

Diagnostic Assessment Fraud Control Plan In Sagulung Sub-District: Batam City

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Abstract. The purpose of study is to find out how Sagulung District is prepared to implement the Fraud Control Plan (FCP) through a diagnostic assessment with 10 FCP attributes. This study uses a qualitative methodology, the method of collecting data through direct interviews and filling out questionnaires to collect data and information while the analysis is carried out descriptively. This study used samples in the Sagulung sub-district and its sub-districts. Based on the results of the research, it shows that Sagulung District was not ready to implement the FCP with the "Very Inadequate" category.

Keywords: Diagnostic Assesment, Fraud Control Plan, FCP Attributes

1 Introduction

Efforts to prevent financial losses in the country certainly have obstacles, both from the auditors of the Audit Board (BPK) and external obstacles in the form of lack of legal awareness of financial managers as the results of research conducted by [7]. Fraud risk is caused by several things such as pressure from superiors (pressure), opportunities (opportunity), rationalization (rationalization), and individual ability (capability) known as Diamond Fraud introduced by [13] as a development of the Fraud Triangle. The motives for committing fraud or fraud against state finances can be mitigated with preventive efforts, namely the Fraud Control Plan (FCP).

Therefore, fraud prevention requires instruments that can strengthen Internal control at the government agency is the Corruption Prevention and Control Program (Fraud Control Plan). The Financial and Development Supervisory Agency (BPKP) has established controls designed to prevent and detect fraud that has attributes derived from applicable practices that can be applied in Indonesia. With that, Fraud Control Plan (FCP) efforts can be applied in every government institution, both central and local governments, to detect it properly. Early fraud or fraud. In general, every government has implemented a Government Internal Control System (SPIP) which functions to prevent fraud, but for Sagulung District, which also carries out service activities to the community, it needs to be strengthened with a special internal control program, namely the Fraud Control Plan (FCP). Fraud Control Plan is a control

specifically designed to prevent, counteract, and facilitate the disclosure of events that indicate fraud.

The condition of Sagulung Sub-District based on the previous 2016-2021 evaluation has problems both internally and externally, namely the lack of optimal quality of service to the community, lack of competence and expertise of human resources in the District and Village regarding the control of the Fraud Control Plan. The Fraud Control Plan must be implemented into entities or institutions or organizations both in the private sector, especially in the public sector and the government that manages very material state money that can facilitate the disclosure of events indicating fraud in order to realize Integrity Zones (ZI), Free from Corruption Areas (WBK), and Clean and Serving Bureaucratic Areas (WBBM). What about Sagulung District, is it possible to implement a Fraud Control Plan, for that a diagnostic assessment is needed to determine the implementation of the Fraud Control Plan (FCP).

2 Literature Review

Theoretical Study

The Fraud Triangle Theory; the classical theory of fraud [3] explains the reasons for the association of someone involved in financial statement fraud and other forms of fraud. This theory states that everyone who commits fraud occurs due to the fraud triangle described, 1) Pressure (pressure) or bonus, motivation and is usually an indivisible need; 2) Opportunity and knowledge to be able to commit a fraud; 3) Attitude/rationalization-behavior or rationalization.

The Diamond Fraud Theory; diamond Fraud is a new view of the phenomenon of Fraud which is said by [13] as an addition to Fraud Triangle Theory which is an advanced theory or refinement. This theory adds an element of capability. Fraud Pentagon Theory; Fraud Pentagon Theory by [5] is a development of the classic fraud theory into 5 elements. In 2017, Crowe Howart added one element called arrogance. The arrogance is a trait that exists in someone who considers that all company policies are under his control so that an arrogant and greedy nature appears in the perpetrator who can commit fraud.

Investigative Audit; investigative audit is a process to systematically search, find, and collect evidence that can reveal whether or not the act or perpetrator occurred for further legal action [9]. In general, it is said to be an investigation process based on law and a sense of justice to find the truth about a problem found and also as an evidentiary effort that ends in court and applicable legal provisions. Diagnostic Assessment; BPKP is an agency mandated in article 59 of (2008) Government Number 60 concerning the Government Internal Control System (SPIP) to conduct guidance on the implementation of SPIP for government agencies then continued with the implementation of Diagnostic Assessment which is an evaluation of the existence and implementation of the attributes of the fraud control plan (FCP). Diagnostic Assessment is carried out to determine the condition of government agencies that will be guided in depth to find out which areas need development and improvement of their SPIP. This activity is a process to identify, analyze, and evaluate the existence and implementation of anti-fraud activities or actions that have been carried out within Sagulung District into each FCP attribute.

Fraud Control Plan (FCP); In the Guidelines Fraud control plan [8] is a control designed to detect, prevent, respond and can facilitate the disclosure of cases of irregularities that indicate corruption that can harm state finances. FCP has attributes that can strengthen the

internal control system and organizational governance consisting of Awareness System consisting of (Anti-Fraud Policy, Organizational Structure of Fraud Control or Responsibility Structure, Fraud Risk Assessment or Fraud Risk Management, Employee Care, Customer and Community Concern. Then, Investigation System consisting of (Fraud Event Reporting System and Whistleblower Protection). Therefore, Detection System consisting of (Disclosure to External Parties, Investigation Procedures, Attitude and Discipline Standards)

Fraud; According to The Association of Certified Fraud Examiners (ACFE 2019, 2016) Fraud is an act carried out intentionally by individuals or more in management or parties responsible for governance, employees, and third parties who aim to seize money or other property by deception, fraud, and other dishonest means, to obtain an unfair or unlawful advantage and it can harm individuals or organizations.

Literature Review

According of the research [2] is a case study at PT XYZ Gresik Regency is a qualitative descriptive research, where the data obtained from the research results will be analyzed. The methods used in this study are survey methods, and data collection techniques using interview media, questionnaires and focus group discussions. The results of this study are in the form of improvement recommendations for the management of PT XYZ Gresik Regency to implement a Fraud Control Plan in preventing, detecting, cases that indicate Fraud.

The research of [6] aims to describe the system of implementing violation reporting in hospitals. Dr. Moewardi. This study aims to describe and evaluate the implementation of the Fraud Control Plan and determine the impact and constraints in its implementation. This research is a qualitative research that refers to theoretical propositions. Data collection was conducted through in-depth interviews with the manager of the whistleblowing system and employees at the hospital. The results of this study show that the violation reporting system has been implemented with bik and can help prevent fraud.

The research of [11] contributes to the growth of knowledge about auditors' ability to detect possible fraud. This research provides insight into how local government management can strengthen the role of government auditors in overseeing regional finances. This study was designed quantitatively using primary data obtained through questionnaires. The purpose of this study is to determine the extent to which auditors' competence and internal control influence their success or failure in detecting fraud.

3 Research Methods

This research is classified as qualitative research. Researchers use the Non Probability Sampling method, according to [12] which is used for sampling that does not provide the same opportunity or opportunity for each member of the population to be selected into a sample, by using this method researchers can find out exactly which sample has a higher chance of being selected. The technique used in determining samples is Cluster Sampling. According to [4] cluster sampling is used to determine the sample if the data source to be studied is very extensive. So to determine the population that is used as a data source, the sampling is based on the area that has been determined. In this study, what will be used as a sample is Sagulung District and village in it which are around the author's residence, with the subject of research listed in the following table 1:

Table 1. Research Subjects

No	Position	Amounts
1	Head of Subdistrict/ Secretary of Subdistricts	1
2	Sub-Division of Program & Finance, Sagulung District	1
3	Village head and village secretary	4
4	Sub-District and Sub-District Staff	21
Sum of Respondents		27

Then the questionnaire is used as a guideline for questions to conduct interviews on; 1) Interview with one sub-district secretary of Sagulung District & one Finance department, and also filling out questionnaires to six staff in Sagulung District, 2) Interview with one Head Sei Lekop district and also filled out questionnaires to three staffs at Sei Lekop, 3) Interview to one sub-district of Tembesi & one sub-district secretary, and filling out questionnaires to six staff in Village Tembesi, 4) Interview to one sub-district of Sagulung City and filling out questionnaires to six staffs in Village. Sagulung City.

Furthermore, the indicator that is used as the object of this study is the Fraud Control Plan (FCP) attribute consisting of 10 (ten) attributes. Researchers conducted direct interviews, filling out questionnaires to obtain information from respondents who could then be diagnosed about their perceptions of the existence and implementation of the Fraud Control Plan in Sagulung District. This qualitative method is carried out with the aim of gaining a deeper understanding of the readiness of Sagulung District through diagnostic assessment to strengthen the Internal Control System (SPI) in order to prevent, counteract, and facilitate disclosure indicating fraud in order to realize Integrity Zones (ZI), Free from Corruption Areas (WBK), and Clean and Serving Bureaucratic Areas (WBBM).

4 Result and Discussion

The implementation of Diagnostic Assessment uses media, each of which has different characteristics which ultimately provide an overview of the conditions of existence and implementation of FCP in the Sagulung District, Batam City. The media used for the implementation of Diagnostic Assessment are evaluation programs, questionnaires, and interviews.

Evaluation Program: The evaluation program is used to determine and assess the existence and implementation of 10 (ten) FCP attributes in Sagulung District. The existence of each element in the FCP attribute itself is carried out through the method of filling out questionnaires and direct interviews by several parties. The conclusion of the evaluation results is carried out in stages for each attribute that has been defined in the evaluation program. Conclusions can be drawn for each sub-attribute in each attribute and then a comprehensive conclusion is drawn for each attribute. The conclusion of the assessment results using an evaluation program is categorized into 5 (five), as explained as follows Tabel 2:

Table 2. Evaluation Program

No	Element Fulfilment	Criterion
1	00,00% - 50,00%	Very Lacking Adequate
2	50,01% - 60,00%	Less Adequate
3	60,01% - 75,00%	Enough Adequate
4	75,01% - 85,00%	Adequate
5	85,01% - 100,00%	Very Adequate

Questionnaire: The conclusion of the questionnaire results from 21 respondents in Sagulung sub-district for most respondents answered that FCP attributes already exist but have not been implemented properly.

Diagnostic Assessment Results: The results of the Diagnostic Assessment of the implementation of FCP in the Sagulung District environment are included in the category of "Very Inadequate", it can be assessed from the implementation and existence of each FCP attribute as described through the Recapitulation table 3:

Table 3. Recapitulation of FCP Attribute Evaluation Program Results

No	Attributes	Existence		Diagnostic Assessment	
		Exist	Not	Presentation	Conclusions
<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>
1	Anti-Fraud Policy	16	5	76,19	Adequate
2	Organizational Structure of Fraud Control	0	6	0	Very Lacking Adequate
3	Standards of Conducts and Discipline	7	2	77,78	Adequate
4	Fraud Risk Management	0	21	0	Very Lacking Adequate
5	Employee Care	5	5	50	Very Lacking Adequate
6	Whistleblowing System	13	3	81,25	Adequate
7	Whistleblower Protection	0	10	0	Very Lacking Adequate
8	Customer Community Care	7	2	77,78	Adequate
9	Investigation Procedure	1	9	10	Very Lacking Adequate
10	Disclosure to External Parties	0	4	0	Very Lacking Adequate
Sum		49	67	42	Very Lacking Adequate

While the conclusion of the questionnaire results in Sagulung District stated that most respondents answered that the FCP attribute had existed but had not been implemented properly, an interview procedure was carried out to confirm the answers that had been given by the respondents. Interviews were conducted with several parties obtained representing sub-districts and sub-districts in Sagulung sub-district, namely; Sagulung District, Sei Lekop Village, Tembesi Village and Sagulung City Village.

Based on the results of the data analysis that has been described, further description of the Diagnostic Assessment of the application of FCP in terms of the existence and implementation of FCP attributes is as follows:

Anti-Fraud Policy: Based on the results of the Diagnostic Assessment, it can be concluded that the existence and implementation of anti-fraud policies within Sagulung District is "Adequate" with the following explanation results: Sagulung District has implemented an Anti-Fraud Policy which contains Prevention and Deterrence Strategies, Early Detection Strategies and Fraud Handling Strategies. 1) Already have a document of vision, mission, objectives and management policies owned by Kec. Sagulung and have stated an anti-fraud commitment that is already known by all employees of Kec. Sagulung but needs to make an Integrity Pact related to anti-fraud. 2) Sagulung sub-district already has an anti-fraud policy document that reflects the commitment of the highest leadership which is in accordance with the Minister of Finance Regulation Number 190 of 2018 which regulates the Code of Ethics regarding anti-fraud and 3) Sagulung sub-district already has an Anti-Fraud Policy document, but it has not been implemented properly at the operational level, namely: a) Do not have a

unit / section responsible for implementing FCP & and there is no fraud risk management, it is necessary to create a unit that can be responsible for these tasks & functions and needs to make fraud risk management in Sagulung District, b) Employee concern & community concern in fraud prevention have been formed, c) Does not have a Reporting protection policy &; there has been no reporting to related parties regarding fraud because there have been no cases of fraud, it is necessary to make appropriate policies in Perwako 34 of 2017, and d) Do not have a Standard Operating Procedures (SOP) document for the implementation of investigations into suspected fraud, it is necessary to make SOPs even though there have never been allegations of fraud in Sagulung District.

Fraud Control Organization: Structure Based on the results of the Diagnostic Assessment, it can be concluded that the existence and implementation of the Fraud Control Organizational Structure within Sagulung District is "Very Inadequate", with the following explanation results: From the results of the explanation of the Organizational Structure of Fraud Control, Sagulung District does not fully have documents related to the structure and function for fraud control, which can be seen that in the Sagulung District does not yet have a unit / section responsible for fraud control, it is necessary to create a unit that is in accordance with the structure and function for fraud control in Sagulung District in accordance with Batam Mayor Regulation Number 29 of 2022, although there is already a Central Government monitoring fraud on the part of the Regional Inspectorate.

Standards of Conduct and Discipline: Based on the results of the Diagnostic Assessment of behavioral and disciplinary standards, it is concluded that the existence and implementation of these attributes are "Adequate", with the results of the following explanation: Sagulung District already has a Code of Ethics document and in it has regulated a fraud code of ethics for all employees, with the following explanation; 1) The code of ethics of Kec. Sagulung already has a Code of ethics that clearly defines the anti-fraud criteria and has been reviewed periodically per year in accordance with the Sagulung Strategic Plan and in accordance with Batam Mayor Regulation Number 4 of 2022 concerning the Code of Ethics, 2) The code of ethics clearly defines and formally implements employee discipline related to fraudulent behavior. 3) The code of ethics that has been prepared already represents fraud, 4) The code of ethics and standards of conduct owned have not adjusted to the culture, business environment and related regulations in Sagulung District, so it is necessary to update the Code of Ethics for non-civil servants in Sagulung District, 5) Sagulung sub-district clearly defines the sanctions/penalties that will be given to employees who are proven to have committed fraud. And 6) Sagulung District has not socialized and distributed the Code of Conduct document to all partners/vendors/customers, so it is necessary to make banners and socialize to all communities and those who collaborate in Sagulung District.

Fraud Risk Management: Based on the results of the Diagnostic Assessment of Risiko Fraud Management, it was concluded that the existence and implementation of these attributes were "Very Inadequate", with the results of the following explanation; 1) Sagulung District does not yet have a risk management SOP, so it is necessary to make a risk management SOP in accordance with the central government in the 2017 Mayor Regulation, but Sagulung District has been supervised by the Regional Inspectorate which has a risk management SOP, 2) Sagulung District does not yet have a policy on risk management, so it is necessary to make a risk management policy which contains fraud as one of the risks in Sagulung District, 3) Sagulung District does not yet have a special division / section in charge of carrying out the

risk management process, for this reason it is necessary to create a section in charge of carrying out the risk management process., 4) Sagulung District has not appointed employees in the section responsible for overseeing fraud risk assessment and relevant fraud control programs, therefore Sagulung District needs a section that regulates the risk assessment, Sagulung District has been supervised but the part is not from employees in Sagulung District but is directly handled by the Government Inspectorate, 5) Sagulung District has not carried out a fraud risk identification process for all units/sections and also carried out symptom identification (redflags), so it is necessary to make a fraud risk identification process and identify the symptoms in Sagulung District itself, 6) Sagulung District has not carried out a fraud risk identification process by considering internal and external factors, it is necessary to establish a fraud risk identification process that considers internal and external factors, 7) Sagulung District has not carried out a fraud risk identification process by considering the risk of repeated fraud and the risk of new fraud that has never occurred in Sagulung District, it is necessary to make it possible to consider the symptoms of repeated or unprecedented fraud in Sagulung District, 9) Sagulung District has not fully carried out the fraud risk identification process which is carried out by involving as many competent parties as possible, so there needs to be a section / unit that oversees the process of fraud in Sagulung District, 10) Sagulung sub-district has not fully made a list of risks related to fraud, so it is necessary to make a list of risks in it, 11) Sagulung District has not conducted fraud risk analysis which is carried out regularly, it is necessary to make an analysis that is carried out regularly in order to find out suspected fraud, 12) Sagulung sub-district has not determined the risk owner for each identified fraud risk because no fraud allegations have ever been found, 13) Sagulung sub-district has not determined a response to each identified fraud risk, in the form of fraud prevention measures, it is necessary to make a response to each fraud risk even though fraud has not occurred, 14) Sagulung sub-district has not fully considered the impact of services to the community, so Sagulung sub-district needs to consider non-financial impacts in risk analysis that will have an impact on community services, 15) Sagulung sub-district has not conducted a risk assessment in terms of preventing or mitigating the impact of fraud risk, the need to conduct a risk assessment to prevent and mitigate the impact of each risk, 16) Sagulung District does not yet have a database for fraud incidents, so it is necessary to create a database even though there has never been a suspected fraud in Sagulung District, 17) Sagulung sub-district has not conducted a periodic analysis of the tendency / mode of fraudsters, so it is necessary to conduct a tendency analysis to find out the existence of suspected fraud periodically, 18) Sagulung sub-district has not utilized the fraud incident database as input for the fraud risk management process because there has never been a fraud allegation, and 19) Sagulung District has not conducted a fraud risk review on an ongoing basis, it is necessary to make a review of fraud risk so that the data that has been reviewed can be evaluated for the results.

Employee Care: Based on the results of the diagnostic assessment, it can be concluded that the existence and implementation of employee care attributes are "Very Inadequate", with the following explanation: 1) Sagulung District has involved employees in fraud prevention and early detection efforts through socialization activities, as well as training for employees on anti-corruption carried out in Sagulung District, but it is necessary to conduct comparative studies in fraud prevention efforts, 2) Sagulung District has carried out activities to instill the values of integrity and ethics of the State Civil Apparatus (ASN) as a foundation for public service activities as reflected in Batam Mayor Regulation Number 132 of 2022 concerning the Code of Ethics, 3) Sagulung District has carried out activities involving employees in efforts

to prevent and early detection of fraud regularly, 4) Sagulung District does not yet have a reward policy for employees who report fraud in Sagulung District, so there needs to be an award for employees who report fraud so that each other can cause a sense of sensitivity and concern for the environment, 5) No employee has reported any fraud incidents in Sagulung District, 6) Reporting on fraud incidents within Sagulung District already has a determined/official path to report incidents indicated by fraud, 7) The whistleblower on the fraud incident in Sagulung District has not been given the right to know the progress and results of the investigation, and 9) Sagulung District has not conducted regular employee satisfaction surveys on employee perceptions and concerns for fraud incidents in Sagulung District, so it is necessary to conduct an employee satisfaction survey in which there is an element of employee concern for fraud.

Fraud Event Reporting System: Based on the results of the diagnostic assessment in the Sagulung District of Batam city, it can be concluded that the existence and implementation of the fraud incident reporting system attribute is "Adequate", with the following explanation; 1) Sagulung sub-district already has a system/procedure for reporting violations/fraud complaints, consisting of; a. The complaint mechanism created by Sagulung sub-district already has a complaint system that is reported through the whistleblower system and b. Sagulung District has conducted socialization to all employees related to the violation reporting system/procedure through socialization, as well as direct seminars by the mayor and his staff, 2) Sagulung District already has regulations governing the violation reporting system that can be accessed on the official website at Sagulung District and a WA number that can be contacted and can directly report cases involving fraud to high officials within Sagulung District, 3) Sagulung District does not yet have a policy regulating the mechanism for reporting violations if the alleged perpetrator is a high-ranking official, it is necessary to create a mechanism that regulates reporting in accordance with Batam Mayor Regulation Number 13 of 2020, 4) Sagulung sub-district needs to make appreciation to whistleblowers who are proven to be able to prevent/detect fraud, 5) Sagulung District has established a unit/section responsible for managing violation reporting systems/procedures in accordance with the main duties and functions in Sagulung District, 6) Sagulung sub-district has established/managed information in a confidential violation reporting system and only authorized parties can obtain such information, 7) Sagulung District has established a fraud complaint mechanism that is made according to the conditions/culture in the environment by using website, hotline and also a complaint box about fraud, and 8) Sagulung District has conducted periodic reviews per year of fraud violation reporting systems/procedures to assess the effectiveness of these systems/procedures.

Protection of the Whistleblower: Based on the results of the diagnostic assessment, it can be concluded that the existence and implementation of the whistleblower's protection attributes in the Sagulung District environment are "Very Inadequate" with the following explanation; 1) Sagulung District does not yet have a formal policy to protect whistleblowers within Sagulung District, so it is necessary to make a formal policy to protect whistleblowers in accordance with Batam Mayor Regulation Number 7 of 2021, 2) Sagulung District does not yet have an internal system or procedure that can be used by complainants/reporters who feel they are threatened or harmed, so it is necessary to make formal policies in accordance with Batam Mayor Regulation Number 7 of 2021, 3) Sagulung District needs to conduct socialization through websites/banners to inform all employees of the whistleblower protection policy within Sagulung District, 4) Sagulung sub-district does not yet have a formal policy to monitor

that whistleblowers whose identities are known not to receive negative impacts for their actions in terms of management sanctions and social punishments from colleagues, it is necessary to make policies to monitor whistleblowers not receiving negative impacts for their reporting actions.

Customer and Community Care: Based on the results of the diagnostic assessment within Sagulung District, it can be concluded that the existence and implementation of customer and community care attributes are "Adequate", with the following explanation; 1) Sagulung District has conducted socialization related to anti-fraud commitment, namely socialization activities for employees regarding anti-corruption carried out in Sagulung District and also at the DPRD Building, 2) Socialization related to anti-fraud commitment within Sagulung District that has been carried out to emphasize the importance of strict rules for parties who commit fraud, both from internal and external, 3) Sagulung District has conducted regular and periodic socialization every year and has also installed several banners about anti-fraud campaigns to the community within Sagulung District, 4) Sagulung District has not followed up on the socialization that has been carried out regularly, so it is necessary to evaluate the socialization that has been carried out regularly regarding fraud, 5) Sagulung sub-district has conveyed information to all departments that if fraud occurs they can report it to the available channels, 6) Sagulung sub-district has clearly emphasized the importance of accountability, and transparency in cooperation agreements, for example with community activities. 7) There is no cancellation clause in the cooperation agreement between Sagulung District and related stakeholders in the event of fraud, 8) Sagulung sub-district has conducted a satisfaction survey to the community and employees on the policies it has issued.

Investigative Procedures: Based on the results of the diagnostic assessment, it can be concluded that the existence and implementation of the attributes of investigation procedures within Sagulung District are "Very Inadequate", with the following explanation; 1) Sagulung sub-district needs to have a special investigative audit guideline even though it has been directly supervised by the regional inspectorate which outlines the stages that must be carried out when investigating suspected fraud, 2) Sagulung sub-district needs to explain specifically the unit/section responsible for conducting investigations if there are allegations of fraud, 3) Sagulung District has never conducted an investigative audit / special audit related to fraud in the Sagulung District environment because there has never been a suspicion of fraud in the environment, but a mechanism needs to be established to conduct an investigative audit, 4) Sagulung sub-district needs to have a special mechanism to investigate if there are allegations of fraud committed by the highest leader, 5) Sagulung sub-district has not set specific competency/ expertise criteria for employees who will conduct investigations, so it is necessary to determine the criteria for employees who will conduct investigations, 6) Sagulung sub-district has not conducted investigative audit training /special audit for employees who will conduct investigations, so training is needed so that employees who conduct investigative audits are competent.

Disclosure System to External Parties: Based on the results of the diagnostic assessment within Sagulung District, it can be concluded that the attributes of the disclosure system to external parties are "Very Inadequate", with the following explanation; 1) Sagulung sub-district needs to establish a formal policy regarding reporting to external parties (e.g. Law Enforcement Officers: Police, Prosecutor's Office, Corruption Eradication Commission (KPK) because there is no formal policy regarding reporting to external parties, 2) Sagulung sub-

district needs to have a formal policy regarding reporting to external parties containing: Set fraud criteria (loss value, perpetrator, type of fraud) and Sagulung sub-district establishes an internal investigation process before a violation is reported to outside parties, 3) Sagulung sub-district has not established a reporting policy to external parties equipped with education and hostage activities but has previously conducted education, but a formal reporting policy is needed regarding reporting policies to external parties.

4 Conclusion and Suggestions

Based on the results of research that has been conducted by researchers, it shows that Sagulung District is not ready to implement FCP with the category of "Very Inadequate". Thus the need for Fraud Control Plan control as a goal to facilitate, strengthen the organization's Internal Control System in order to prevent, counteract, and disclose fraud events in the environment.

For Sagulung District and Sub District Recommended improvements that can be made by Sagulung District to be able to implement the attributes of the Fraud Control Plan that can prevent, detect, and follow up on any allegations that indicate fraud: Attributes in order to compile an Anti-fraud Policy that contains matters related not only to corruption but includes Corruption, Misuse of Aser, and Financial Statement Irregularities. Sagulung District to make a specific description related to Fraud Control for work units assigned to Fraud management activities in an integrated manner in job descriptions related to fraud management or control. Sagulung sub-district in order to be able to add ethical guidelines for civil servants and non-civil servants related to prohibition rules and sanctions for fraudulent behavior.

Then, Sagulung sub-district periodically needs to conduct fraud risk analysis in all existing work units to assess internal control in each unit to prevent and mitigate the impact of fraud risk. Sagulung sub-district needs to periodically conduct surveys of employees on fraud and employee concern to participate in fraud control. Sagulung sub-district establishes provisions governing reporting mechanisms related to who reports and to whom reports are indicated for violations/incidents of fraud. Sagulung sub-district needs to establish detailed whistleblower protection related to complaint handling procedures and whistleblower protection. Sagulung District in conducting a customer satisfaction survey has also included material on policies related to fraud control, and the survey results are one of the references in seeking customer and community concern regarding anti-fraud policies.

However, Sagulung sub-district needs to add work instructions to internal audits that are more specific to investigative audits, in addition to that criteria are also set related to the competence of auditors who can perform investigative audit tasks. It is necessary to establish provisions governing the disclosure of fraud incidents to parties outside Sagulung District (law enforcement officials). Due to the limited data obtained from the author, it is hoped that further research can expand observations in order to better describe fraud that is likely to occur in a company, organization or government and increase the number of people interviewed so that the information obtained is more, detailed and complete. Thus, the Fraud Control Plan (FCP) becomes an idea for researchers to be able to determine the readiness in Sagulung District and also input/evaluate for Sagulung District to find out any indications of fraud.

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