

TRANSPARENCY OF MONEY AND BUILDING TAX PAYMENT MANAGEMENT IN PREVENT FRAUD(Case Study in Balekambang Village, South Nagrak Village, North Nagrak Village, and Pawenang Village Nagrak District Sukabumi District)

Andi Rahmina Pratami

Andipratami09@gmail.com

Universitas Muhammadiyah Sukabumi

Abstract

ABSTRACT

The problem discussed in this study is the transparency of land and building tax management in preventing fraud in Balekambang Village, Nagrak District, Sukabumi District. This study aims to determine the effect of transparency on fraud. The method used in this study is a quantitative method. The samples in this study were 43 people using saturated samples because the study sample was less than 100. The results showed that the transparency of the management of land and building tax payments in Balekambang Village, South Nagrak Village, North Nagrak Village, and Pawenang Village the results did not affect someone in committing fraud.

I. Introduction

One of the roles of the village apparatus is stated in the Regent's Regulation No. 8 of 2008, namely in collecting Land and Building Taxes, which are included as a type of service to the community and is expected to influence increased participation in the community in paying Land and Building Tax money. (Tarigan, 2015)

One of the roles of the village apparatus is stated in the Regent's Regulation No. 8 of 2008, namely in collecting Land and Building Taxes, which are included as a type of service to the community and is expected to influence increased participation in the community in paying Land and Building Tax money. (Tarigan, 2015)

Land and Building Tax (PBB) is a type of local tax that is fully regulated by the government in determining the amount of tax (official assessment system), this tax is very important for the implementation and improvement of development and increase the prosperity and welfare of the people (Amanah, 2015).

Every organizational activity there must be an uncertainty that is identical to the risk, including the risk of fraud. Fraud constitutes an action against the law which harms the entity / organization and benefits the perpetrators. The fraud involved taking or stealing property or assets of the organization, hiding and transferring or spending these assets. Fraudsters can be from within or outside the organization and can be done by management or employees. Fraudsters from organizations are people who can access information and access to organizational assets. This form of cheating in writing this book is called fraud.

In Indonesia, fraud is better known as corruption. Fraud is designed to obtain a personal or group advantage that exploits opportunities dishonestly, and directly or indirectly that is detrimental to many others. (karyono, 2013)

In 2019 the government held a free land certificate program. This is done because in 2017, the Ministry of Agrarian Spatial Planning and the National Land Agency (ATR / BPN) have made one of the programs namely Complete Systematic Land Registration (PTSL), this program is subsidized by the state and the costs are borne by the government so that it is free to the public.

One of the requirements for completing the program is proof of the United Nations payment in full on land and house ownership. At the time of checking the completeness of the file, it was discovered that there were some residents whose UN bills had not been paid (not paid in full) during the last 5 years, while the residents had made payments collectively through village officials on the basis of trust.

From the results of an interview conducted by one of the villagers in Sukabumi Regency regarding the UN's unpaid case over the past 5 years, namely Mrs. T, where Ms. T has paid the UN bill in full through the village collector officer. But when checking the file, Mrs. T was declared not to have paid for the past 5 years.

The following are data on PBB payments in Desa X of Sukabumi Regency:

Table 1.1

UN Payment Data Village X, Sukabumi Regency

Years	Number of residents paying for PBB through village officials	Registered to pay PBB to Regional Revenue	Unregistered to pay PBB to Regional Revenue
2015	2.821	2.571	250
2016	2.830	2.130	700
2017	2.842	1.288	1.554
2018	2.855	980	1.875
2019	2.855	650	2.235

Source: processed by the author, 2020

Based on the data above, from 2015 to 2019 the number of unregistered citizens paying UN money increased significantly. Where for the last 5 years some residents of Desa X Kab.Sukabumi were not registered in the UN payment, but the residents who were not registered had already paid the UN payment in full from 2015 to 2019.

Based on the background above the problems that have been described, the authors are interested in conducting research with the title **"The Effect of Transparency in Management of Land and Building Taxes on Fraud (Case Study in Balekambang Village, South Nagrak Village, North Nagrak Village, and Pawenang Village Nagrak District Sukabumi District)"**.

II. Formulation of the problem

1. How does the transparency of money management of land and building tax payments affect fraud prevention?

III. Hypothesis

From the proposed formula, the researcher can develop a research hypothesis, namely:

H₀: It is suspected that there is no influence of transparency in the management of land and building tax payments in preventing fraud.

H₁: It is suspected that there is an influence of transparency in managing the land and building tax payments in preventing fraud

IV. Literature review

4.1 Fraud

In Indonesia, the term fraud is better known as corruption. This is also considered inappropriate because in the forms of fraud that will be described below, corruption is part of fraud. When seen from the Law No.31 of 1999 which has been amended / amended by Law No.20 of 2001 concerning Corruption, what is called fraud is corruption. ((Drs. Karyono, 2013)

Based on the above definition, fraud can also be termed as cheating which implies an irregularity and unlawful acts, which are done intentionally for a specific purpose, for example deceiving or giving a false picture to other parties, committed by people both from within and outside the organization. Fraud is designed to benefit both individuals and groups who exploit opportunities dishonestly, and directly or indirectly harm many parties. (Drs. Karyono, 2013)

Another definition of fraud is also stated that fraud contains an element of fraud which contains the following elements:

- 1) The existence of unlawful acts
- 2) Performed by people from within and from outside the organization
- 3) To get personal or group benefits
- 4) Directly or indirectly is very detrimental to many parties.

The types of fraud include:

Fraud by type consists of internal fraud and fraud control systems:

- a) Internal fraud naturally occurs inherent in every form of activity where a person is allowed to commit fraud.
- b) Fraud control systems occur because of a weak internal control system and usually the perpetrators have knowledge of how an internal control system works.

4.2 Fraud Triangle

In this study using the fraud triangle, which was first coined by Dr. Donald Cressy. In triangle theory, fraud is supported by three elements, namely:

1. Pressure

- a) Financial pressures: in the form of a lot of debt, a lifestyle beyond financial capacity, greed, and unforeseen needs.
- b) Bad habits
- c) Pressure on work environment: lack of achievement / performance appreciation, low salary and not satisfied with work.
- d) Other pressure: pressure from the wife / husband to own luxury goods.

2. Opportunity

Opportunities arise because of weak internal controls to prevent and detect fraud. Opportunities can also occur due to weak sanctions, and the inability to assess the quality of performance. Besides that, there are several other conditions which are conducive to crime. According to Steve Albrecht, there are several factors that can increase the opportunity to commit fraud, namely:

- a) Failure to bring order to the perpetrators of fraud
- b) Limited access to information
- c) Ignorance, lazy and not according to the ability of employees
- d) Lack of audit trail.

3. Justification (razionalization)

Frauders seeking justification include:

- a) Perpetrators assume that what is done is normal / normal for other people to do as well.
- b) Perpetrators feel they have a large contribution to the organization and the perpetrators should receive more than they have received.
- c) The perpetrator considers his good intention is to overcome the problem, later it will be returned.

4.3 Transparency

Transparency is openness to all actions and policies taken by the government, the principle of Transparency creates mutual trust between the government and the community, always providing information and ensuring ease in obtaining accurate and adequate information. (Latief, 2015)

Transparency is meant is the opening of access for the public in obtaining information about planning, implementation, supervision, and responsibility.

4.3.1 Planning

Planning is a process for determining the appropriate future actions, through a sequence of choices taking into account available resources (Ahmari & Amar, 2014)

Understanding of Planning according to Some Experts in (Weeks, 2015) include:

- 1) C. Brobowski (1964): Planning is a set of final decisions, initial decisions and future projections that are consistent and cover several time periods, and the main goal is to influence the entire economy in a country.
- 2) Waterston (1965): Planning is a conscious, organized and continuous effort to choose the best alternative from a number of alternatives to achieve certain goals.

The function of planning according to Handoko (2003: 23) in (Mu, 2019), namely:

- a) Determination or selection of organizational goals
- b) Determination of strategies, policies, projects, procedural programs, methods, budget systems and standards required.

Planning indicators according to (Weeks, 2015) include:

- 1) Input indicators These indicators measure the amount and type of resources needed to implement the program.
- 2) Output indicators (output), this indicator is used to measure the output produced.
- 3) Outcome indicators, these indicators are used to measure the achievements of various activities in a program.

4.3.2 Implementation

Implementation is an action or implementation of a plan that has been prepared in a mature and detailed manner, implementation is usually carried out after the planning is considered ready. In simple terms implementation can be interpreted as an application. Majone and Wildavsky put forward the implementation as an evaluation. Browne and Wildavsky suggest that implementation is an extension of activities that are mutually adjusting. (Ii & Reader, 2015)

According to (Latief, 2015) Indicators of implementation are:

- 1) There is a system of providing information to the public that is ready to be easily accessible, freely obtained and up to date that needs to be known by the public
- 2) Disclosure of information on sanctions that are determined for mistakes or omissions in their implementation.

4.3.3 Oversight

Supervision is the process of determining performance measures and taking actions that can support the achievement of the expected results in accordance with the specified performance. Controlling is the process of measuring performance and taking action to ensure desired results. (Schermerhorn, 2016)

According to Arifin Abdul Rachman (2001: 23) in (Schermerhorn, 2016) supervision has the following objectives:

- 1) Ensure that implementation decisions are in accordance with plans, policies and orders
- 2) Control the coordination of activities to prevent fraud
- 3) Ensuring the realization of people's satisfaction with the goods or services produced
- 4) Foster public confidence in organizational leadership

According to Arifin Abdul Rachman (2001: 23) in (Schermerhorn, 2016) indicators include:

1. Indicators of increasing discipline, achievement and achievement of the task implementation objectives include:

- a) The plan drawn up can illustrate the existence of clear and measurable targets, visible link between the plan and the program and budget
- b) The task can be completed in accordance with the plan, both in terms of physical aspects and costs

2. Indicators of reduced abuse of authority, namely reduced community guidance to the government

3. Indicators of reduced leakage, illegal fees include:

- a) The quality and quantity of cases of irregularities, fraud and leakage can be reduced as do functional monitoring reports and other monitoring reports
- b) Reduced error rate in carrying out tasks

4.3.4 Liability

According to Djalil (2014: 63) in (Porter et al., 2014) Accountability or accountability is an ethical concept that is close to public administration of government (government executive institutions, parliamentary legislatures and judicial institutions) which has several meanings, among others, this is often used synonymously with concepts such as responsibility, answering, blameworthiness and which have links with expectations that can explain one aspect of public / government administration.

According to Lalolo, 2003: 17 in (Porter et al., 2014) indicators of accountability include:

- a) There is public access to reports that have been made.
- b) Explanation and justification for government actions.
- c) Explanations must be made in an open forum.
- d) Actors must have an obligation to attend.

V. Research Methods

The method in this study researchers used quantitative methods with an associative approach. The population in this study were all instruments in Balekambang Village, South Nagrak Village, North Nagrak Village, and Pawenang Village. In this study the sampling method used is saturated sample meaning that the

population is less than 100 people. There are 43 village officials used as samples. The data used in this study are secondary data. This study uses a Structural Equation Modeling (SEM) Model because this research model is a causality or influence relationship model. In the structural equation model of concepts and applications with the WarpPLS 6.0 program.

VI. RESEARCH RESULTS AND DISCUSSION

Descriptive statistics is the process of transforming research data in tabular form so as to provide an overview so that data can become a clearer and easier information to be used and interpreted. Descriptive statistics can be seen from the average value (mean), standard deviation, maximum value, and minimum value (Ghozali, 2006)

Descriptive tables explain the variables in the study, including independent variables namely Transparency (X) and the dependent variable namely Fraud (Y). Descriptive acquisition results per variable, then we can get a picture of the results of data processing on research variables that show the minimum number (min), maximum (max), average (mean), and standard deviation.

Table 1
Descriptive statistics

Variable Research	total Sample (n)	Min	Max	Median	Mode	Mean
Transparency (X)	43	-3.2992	0.922	0.223	0.922	4.609
Fraud (Y)	43	-1.175	3.127	-0.090	0.011	2.180

Source: Author's data processed, 2020

From the data above the independent variable, namely transparency, has a minimum value of -3.2992, a maximum value of 0.922, a median value of 0.223, a mode value of 0.922, and a mean value of 4.609

The dependent variable is Fraud has a minimum value of -1.175, a maximum value of 3.127, a median value of -0.090, a mode value of 0.011, and a mean value of 2.180.

EVALUATION OF MEASUREMENT MODEL (OUTER MODEL) AND STRUCTURAL MODEL (INNER MODEL)

In SEM-PLS analysis, the Measurement model is used to determine the validity and reliability of the indicators being tested, while the Structural Model is used to test the significance of the parameters formulated in the hypothesis.

Outer model analysis, for formative indicators the value of formative indicator weights with the construct must be significant, in this study the value of the symponson's paradox ratio (SPR) = 1,000. The ideal is 1, but greater than 0.7 is still acceptable, the multicollinearity test is carried out to determine the relationship between indicators. To find out whether formative indicators experience multicollinearity by knowing the value of VIF. Full collinearity VIFs are the result of full collinearity testing which includes vertical and lateral multicollinearity. The criteria for Full collinearity VIFs tests is that the value must be lower than 3.3 (Kock, 2013).

Based on the value of Full collinearity VIFs below 3.3 indicate that in the research model there is no multicollinearity.

Table
Latent Variable Coefficients

Latent Variable Coefficients	
F	Contribution Value
R-Squared coefficients	0.011
Q-Squared coefficients	0.022
Full collinearity VIFs	1.005
GoF	0.077

In the table above, it can be seen that the R-squared value of the Fraud (F) variable is 11%, which means Transparency in payment of UN money for fraud is only 11%.

Q-squared value is used to determine whether the model has predictive relevance or not. Q2 value > 0 indicates the model has predictive relevance. This research model has predictive relevance because the Q2 value is above 0. According to Tenenhaus (2004), a small GoF value = 0.1, a medium GoF = 0.25 and a large GoF = 0.36. From testing R2, Q2, and GoF, it appears that the model formed is robust.

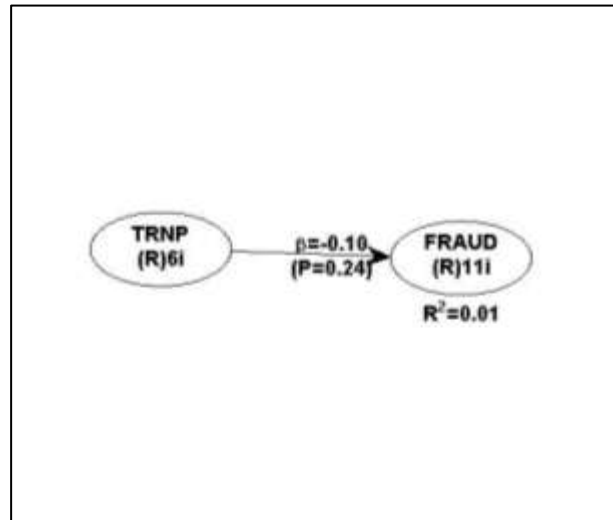
Hypothesis test

This research uses primary data. The aim is to test the effect of Transparency (X) on Fraud (Y). The analysis conducted aims to determine the relationship of exogenous variables (Transparency) with endogenous variables (fraud). There is a hypothetical relationship that will be tested whether there is an influence between Transparency (X) and Fraud (Y). to test it used the WarpPLS 6.0 program.

The following is a picture of a research model and the results of the effect sizes obtained based on data processing.

Guidelines to be able to provide an interpretation of the strength or weakness of the relationship between two variables, then use the path coefficient determination that is generally accepted. The value of the provision can be seen in the previous chapter. The basis for decision making based on the significance of the statistical program results is as follows:

- a. The level of accuracy (alpha) used in this study was 5%.
 - b. The confidence level used is 90% and the number of samples (n = 43).
- If the significance > alpha (0.05), then Ho is accepted and Ha is rejected or means there is no relationship between the two research variables.
 - If the significance is < alpha (0.05), then Ho is rejected and Ha is accepted or there is a relationship between the two research variables.



Source: Data processed using the WarpPLS 6.0 application.

From the picture above, we can summarize the results of proving the hypothesis as follows:

Table
Summary of Proof of Hypothesis

Hypothesis	Path Coefficients	P Value	SE	Information
TRNNS → FRAUD	-0,103	0,243	0,146	Transparency in the Management of Land and Building Tax payments has no effect in preventing fraud

DISCUSSION

The results showed that the Transparency of United Nations financial management did not affect someone committing fraud. Fraud in the village where the study was conducted is still common. This can be known by the community when the distribution of land certificates is carried out by the National Land Agency. Communities are required to exchange proof of United Nations payment in the past 5 years to be exchanged for land certificates at the village office. When the community came to the village office, the community found that there was no SPPT PBB that had been paid for 5 years by them.

The fraud that occurred in the case was due to the high confidence of the community in the village apparatus, so that the village apparatus who committed fraud on the UN money paid by the community felt innocent of his behavior.

CONCLUSIONS AND RECOMMENDATIONS

The Ministry of Agrarian Spatial Planning and the National Land Agency (ATR / BPN) have made one program namely Complete Systematic Land Registration (PTSL), this program is subsidized by the state and the costs are borne by the government so that it is free to the public.

One of the requirements for completing the program is proof of the United Nations payment in full on land and house ownership. At the time of checking the completeness of the file, it was discovered that there were some residents whose UN bills had not been paid (not paid in full) during the last 5 years, while the residents had made payments collectively through village officials on the basis of trust.

The results of the study concluded that the transparency of land and building tax money management had no effect in preventing fraud or fraud.

Based on the conclusions above, several suggestions can be put forward that can be useful for relevant agencies as well as for other parties. As for the suggestions given, they include:

- 1) Every community who pays the UN money through the village apparatus should immediately be given SPPT with the statement / stamp Paid off
- 2) Village officials must remain transparent to the community

DAFTAR PUSTAKA

- Amanah. (2015). *Analisis Faktor-faktor Yang Mempengaruhi Kepatuhan Wajib Pajak Bumi dan Bangunan Di Kabupaten Wonogiri*. 1–8.
- Ghozali & latan. (2017). *konsep metode dan aplikasi menggunakan program WarpPLS 5.0*. badan penerbit universitas diponegoro.
- Handoyo, sigit. (2016). *Pengantar Akuntansi Forensik Dan Investigasi*. Ekonisia.
- karyono. (2013). *Forensic Fraud* (D. Hardjono (Ed.)). C.V Andi Offset.
- Kumoro, M. P., & Ariesanti, A. (2017). Potensi Pajak Bumi Dan Bangunan Sektor Perdesaan Dan Perkotaan Kota Yogyakarta Dan Kontribusinya Terhadap Kemandirian Daerah. *Riset Akuntansi dan Keuangan Indonesia*, 2(1), 75–90. <https://doi.org/10.23917/reaksi.v2i1.3684>
- Latief, firmanto. (2015). transparansi pengelolaan anggaran daerah di satuan kerja perangkat daerah. *Journal of Chemical Information and Modeling*, 53(9), 1689–1699. <https://doi.org/10.1017/CBO9781107415324.004>
- Panduan Penulisan Skripsi*. (2020). Cinta Buku Media.
- samudra, azhari aziz. (2016). *Perpajakan di indonesia : keuangan, pajak dan retribusi daerah*.
- Sugiman. (2018). Pemerintahan Desa. *Binamulia Hukum*, 7(1), 82–95.
- Sugiyono. (2016). *Metode Penelitian*. alfabeta.
- Sugiyono. (2017). *Metode Penelitian kuantitatif, kualitatif, dan R&D*. alfabeta.
- Sujarweni, W. (2015). *penelitian akuntansi dengan spss*. pustaka baru press.
- Tarigan, P. B. (2015). Peran Perangkat Desa dalam Sektor PBB. *Journal of Chemical Information and Modeling*, 53(9), 1689–1699. <https://doi.org/10.1017/CBO9781107415324.004>
- tuanakotta, T. M. (2013). *Akuntansi Forensik dan Audit Investigatif*