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THE RELIGIOUS ROLE OF LEADERSHIP MORALITY IN PREVENTING THE FRAUD OF GAMPONG FUNDS IN WEST ACEH DISTRICT

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ABSTRACT

This article analyzes the religious role in moderating the relationship between leadership morality in preventing the misappropriation of Gampong funds. This study aims to examine the effect of leadership morality on the prevention of village fund fraud and examine the religious role in moderating the relationship between leadership morality and the prevention of fraud (misappropriation) of Gampong funds (village fund) in West Aceh. This research uses quantitative research methodology. The sampling process in this study uses a purposive sampling method. Primary data was collected through a survey of 60 questionnaires given to the Gampong apparatus who occupy important positions in Gampong administration, namely Geuchik Gampong, Gampong secretary, head of the general subdivision of the village and treasurer of the village in Johan Pahlawan sub-district, Aceh Barat. The reason for choosing Johan Pahlawan sub-district as a research location is because the Johan Pahlawan sub-district is the center of the West Aceh Regency government with the largest population compared to other sub-district, so the budget allocation for the village fund is greater. The model used in this study is the MRA (Moderated Regression System) model. The partial test results of the regression model show that leadership morality is very influential in preventing the

misappropriation of village fund fraud with a parameter coefficient of 0, 017 and the significance is less than 0.05, level is 0.000. These results indicate that the higher the morality of leadership, the deviation from the Gampong funds decreases. While the residual test results in the MRA (Moderated Regression System) model show that religious values can moderate the relationship of leadership morality in preventing the misappropriation of village funds with absolute parameter efficiency values of -15, 281, and the significance level is 0,000. The coefficient value of the negative and significant parameters in the model shows that religion can be used as a moderating variable that can further strengthen the relationship of leadership morality in preventing the diversion of village funds

INTRODUCTION

Abuse of village funds is still common in Indonesia. ICW has monitored corruption in Gampong. The results of ICW monitoring, in 2015 - 2017 cases of corruption in the Village have increased. In 2015, corruption cases reached 17 cases and increased to 41 cases in 2016. The jump more than doubled then occurred in 2017 with 96 cases. Total corruption cases were found as many as 154 cases. According to ICW, the head of the village was the dominant actor caught in the case. The number of heads of the village that was ensnared was 112 people. The number continues to increase from year to year, with 15 head of the Gampongs in 2015, 32 head of the Gampongs in 2016, and 65 head of the Gampongs in 2017. Not all actors are head of camping, other actors are 32 Gampong heads and 3 people who are families of head of gampong (ICW, 2018).

Figure 1
Village Head Tangled Case Of Corruption
2015-2017
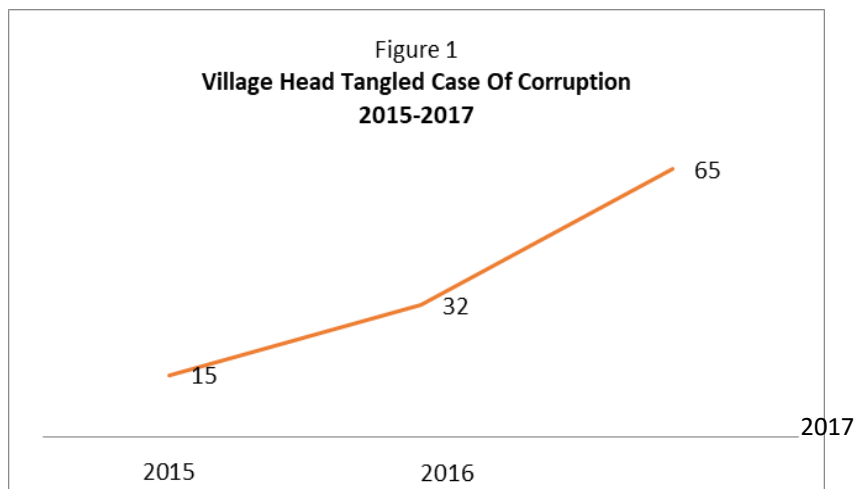
Source: ICW, 2018

Cases of alleged corruption are dominated in the regions. There are about 94 percent or 429 cases of corruption occurring in various regions in Indonesia, starting at the district, city, and provincial levels. Whereas the alleged corruption cases that occurred at the national level were around 6 percent or as many as 25 cases. In 2018 in Aceh Province there were 22 cases of corruption with a State loss of Rp333 billion (ICW, 2018). Alleged corruption of village

funds occurred in West Aceh, which is one of the districts in Aceh Province. Serambi Indonesia (2019) released the news that the West Aceh District Attorney's Office (Kejari) is still investigating and investigating several reports on the use of Gampong funds that were passed on by the West Aceh Regency Government. In the report, 19 villages allegedly indicated misappropriation of village funds from the West Aceh Inspectorate audit.

Fraud is a problem that must be fought for the public or private sectors, especially in Indonesia (Wijayanti and Hanafi, 2018). Integrating religious values in social life is an effort to prevent fraud. Rafiki and Wahab (2014) illustrate that religion (religious) as one of the most significant social institutions that are explicitly related to attitudes, behavior, and values. Research conducted by Wicaksono and Urumsah (2016) proves that religious faith has a negative relationship with fraud intentions. Employees who have high religious beliefs will not commit fraud. Furthermore, Kennedy and Lawton (1998) found that religion avoids unethical behavior, where leaders or employees will avoid committing fraud because they believe in God. In line with this, Cornell et. al (2013) found that leadership is the main form of defense against fraud.

A Review Of The Literature

Fraud can be defined as a crime committed intentionally by a person or several people in the form of fraud/irregularities (illegal acts) or fraud that is illegal (illegal act) to gain profit or cause harm to an organization (Fitria and Amilin, 2014). Cornell et., al (2013) found that fraud is generally considered more likely to occur when the triangular elements of fraud — pressure, opportunity, and rationalization — all converge. These three factors are known as fraud triangles. Besides, there is the GONE theory, where someone commits fraud due to greed, opportunities, needs, and exposure. Greed and Need are factors that are associated with individual fraud perpetrators (also called individual factors), while Opportunities and Exposure factors are factors that correspond to organizations as victims of fraud (also known as general factors). Of the four triggers of fraud above, the most determining factor is greed. This is because if opportunities, exposure, and needs are weak but the factor of greed is high, then fraud is not possible, and vice versa. If the opportunity, exposure, and need factors are strong and the greed factor is weak, then the company will be vulnerable to fraud experienced (Kusumantoro et. al, 2016).

Relationship of Leadership Morality and Fraud

Ethical leadership has two dimensions: personal morality and manager morality. Personal morality is normatively appropriate behavior so that they appear honest, can be trusted, and can be trusted by others. Manager morality means that leaders openly and explicitly talk about ethics and influence employee behavior and trust (Brown, Trevino, and Harrison 2005). The results of research by Wicaksono and Urumsah (2016) found that leadership morality

positively and did not significantly influence fraud intentions. These results explain that the leader (leadership) can make employees commit fraud but this effect is very low. This means the leader does not motivate employees to commit fraud but has the opportunity to commit fraud caused by the leader.

Relationship of Religious and Fraud

Religious from an Islamic point of view is defined as awareness or awareness of God, the desire to strike a balance between worldly needs, and obedience to God's commands (Said, et, al., 2018; Syam and Yusof, 2015). Therefore, religion aims to control human behavior in building loyalty and obedience (Said, et. Al., 2018). For Muslims, Islam as a religion is a framework or pillar that enhances the behavior of believers (Said, et. Al, 2018). Several studies have found the importance of religion in controlling human behavior. Akir and Malie (2012) found that religious orientation (religiosity) was positively correlated with employee work behavior. That is, employees who are affiliated with a religion are very compliant with company rules and regulations.

Purnamasari and Amaliah (2015) suggest that an individual who has a good understanding of religiosity will have a high spirituality in doing his work. Understanding that work is a religious vocation and also a kind of worship, directing employees to try to understand the vision, mission, and goals of the organization where they work. Research conducted by Wicaksono and Urumsah (2016) proves that religious faith has a negative relationship with fraud intentions. Employees who have high religious beliefs will not commit fraud. Kennedy and Lawton (1998) found that religion avoids unethical behavior and employees are less fraudulent because they believe in God. Employees think carefully before engaging in behavior.

Mukhibad (2017) states that the formation of good religious awareness will influence the improvement of the internal control environment. A good internal control environment will improve the internal control system. In summary, religion can be a proxy to strengthen ethical norms incorporate communities and public sector organizations, and to assess whether these norms can reduce unethical corporate behavior (Grullon, Kanatas, and Weston 2009). Improvement of good morals is the key to preventing fraud (Mukhibad, 2017; Puspasari, 2012).

The Framework Of Thought

Based on the theory and previous research, the framework of thought in this research was formulated as follows:
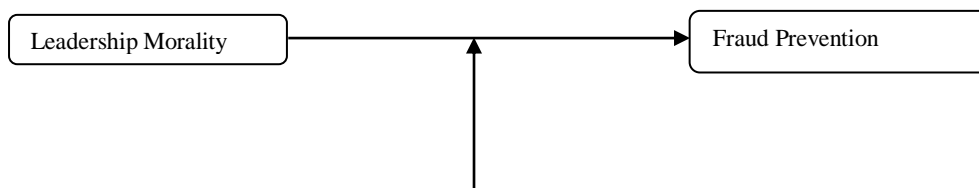
RESEARCH METHODOLOGY

Sample and Data Collection Techniques

The population in this study were all Gampongs in West Aceh District, amounting to 322 vGampongs. The sampling method in this study uses a purposive sampling method with the following criteria: a district that has the largest population, a district that is the center of West Aceh's administration, a Gampong apparatus who occupies a position as head of a village, a village secretary, head of general affairs, and treasurer with Shortest term of service is 1 year. Based on these criteria, Johan Pahlawan sub-district was selected as a sample with 4 village representatives representing 21 villages, 84 people were obtained as samples in this study. Data in this study were collected using a questionnaire.

The questionnaire in this study was adopted and modified from El-Menouar (2014), Wicaksono and Urumsah (2016), Sow et.al (2018)), and Ghazali et.al (2014). As for the variable morality of leadership consists of 7 question items which can be seen below.

No	Leadership Morality
1.	Leaders as a good example in the workplace office.
2.	leader is honest in the office where work.
3.	The position of leadership is not for personal gain.
4.	As a leader must pay attention to the welfare of staff/employees in the workplace office.
5.	Must fulfill responsibilities as leaders in the workplace office.
6.	Leader must treat staff / employees fairly.
7.	As a leader, I do not condone unethical behavior in the workplace office.

The fraud prevention variable consists of 12 items which are shown below:

No.	Fraud Prevention
1.	establish an anti-fraud policy
2.	All staff/employees including leaders are responsible for detecting fraud in the workplace office.
3.	conduct in-depth interviews when selecting prospective

	staff/employees.
4.	rotate employees periodically.
5.	have a positive workplace environment.
6.	take consistent action in responding to reported fraud cases.
7.	have an organizational code of ethics.
8.	The organizational structure gives attention to the risk of fraud.
9.	The organizational structure carries out reviews of cash and observations of assets and supplies.
10.	enforce regulations related to fraud prevention.
11.	Verification of the account/account code is carried out by a professional in the workplace office.
12.	conduct training on fraud awareness to detect fraud.

The religious variable as moderating consists of 10 items which are shown below.

No	Religious
1.	I believe in God.
2.	My religion supports my sense of self-worth and identity.
3.	Love for God is the basis of my life.
4.	The relationship with God is the meaning of my life.
5.	God motivated me to make the best decisions, even in difficult circumstances.
6.	I am responsible to God for my actions in life.
7.	I often pray to God.
8.	I feel that God is near to me.
9.	God ordered me to do His commands and stay away from His prohibitions.
10.	God rewards my good deeds and punishes my bad deeds.

Definition of Variable Operations

This study uses 3 (three) variables, namely independent variables, dependent variables, and moderating variables. The independent variable in this research is leadership morality which is defined as the role of the leader to influence and be a reference (role model) for employees to perform moral behavior. The dependent variable is the prevention of Gampong fund fraud which is defined as an integrated effort that can reduce the occurrence of factors causing fraud against Gampong funds. While religiosity is a moderating variable in this study. Religious is someone's awareness in understanding the relationship between himself and God that influences daily attitudes or actions.

DATA ANALYZE
This research consists of three independent variables, one dependent variable, and one moderation variable. That's why Moderated Regression Analysis (MRA) is used. The MRA regression model with the interaction method will show the occurrence of multicollinearity so that the other method developed is

residual analysis. Residual analysis wants to test the effect of deviation (deviation) of a model. The focus is the mismatch (lack of fit) that results from the deviation of the linear relationship between the independent and moderate variables. The lack of fit is indicated by the residual value in the regression. Analysis using MRA must be followed by a classic assumption test which includes a multicollinearity test, a heteroscedasticity test, an autocorrelation test, and a normality test.

RESULTS AND DISCUSSION

Based on data validity testing using bivariate analysis of questionnaire items consisting of 7 items of the leadership morality, 10 items of religious, and prevention of 18 items of Village Fund fraud. Everything is declared valid, because r count is greater than r table (0.254). In testing data reliability, the Cronbach's Alpha value for leadership, religious, and fraud prevention morality in Gampong funds is 0.849, 0.957, 0.940. Nunnally (1978) and Pallant (2007) state that any value of 0.70 and above will be acceptable for a good measure of internal consistency (Said, et., Al, 2018).

To overcome the problem in the classical assumption test carried out by means of data transformation in the form of natural logarithms (Ghozali, 2007). The form of the regression equation used is the semilog form, namely the dependent variable in the form of natural logarithms (Ln) and independent variables in the usual form. The next step is to look for data that is not normal (outline) by selecting casewise diagnostics in the SPSS program, then clicking outliers outside (Sujarweni, 2016). Based on the results of casewise diagnostics, there are 11 data that have extreme values and must be excluded from research data. After this is done, all the classic assumption tests have been fulfilled.

The results of partial testing with the regression model show that the parameter coefficient value is 0.017 with a t-test value of 5.753 or a significance of 0.000 less than 0.05. This proves that leadership morality partially has a significant effect on the prevention of Gampong fund fraud.

The results of hypothesis testing using MRA (Moderated Regression System) analysis with the residual test method are shown in Table 1below:

Models	Coefficients	Sig
1. $Z = a + bX + e$ $|e| = a + bLnY$	-15, 281	0,000
Note: X1: leadership morality, Y: fraud prevention, Z: Religious, b: regression coefficient, ǀ e ǀ: absolute religious residual		

Ghazali (2009) states that a variable is categorized as moderating if it has a negative and significant parameter coefficient. The results of the residual test by regressing the prevention of Gampong funds fraud against the absolute residuals of the religiosity variable in table 2 show that the coefficient

parameters are negative and significant, so it can be concluded that religiosity is a moderating variable. The test results prove that religiosity can moderate the relationship between leadership morality and the prevention of fraud in Gampong funds.

CONCLUSION
Based on the results of the study it can be concluded that: (1) leadership morality affects the prevention of fraud in Gampong funds, (2) the religious can moderate the relationship between leadership morality, in preventing the fraud of Gampong funds. Limitations and suggestions in this study that are used as a reference for reflection and further research are: (1). This study only examined the role of religiosity as a moderating variable on the prevention of Gampong fund fraud. On this basis, future studies can do the same thing by taking different objects with wider national and international coverage. (2) based on the results of this study it is recommended to the government to improve religiosity in building leadership morality in each unit of government agencies.

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