. This research will be divided into two years, where in the first year is done; (1) Identify the characteristics of the user community banking services in all regions of se ex Pekalongan Regency. (2) do the mapping community banking service users across the region se ex Pekalongan Regency. (3) Analyze the level of cheating that occurs in BPR in all regions of se ex karisidenan pekalongan. The research is already in line with the master plan and supporting University research Pancasakti Tegal 2014 – 2019 i.e. community development through increased media, models and learning methods based on a mastery of IPTEKS and manners sublime.

Keywords: Fraud Triangle, Good Corporate Governance, Fraudulent Detectiion, Red Flags;

1. Introduction

1.1 Background

The company's losses caused by the fraud currently tend to experience increased (Coram et al., 2008). Business losses as well as the magnitude of the l in business akibatkan by fraud is unknown specifically (Spathis, 2002). Research that has been done by the Association of Certified Fraud Examiner (ACFE) in 2014, is currently not yet able to explain about the fact of actual fraud. Several events disclosure fraud in the world of international business found that Fraud is a phenomenon of the iceberg that shows only 10% of its mass above water, while 90% of its mass is hidden beneath the surface of the Ocean (Lillianlyk, 2014). In addition, the iceberg phenomenon is the fact the fraud is also a disgrace to their victims and should be concealed to the other party, it is delivered by (Priatna 2013:24) on his research.

To anticipate the existence of fraudulent financial reporting, one way being done by companies to detect errors and min nizes the risk of errors is to facilitate the reporting of violations (whistleblowing), (Lee and Fargher 2013, Paul and Townsend 1996; Miceli et al. 2009; ACFE, 2014). In contrast to previous studies, this study describes the detection of fraudulent companies in terms of good corporate governance levels

conducted by the company. This important research is performed, because it can be formulated as well as identifying the occurrence of fraud on BPR Se ex Pekalongan Regency by looking at the condition of good corporate governance governance made by the company. This research will look at whether the implementation of good corporate governance are already running well or not in BPR Se ex Pekalongan Regency and this research will be able to find out whether the occurrence of fraud detection can be with the implementation of good corporate governance on BPR Se ex Pekalongan Regency.

2. A Review Of The Literature

2.1 Fraud Definition

According to Black's Law Dictionary, fraud fraud means an extensive fraud is defined as "Embracing all multifarious means which human ingenuity can devise, and which are resorted to by one individual to get an advantage over another by false suggestions or suppression of truth, and includes all surprise, trick, cunning, or dissembling, and any unfair way by which another is have cheated ".

2.2 Factors affecting Fraudulent Reporting

Rezaee (2010:90), three factors driving someone doing fraud, better known as the "fraud triangle" i.e. pressure, opportunity, and rationalization.

2.3 Fraud Detection

To find out the deviation/fraud, initially detected on the symptoms (symptoms), such as the existence of changes in lifestyle or behavior documentation person, suspicious, complaints from customers or suspicions of co-workers. Originally this kind of fraud is reflected through the onset of certain characteristics, whether it is a condition/State of the environment, as well as the person's behavior. Irregularities/fraud which is characterized by the emergence of the behavior/condition someone called red flag (fraud indicators).

2.4 Good Corporate Governance

The Bank Indonesia Regulation No. 8/14/pbi/2006 stated good corporate governance is a corporate governance of banks that apply the principles of openness (transparency), accountability (accountability), accountability (responsibil, independency (independency), and fairness (fairness). According to the World Bank (World Bank), good corporate governance is the set of laws, regulations and norms that must be met that may encourage the performance of the company's resources to work efficiently.

3. Research Methods

This research is descriptive and quantitative research. Descriptive research is a research that is designed to describe the characteristics of people, events or situations (Sekaran & Bougie, 2013:97). Verificative research methods in which the research is carried out against the population or a specific sample in order to test the hypothesis that has been established (Sugiyono, 2012:8). Seen from the horizon of the time, this research is both cross-sectional because data for each variable was collected at once or at a particular moment (one shot) (Sekaran & Bougie, 2013:106). This research was conducted in the year 2017 by using several variables whose data comes from the BPR from Pekalongan Regency. The descriptive methode will explain about the characteristic of public service BPR users and the BPR Credit mapping.

4. The results of the research and the discussion

4.1 The characteristics of the public service of BPR users in Pekalongan Regency

The number of BPR in the whole area of Pekalongan Regency are ex 75 offices, consisting of 30 headquarters and 45 branch offices, with a total of 23,262 clients consist of male Clients 12,334 (52.8%), and female clients 11,028 (47.2%). While the total account i.e. Rp 425,877,382,961 consisting of a number of customer account male Rp 254,260,145,610 (59.7%), whereas women are Rp 171,617,237,352 (40.3%). In the form of the table looks as follows:

Then, the mapping of the customer based on their age and the amount of the nominal account in BPR the entire territory of former Resident Pekalongan, looked in the table below:

4.2 Pekalongan Regency BPR Credit Mapping

Channeling credit BPR throughout the former sectors-based type of Pekalongan Regency and nominal amounts shown in the table below

4.3 Analysis of the level of Fraud in BPR ex Pekalongan Regency

In order to detect fraud on the financial report of BPR ex Pekalongan Regency, this research uses the Beneish Model, namely statistical models that use financial ratios calculated by the accounting data to check whether the possibility (high probability) that the company had reported a manipulated report. Beneish M-Score measured using the 8 (eight) financial ratios to identify whether the company has any indication to manipulate revenue in the financial statements. Eight financial ratios and the measurement described are presented as follows:

Table 5 Financial Ratios Beneish M-Score

No.	Financial Ratios	Formula
1	Days Sales in Receivables Index (DSRI)	DSRI = (Net Receivables$_t$ / Sales$_t$) / (Net Receivables$_{t-1}$ / Sales$_{t-1}$)
2	Gross Margin Index (GMI)	GMI = [(Sales$_{t-1}$ - COGS$_{t-1}$) / Sales$_{t-1}$] / [(Sales$_t$ - COGS$_t$) / Sales$_t$]
3	Asset Quality Index (AQI)	AQI = [1 - (Current Assets$_t$ + PP&E$_t$ + Securities$_t$) / Total Assets$_t$] / [1 - ((Current Assets$_{t-1}$ + PP&E$_{t-1}$ + Securities$_{t-1}$) / Total Assets$_{t-1}$)]
4	Sales Growth Index (SGI)	SGI = Sales$_t$ / Sales$_{t-1}$
5	Depreciation Index (DEPI)	DEPI = (Depreciation$_{t-1}$/ (PP&E$_{t-1}$ + Depreciation$_{t-1}$)) / (Depreciation$_t$ / (PP&E$_t$ + Depreciation$_t$))
6	Sales General and Administrative Expenses Index (SGAI)	SGAI = (SG&A Expense$_t$ / Sales$_t$) / (SG&A Expense$_{t-1}$ / Sales$_{t-1}$)
7	Leverage Index (LVGI)	LVGI = [(Current Liabilities$_t$ + Total Long Term Debt$_t$) / Total Assets$_t$] / [(Current Liabilities$_{t-1}$ + Total Long Term Debt$_{t-1}$) / Total Assets$_{t-1}$]
8	Total Accruals to Total Assets (TATA)	TATA = (Income from Continuing Operations$_t$ - Cash Flows from Operations$_t$) / Total Assets$_t$

Source: Beneish (1997)

Days Sales in Receivables Index (DSRI)

Based on data, The value of the highest DSRI is PT BPR Taman 1.544, lowest is PT BPR Arta utama 0.472. and average value DSRI is 1.004. The numbers indicate high DSRI manipulators. In other words, the high mean DSRI BPR conducts credit policy changes to spur sales. However, on average the overall BPR DSRI non manipulators, because under < 1.031 is 1.004.

Gross Margin Index (GMI)

Based on the data, the value highest GMI IE PT BPR mega artha mustika 3,555, lowest PT artha sejahtera BPR 0773 organisations. GMI's high numbers i.e. 3,555 including the manipulators were above > 1,193 was

3,555 which indicates the company has negative prospects and prone to manipulate financial statements. However the average value of the GMI indicate grey because are between 1.014-1,193 is 1,080.

Asset Quality Index (AQI)

Based on the data, the highest AQI value is PT BPR arismentari ayu 7,349, lowest PT BPR eleska artha 0000. the overall average of 1,177. the figure is high AQI 7,349 including the manipulators > 1,254 which indicates the company has the possibility to increase the cost-deferred interest or increase of intangible assets and manipulate revenue. have the possibility to increase the cost-deferred interest or increase of intangible assets and manipulate revenue. The larger the value of AQI is an indication of the decline in asset quality and the larger the manipulate income. on average the overall BPR AQI includes grey because are 1,039-1.254 was 1,177.

Sales Growth Index (SGI)

Based on the data, the highest value SGI is 2,610 BPR PT artha sejahtera is housing, low PD BPR BKK Gardens is 0723. SGI is the average 1,170. the figure was 2,610 highest SGI including the manipulators were > 1,607. The results of the SGI > 1 describe the company experienced an increase in sales from the previous year. Companies that are experiencing sales growth are more likely to perform a manipulation against income. overall average SGI BPR include the grey because are among 1,134-1.607 is 1,170.

Depreciation Index (DEPI)

Based on the data, the highest value is DEPI is 2,315 PT BPR adiwerna dhana, the lowest PT BPR adiwerna nusamba. 1,108 average. If the DEPI > 1 indicated that the asset has been depreciated has slowed down and raised the possibility that the company had been revised to an estimate of the period of benefits of fixed assets or have adopted new methods of raising revenue. So, on average the overall BPR has been doing a decrease in depreciation and increases the likelihood that the company had been revised to an estimate of the period of benefits of fixed assets or have adopted new methods of raising revenue.

Sales General and Administrative Expenses Index (SGAI)

Based on the data, the highest value is 1,466 SGAI is PD BPR BKK garden, low PT BPR mega artha mustika is 0433.. If SGAI > 1, then it indicates that an increase in the company's operating expenses over the burden of the Administration, the public, and the sale or decline over the sale. And conversely, if SGAI < 1, then it indicates decline over the company's operating expenses or increase over sales. average SGAI is 1 which means < 0981 average BPR decline over the company's operating expenses or going on a hike up the sale and indicating the occurrence of earning overstatement

Leverage Index (LVGI)

Based on the data, the highest value is 1,294 LVGI is PT BPR Bapera, the lowest PT BPR bumiayu bangun citra. Average 0977. If LVGI > 1 indicates increase in leverage, therefore the company experienced increases in leverage is more susceptible to the manipulation of earnings. So on average, BPR doesn't indicate manipulation.

Total Accruals to Total Assets (TATA)

Based on the data, the highest value of TATA is 0.280 is PD BPR BP city of Tegal, the lowest PD BPR BKK Kab Tegal is 0039. average TATA is 0.151. Value of TATA that high is 0.280 including the manipulators described the company experienced an increase in sales from the previous year. Companies that are experiencing sales growth are more likely to perform a manipulation against income. Overall average SGI BPR is 0151 including the manipulators were > 0.031.

Beneish M-Score

Based on the data, the highest value is known PT BPR Arismentari Ayu is 0.516 with Beneish M-Score Interpret *non-manipulators*. The lowest PD.BPR BKK Kab tegal is -2.238 with Beneish M-Score Interpret *non-manipulators*. Average is -1.481. on average does not affect a BPR manipulation because the numbers are in < -2,22 is -1.481. indications of manipulation in > -2.22

5. Conclusion

1) The largest number of BPR Office on the whole area of the former County is in the Regency of Pekalongan Tegal, is with 11 head office.
2) BPR services user community across the region ex Pekalongan Regency can be identified as follows:
   a.The number of clients the largest Residency BPR Pekalongan is a Regency in Pekalongan to the amount of 9,169 people, consisting of a number of female clients 5,651 people and male clients 3,518 people.
   b.The nominal amount of the loan account in the customer's region's largest Resident BPR Pekalongan was in Pekalongan is Rp 197,680,895,136, which consists of Rp women's customer loan accounts and loan accounts 90,952,333,623 male clients of Rp 106,728,561,513
   c.The age of the customer on the whole territory of former BPR Dis Pekalongan dominated by clients aged 31 – 60 years, with the largest number of nominal accounts at the age of 41-50 years.
3) Channeling the largest credit on the entire ex County BPR Pekalongan sector: 1) instead of other business Court (Clerk) of 7,718 account (38.0%) with nominal value of Rp 191,206,458,463, and 2) large and Retail Trade with number of 4,069 account (20.0%) and a nominal value of Rp 134,977,840,000 Beneish calculation based on the M-Score which includes 8 financial ratios, there are 2 BPR in Pekalongan Regency ex enters the manipulators, they are PD BPR BKK stems and PD BPR BKK Kab. Tegal.

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