

# Fraud Management of Social Assistance Prior to and During the Execution of Regional Head Election on Some Districts and Cities in North Sulawesi Indonesia

*by* Herman Karamoy 5

---

**Submission date:** 30-Apr-2019 06:56AM (UTC+0700)

**Submission ID:** 1121710969

**File name:** e\_Prior\_to\_and\_During\_the\_Execution\_of\_Regional\_etc...\_2019.pdf (328.91K)

**Word count:** 6330

**Character count:** 34715



# **1** **Fraud Management of Social Assistance Prior to and During the Execution of Regional Head Election on Some Districts and Cities in North Sulawesi Indonesia**

**Ivone S. Saerang<sup>1\*</sup>, Herman Karamoy<sup>2</sup>, Victor P. K. Lengkong<sup>3</sup>**

<sup>1</sup>Faculty of Economics and Business, Sam Ratulangi University, Indonesia, <sup>2</sup>Faculty of Economics and Business, Sam Ratulangi University, Indonesia, <sup>3</sup>Faculty of Economics and Business, Sam Ratulangi University, Indonesia. \*Email: [ivonesaerang@yahoo.com](mailto:ivonesaerang@yahoo.com)

## **ABSTRACT**

This study aims to find out whether government officials understand the mechanism of social assistance and grants and its legal basis for execution to minimize fraud prior to and during the execution of regional head election in South Minahasa district and Tomohon city. In addition, it aims to find out the mechanism of planning and budgeting, the process and the form, as well as the objective of social assistance and grants. Data collection techniques and procedures through in-depth interview to a number of key informants related to local financial management especially social assistance in the context of prior to and during the execution of the election. The key informants include head of planning and budgeting division, head of treasury division, and head of assets division in South Minahasa district and Tomohon city. The result of research concludes that the understanding of government officials regarding to the mechanism of social assistance and grants and to avoid misdirection and unsuitable provision of social assistance and grants, which in turn can be a finding of Audit Board of the Republic of Indonesia due to fraud. Government officials in South Minahasa district and Tomohon city distribute social assistance and grants in accordance with Minister of Internal Affairs Regulation Number 14 of 2016 as a substitute for Regulation Number 32 of 2011. In addition, there are regulations of head of regional in each region. Other basis consideration in social assistance and grants based on the instruction of the Ministry of Internal Affairs and Audit Board of the Republic of Indonesia, and Ministry of Finance. Most regions implement the mechanism of social assistance and grants according to the prevailing laws. The form of grants according to law and regulation is in the form of services, goods, and money. The purpose of social assistance and grants is to minimize social risks such as social crisis, economic crisis, political crisis, phenomenon and natural disaster. Social assistance is target to the poor and grant is to support the achievement or target of local government.

**Keywords:** Social Assistance, Grants, Fraud

**JEL Classifications:** D73, H81

## **1. INTRODUCTION**

Fraud is a deliberate act for individual or group purpose where such deliberate action causes damage to a particular party or institution. It is an interesting and apprehensive phenomenon and not surprisingly, various cases of fraud involving some local government officials (result of Indonesian Corruption Watch [ICW] survey). Prior to the preparation of simultaneous regional head elections in the end of 2015, the tendency of fraud is very high especially nearing the execution day of regional head election. It is most likely to occur in the regional head candidates who are incumbent in the previous period.

In North Sulawesi province with 14 districts/municipalities, several regional heads are eligible to renominate because they serve just one

term of period. This condition will be very interesting especially their policies related to the management of social assistance. Various policies can take on behalf of both the government and personal in the provision of social assistance. There are more forms of authority misuse related to the management of social assistance prior to and during the execution of regional head election.

## **2. LITERATURE REVIEW**

According to Alridge and Parry (1985), fraud is a dishonest act with a view of deceiving others for the benefit of the offender who harms the victim. Barrett (2006) stated that fraud is a practice that can be done by people from within and outside the organization

to gain both personal and group benefits in which such actions directly or indirectly can harm others. It is confirmed by the Institute of Internal Auditors that fraud includes a variety of intentionally illegal acts. Fraud can be either beneficial or detrimental to the organization. It can be done by insiders or outsiders of the organization. (Fraud encompasses an array of irregularities and illegal acts characterized by intentional deception by persons outside as well as inside organization).

In fact, committed fraud can harm company and national finances. The perpetrator of fraud is usually leaders and employees who work in an organization or company, people whose function is to operate the operating system of institutions/companies, and who runs the internal control system. Fraud will be hard to detect if it is done by leaders/management compared with that done by employees. In Indonesia, the term of fraud is classified as an act of corruption. Based on law no. 31 of 1999 and amendment of law no. 20 of 2001 concerning with the eradication of corruption, the act of corruption is fulfills the element of misusing authority, opportunity or facilities available because of position, unlawfully with the intention of enriching one or others or corporation by harming the national finance or economy of the country (Salamun, 2007. p. 24).

Essentially, corruption is a "social parasite" that destroys government structures and a major obstacle to the course of government and development in general. In practice, corruption is so difficult even it is almost impossible to eradicate because it is hard to provide the exact proofs. Saiful (2011) concluded that corruption is a dominant factor as a contributor to the failure of development programs in Aceh. The failure caused by corruption that lead to low levels of economic growth and private investment, inefficient in resources allocation, distortions between government revenues and expenditures, high economic and poverty disparities, and low living standards of society. The practice of corruption in Indonesia usually begins with a relatively slow bureaucratic process that every person or entity wants a quick shortcut by giving bribes. This practice will be ongoing as long as there is no control from the government and society resulting in a self-enriching group of employees.

Based on the result of ICW survey in 2011, the civil servant/bureaucrats of government institutions is in the top position compared to head of private companies and members of House of Representative/Regional people's representative assembly for the corruption cases (read: One of the indicators of fraud) occurring in Indonesia. At the provincial government level, North Sulawesi is in the top ten corruptions in Indonesia according to community report to Corruption Eradication Commission in 2011. In fact, North Sulawesi province has performed well in the financial performance with unqualified audit opinion based on the assessment of Audit Board of the Republic of Indonesia in the last 2 years.

Frequently asked questions, such as why do certain individual commit frauds? why high-ranking government officials with high rank position and income such as decision-making politicians and even judicial institutions as the front guard of corruption eradication as well as NGO leaders who have mission to eradicate

corruption involved in corruption? A simple answer explains that 'need', 'greed,' and 'opportunity' are the root cause of corruption, as Tuanakotta (2010) said that corruption or fraud by need, by greed and by opportunity.

Various negative impacts caused by fraud in the management of regional finances, including many cases of corruption that ultimately hamper government governance and undermine the structure of government. Thus, the purpose of the development itself for society welfare never to achieved. For example, it is not least to find the government officials misuse that development fund designed for basic infrastructure and public services. The result is the service to the public is not maximal. It is also tarnished the sense of community justice and therefore for anyone who proved to be guilty of it should be treated as a learning both to that person and other officials (progressive approach). Another impact is that since fraud is very dangerous and extremely difficult to eradicate, it can hamper private investment, inefficient in resources allocation, distortions between government revenues and expenditures. It then leads to low economic growth, high economic and poverty disparities, and low living standards of society.

Based on the observation, there are several possible causes of government official involvement in fraud act in managing regional finances especially prior to and during the execution of regional head election. Therefore, this study is important to examine the root causes of fraud. In addition, which approaches and policies of regional financial management to government official for not making the same mistake (preventive approach). Accordingly, this study aims to explore a number of factors that may cause or influence government official to commit fraud in the management of local finances especially social assistance prior to and during the execution of regional head election. The result identification of these factors is an expected to further investigated on a number of factors causing fraud related to decision-making of local financial management.

The reason for determining the object of research on local financial management of North Sulawesi provincial government is based on the fact that fraud (read: Corruption) in Indonesia is usually characterized by relatively slow bureaucratic process and continuous along with the weaknesses of the system and supervision. Another reason is government institution of PNS/bureaucrats is in the top position compared to head of private companies and members of Regional People's Representative Assembly (ICW, 2011 survey), and at the provincial government level, North Sulawesi is in the top ten corruption in Indonesia according to community report to Corruption Eradication Commission in year 2011.

### 3. METHODOLOGY AND DATA

Type of research is a qualitative research. The disclosure of a number of factors causing fraud in relation to financial management in North Sulawesi government by in-depth interview as data collection technique to a number of informants, in this case, head of planning and budgeting division, head of asset division, and head of treasury division in South Minahasa district

and Tomohon city. The result of interviewed descriptively on the mechanism, legal basis, planning and budgeting process, and the form of social assistance and grants. For example, informants to answer some questions related to the mechanism of social assistance and grants according to regulations of the minister of internal affairs 14 year 2016.

This research was conduct in South Minahasa district and Tomohon city with data collection technique using participant observation technique. The researcher did a direct observation (in looking) to a number of phenomena related to financial management. Observations made with accurate techniques in which researcher engage with third parties such as contractors. The participants' observation was also conduct on matters related to community reaction to local financial management. Interview technique is use to collect information that is not obtained through observation. This interview technique is chosen in order to know more objectively and involved directly disclosure of a number of factors causing government official to commit fraud. Furthermore, according to Alwasilah (2002. p. 154), researcher through interview can get in-depth information because of several things, among others:

1. The researcher can re-explain the question that informant does not understand.
2. The researchers may ask follow-up questions.
3. Informant as the respondent tend to answer only when asked questions and able to tell something happened in the past and present.

Interview technique conducted on several different subjects who act as key informant consisting of head of planning and budgeting division, head of asset division, and head of treasury division as the prime source of data. In-depth interview conducted to determine the essence of the study. It is in line with Patton's (1983) opinion that intended interview is to acquire and discover what is in the mind of others. Interview was conduct separately to a number of key informan based on the purpose of data collection.

In the determination of key informant, the researcher uses purposive sampling technique. It is determination of informant based on certain purpose (Lincoln and Guba, 1984), using selection based on certain criteria as well as the number of informan which is determine by the researcher based on the certain consideration, and comprehension of information and data required. In addition, since the researcher criticizes the internal and external organization then selected informants is choosen from the internal and external organization. The selection of key informant based on subject with information related to the research focus. The criteria used in the determination of informant based on the involvement in the election of regional head both because of their position as bureaucrats, election officials, and beneficiaries.

Snowball sampling technique is use to take data from the interview to determine the informant. With this technique, researcher look for informant with predetermined criteria as many as possible to interview until data saturation occurs or where there is no more variation of data provided by informants. In line with the views of Linclon and Guba (1984) that the goal of obtaining as many

as variation can only be achieved when the selection of sample units is done if the preceding unit has been netted and analyzed. Each subsequent unit be selected to extend the previously obtained information so that it can be contested or filled with information gaps encountered.

The interview form used in this study is open-ended type in which the researcher asks key informant about the facts of an event, in addition to their opinion about the event (Yin, 2004). This type of interview is commonly use in qualitative research with unstandarized interview technique conducted without compiling a rigorous questionnaire developed into two techniques: Unstructured interview and structured interview. Unstructured interview is conducted because its advantages for able to be done more personally (personal approach) and more broadly so that researcher will get objective information. When unstructured interview is conduct, the researcher records the responses or informant responses. Interview is conduct more freely and in ordinary conversation (non-formal) to make it seems relaxed. In presenting the interview result, the initial is use to keep the identity of the informant who does not want to be identified directly.

To obtain secondary data as supporting data, or when the researcher performs data triangulation, documentation technique is doing by utilizing current availability of secondary data such as performance reports of local government agencies, regional medium term development plan, regional income and expenditure budgets, development finance checking agency and inspectorate data reports. Researcher will also seek the weaknesses of observation technique and participant observation, interview. In addition, documentation by controlling data analysis to avoid dishonest or reluctant informant in answering something that is sensitive or threatening (Alwasilah, 2002). The limitation of some data collection techniques will be neutral by data triangulation technique.

Triangulation technique is to ensure the accuracy of data collection. Triangulation technique is a combination of methodology to understand one phenomenon. In qualitative research, triangulation refers to gathering information (data) as many as possible from various sources. The purpose of data triangulation is to reduce the risk of limited conclusion on specific methods and data sources. Other objective is to increase the validity of the conclusion so that it extends to the broader ranch. In other words, bias that inherent to a single source of research data and certain method will be neutral by information extracted from data sources, researchers, and other methods (Alwasilah, 2002).

Data collection is integratively to the relevant and complete data through the major source. Associated with data collection problem, Lofland and Lofland (1984) suggested that the step of data collection is done with prime source of data that is wacth and action which is consisting of a combination of seeing and observing, hearing and listening, and then asking, as well as supplementary data (complementary sources) that is to collect documents through supporting sources. The researcher's role in collecting data is to comprehend, express the feeling, understanding, perception, and behavior of the relevant government official in the financial

management. In addition to that, to find the meaning of interaction with all related parties in the financial management. Therefore, it is not wrong if the researcher is the only major instrument in the implementation of this research besides using other supporting instruments such as observation guide, interview guide, and study documentation guide (Miles and Huberman, 1984; Bogdan and Biklen, 1998; Nasution, 1996; Islamy, 2001). The involvement of researcher as an instrument does not mean eliminating the relevant essence in the financial management but in the capacity to observe, question, track, understand and describe.

#### 4. PRESENTATION AND DISCUSSION OF RESULT

Generally, the government official in South Minahasa district and Tomohon city understand the mechanism of social assistance and grants. In Tomohon city, the provision of social assistance is in the form of natural disaster (landslide and volcano eruption) and fire. The mechanism of the provision of social assistance, namely:

- Application is submit to the Mayor to get social assistance for those affected by natural disaster and fire.
- The mayor provides disposition to the regional finance and asset management board especially treasury division.
- The team will verify the data and completeness of the applicant's document to calculate the amount of social assistance to provide.
- Head of finance division receives verification result and determines the amount of social assistance.
- If the submission document is complete or has been fulfilled as the recommendation of the verification team then the receiver (victim)'s family will receive social assistance according to the allocation with the amount of fund set by government and given directly through the applicant's account.

There is a team for applicant data and document verification in the mechanism of social assistance and grants in South Minahasa (of course, it begins with the proposal submitted by the applicant). Social assistance and grants sourced from regional income and expenditure budgets have been discuss in financial supervisory team and local of asset, is an expenditure post of social assistance, and grants (both money and goods). After verifier provides a recommendation to pay, financial regulatory bodies and regional assets or the field of people's welfare will make payments through direct transfer to recipient or applicant account.

The point is that the mechanism of social assistance must be the same when using the Ministerial regulation for internal affairs 14 years 2016. The mechanism for social assistance in north- Sulawesi and other districts/cities based on the funds allocated in revenue income and expenditure budget. Of course, it also must follow the rules of usage of Revenue income and expenditure budget. It means the funds of social assistance (including grants) should be proposed or planned from the beginning either on each regional work unit.

The legal basis for the provision of social assistance is the Ministerial regulation for Domestic affairs 14 years 2016 as a substitute for ministerial regulation for internal affairs 32 years

2011. In addition, there is regulation of head of region in each region such as mayor regulation in tomohon city and Regent regulation in South Minahasa district.

In the case of South Minahasa, in addition to the Ministerial regulation and internal affairs 14 years 2016 and Regent regulation, the basis consideration of social assistance and grants in the determination of planning and budgeting is under direction of the decision of the minister of internal affairs, Audit Board of the Republic of Indonesia and Ministry of Finance. The guideline and direction are giving by taking into account the local condition such as there is no allocation of funeral grants in South Minahasa but there is in other areas (Manado and South East Minahasa).

In the case of Tomohon, the mechanism of social assistance (including grants) is the same as in South Minahasa that is only for unplanned social assistance (natural disaster, drought and/or fire). There is no planned social assistance such as funeral grant. It is also the result of consultation with Audit Board of the Republic of Indonesia that funeral grants is not to be given, even though it is in other areas.

The mechanism of social assistance begins with the planning and budgeting of social assistance and grants. In the case of Tomohon, the mechanism for grants is doing since the time of planning and budgeting in each Regional work unit and Regional finance work units. At first, the applicant will submit proposal of next year grant to the Mayor. The Mayor then shows the technical of Regional work unit in accordance with the substance of the grants proposed. The grants will be evaluate by the local government budget team in which then gives consideration or recommendation as report to the Mayor.

Technical of regional work unit (e.g. Department of Education, Youth and Sports, Department of Health, and other technical departments) will have grant budgeting (in the form of money) to indirect spending classification, type of grants spending, object of grants spending, and details of grants spending object to the regional financial manager. Similarly, budgeting in the provision of grants (in the form of goods) is budgeted on direct expenditure classification which is formulated into the type of goods and services expenditure, object of grants spending, and details of grants spending for goods or services delivered to third party applicants/community on regional work unit. Social assistance and grants are prepared before the general budget policy/temporary budget priorities is determined and the submission must be written. It should be noted that special budgeting of social assistance is made after prioritizing the fulfillment of compulsory and optional spending affairs by paying attention to the principles of justice, fairness, rationality, and beneficial to society.

In the case of South Minahasa district, the provision of social assistance and grants is the government response to any problems or needs of the community. Government response is on basis of proposal from community or community/religious organization. The proposal is address to the regent and the Regent indicates technical agency associated with the request based on authority consideration. Furthermore, the team evaluates and verifies the proposal including required documents. The proposal is

supplement with photographs or pictures related to the application such as fire or landslide disaster and details of the required amount of funds. The provision of social assistance is in the form of money, which is unplanned in nature, and the disbursement is transfer to the applicant's account.

The grants budgeting mechanism (in the form of money) by technical agencies is budgeted to indirect expenditure groups formulated into type/object/details of grants spending object on the regional financial manager. Similarly, budgeting mechanism of grants (in the form of goods) is budgeted to direct expenditure group formulated into the type/object/details of goods and/or goods expenditure submitted to the proposing party of grants (community organization and religious organization) in each regional work unit.

In accordance with budgeting rules, social assistance and grants are prepared before general budget policy/temporary budget priorities is determined and the submission must be written as well as budgeting is done after prioritizing the fulfillment of compulsory and optional spending affairs.

The regional head shall determine the list of grant recipients by stating the amount of money and type of goods or services to be provide. It is contained in the Decree of the Regent, namely the Regulation of Regent about outline of regional income and expenditure budgets. With all mechanisms included in the outline of regional income and expenditure budgets through the request of the applicant to the Regent which then will be disposition to technical agencies and people welfare included in the form of activities.

The mechanism of social assistance such as in the South Minahasa government is under direction of Audit Board of the Republic of Indonesia and the Ministry of Internal Affair. Because of the consultation, the provision of social assistance should be conduct selectively starting from the acceptance of proposal in both severity level and impact on poverty and welfare caused by crop failure, fire, and/or landslide natural disaster. The frequency of provision is also a major thing, i.e only two times acceptance.

The same issue is true for grants provision to community organization and religious organization. The government through the team and a regional finance unit will pay attention to the principles of justice, decency, rationality, and benefits for society in general. After the team selects the recipient, the Regent then sets up the list of grants recipients as well as the amount of money or type of goods or services to be granted with the decision of the regional head based on the regulation of the regional head on the outline of the regional income and expenditure budget. Distribution of grants is base on the grant recipient list, after the signing of the regional grant agreement. Special to the disbursement of grants in the form of money is making by direct payment mechanism.

In the case of Tomohon, the team, taking into account the documents and amount o funds required, will select the incoming social assistance application document. Consideration of selection, for example, if there is more than one proposer but the ability of the proposer is classify as economically capable even struck

down by natural disasters, of course, will be transferred to a more viable recipient. The amount of funds proposed is also considered in accordance with the actual amount of demand, taking account to the number of applicant and the amount of funds budgeted on social assistance ceiling (for example, Rp. 200,000,000 for last year ceiling). The recipient is only giving one time and if possible can resubmit but only to a maximum of two times by noticing also other proposers who have never received.

Both social assistance and grants are select based on the requirement of the recipient and the result of the selection should be submit to the Mayor to determine the list of grants beneficiaries and the amount of money or type of goods or services to be grant. The provision of grants is base on the decision of the regional head as outlined in the Mayor regulation. Last, the disbursement of grants (in the form of money) is making by direct payment mechanism. The provision of social assistance and grants is base on the result of the selection. The recipient must be included in the list of recipient. The local government budget team and the board within the available budget determine the total amount of social assistance and grants. The amount is base on the detail of the applicant's requirement and adjusted with the result of the team verification.

The form of grants according to legislation is grants in the form of services, goods, and money. In the case of Tomohon, grants in the form of money and/or goods are submit to financial auditing bodies and regional assets (treasury division). The recipient example is religious organization (church and mosque). Grants in the form of services are once giving to religious leaders through financial auditing bodies and regional assets. The provision of grants in the form of services is a part of activities at technical agencies such as in people welfare and prosperity and development.

In the case of South Minahasa, the provision of grants is in the form of money directly transferred to the recipient's account, usually community organization and religious organization. Grants in the form of goods are currently distribution through technical agencies related to the application of grants under instructions of the Regent. For example, grants distributed to Education Department in the form of achievement and sports activities. Other example is the assistance from people welfare to community organization in the form of relief packages. All of these are part of activities process of the technical agencies; there are outputs and is aimed to assist the government in particular affairs. Likewise, grants in the form of services such as worship services at religious organization and religious leader is originally at each of technical agency and now is incorporate in People welfare. Community organization includes Indonesian Red Cross and the National sport committee of Indonesia.

Grants in the form of goods are plann and budget in related Local government work unit such as Education, Health, People welfare, and Prosperity and Development. The provision of social assistance and grants in the form of money is doing in financial regulatory bodies and regional assets especially in asset division. All proposals for social assistance and grants should be included in regional work unit activities. For example, education and

sports assistance is providing through the education department. Another example is security service activities through prosperity and development is providing on an ongoing basis or become compulsory grants in the form of services. When it is in the form of money, it will be distributed directly through the financial division and when it is in the form of goods, it is provided through the activities of related regional work unit.

The provision of social assistance and grants for the organization of family welfare program is not directly at the planning and budgeting but it is trick in the form of general activities of the organization of the family welfare activities were be linked to particular regional work unit programs.

In the case of South Minahasa, the provision of grants is to the province of North Sulawesi through activities of Taman Mini Pavilion. Although it is not local activity of South Minahasa rather it is provincial activity but the result is intended for public and government needs in South Minahasa. The purpose of social assistance and grants in South Minahasa district and Tomohon city aimed at minimizing social risks, such as: Social crisis, economic crisis, political crisis, phenomenon and natural disaster. Social assistance is target to the poor and grants to support the achievement or target of local government.

In the case of Tomohon, it often occurs landslide and/or fire disaster as well as the impact of volcanic eruptions. The objective of social assistance is to help people difficulties, at least alleviate suffers and/or problems even though cannot reach their overall needs. In particular, to minimize social risks such as social and political crisis in the society, once there was a letter from the Police department for security action. Civil service police unit then submitted a request for assistance to financial regulatory bodies and regional assets for a review and was issued assignment and funding decree. Until now, the government of Tomohon city and other regions continues to provide grants targeted to poor communities although in different form of each region.

There is no provision of grants aims to support the execution of regional head election, moreover for political and party affairs. The provision of grants indeed is giving because of its results or contributions from grants recipients whose main purpose is to resolve local government affairs. On the contrary, a budget is available for political affair and party and even regional head election in the post of political party financial assistance. Therefore, it is not social assistance or grants. Furthermore, there is a grant for general election security assistance but it is not for political parties. This provision of grants is to success government affairs especially during the execution of general election/regional head election.

It is contrast to grants for community organizations and religious organizations. At people welfare, grants is provided for scout organization, Indonesian Red Cross (received every year and is allowed by the rules), Karang Taruna (youth organization), religious organization such as Christianity through The Christian Evangelical church in Minahasa during the day of humanity and Moslem during Idul Adha. No provision of grants for Buddhism

and Hinduism because the government never receive any grants request from them. Actually, any religious organization and community organizations entitled to propose grants as long as they have administration and management.

In the case of South Minahasa as it is in each region, social assistance and grants aim to assist community in overcoming various unexpected problems such as social assistance to farmers due to long drought and/or floods as well as pests that cause crop failure. Under instruction of the ministry of finance, consultation with the ministry of internal affair, and recommendation from the financial auditing body, no provision of social assistance and grants prior to, during and even after regional head election including funeral grants. Political party financial assistance is available only for general election and regional head election and not for other purposes, especially on behalf of the incumbent.

The major thing of social assistance is target for the poor and grants to support the achievement or target of the local government. For instance, program for improving human resources through educational assistance certainly will be helpful for technical agency such as the Education department. It also applies to the distribution activities of grants, similarly the provision of social assistance for program of maternal and child health improvement and to society in need.

## 5. CONCLUSION

1. The understanding of government officials regarding to the mechanism of social assistance and grants and to avoid misdirection and unsuitable provision of social assistance and grants, which in turn can be a finding of Audit Board of the Republic of Indonesia due to fraud.
2. Government official in South Minahasa district and Tomohon city distribute social assistance and grants in accordance with regulations of the minister of internal affairs 14 years 2016 as a substitute for regulations of the minister of internal affairs 32 years 2011. There are regulations from the head of region in each region such as mayor regulation in Tomohon city and Regent regulation in South Minahasa district. In addition to regulations of the minister of internal affairs 14 years 2016, basic consideration of social assistance and grants in determining planning and budgeting is under instruction of the ministry of internal affairs, Audit Board of the Republic of Indonesia, and ministry of finance republic Indonesia.
3. Most of regions implement the mechanism of social assistance and grants according to prevailing laws but with a slightly different interpretation. In the case of Tomohon, the mechanism of social assistance (including grants) is the same that is unplanned social assistance such as natural disaster, drought and/or fire and planned social assistance such as funeral grants that has not and will not happen although it is happen in other areas.
4. The mechanism of social assistance generally is the same in each region but it will be slightly different in each region technically.
5. The form of grants according to legislation, namely grants in the form of services, goods, and money.

6. The purpose of social assistance and grants in South Minahasa district and Tomohon city aims to minimize social risks, such as social crisis, economic crisis, political crisis, phenomenon and natural disaster. Social assistance targeted for the poor and grants to support the achievement or target of local government.

## 6. ACKNOWLEDGMENT

3  
This work was supported by Directorate of Research and Community Service Directorate General of Research and Development Reinforcement Ministry of Research, Technology and Higher Education In accordance with the Research Contrary of Fiscal Year 2017.

## 2 REFERENCES

- Alwasilah, A.C. (2002), Pokoknya Kualitatif: Dasar-Dasar Merancang dan Melak<sup>14</sup>n Penelitian Kualitatif. Jakarta: PT. Dunia Pustaka Jaya.
- Arlidge, A.J., Parry J. (1985), Fraud. London: Waterlow Publishers.
- Barrett, S. (2006), Insurance Fraud and Abuse: A Very Serious Problem. Available from: <https://www.quackwatch.org/02ConsumerProtection/insfraud.html>.
- 5 Bogdan, R., Biklen, S.K. (1998), Qualitative Research for Education: An Introduction to<sup>11</sup>ries and Methods. Boston: Allyn and Bacon, Inc.
- Islamy, M.I. (2001), Prinsip-Prinsip Perumusan Kebijakan Negara. Jakarta: PT. Bina Aksara Bandung.
- Laporan Akhir Tahunan ICW. (2011), Bersama Rakyat Memberantas<sup>10</sup> Korupsi. Penerbit: Laporan Akhir Tahunan ICW.
- Jl. Kalibata Timur IV D No. 6. Pasar Minggu, Jakarta Selatan-Indonesia<sup>4</sup> 12740.
- Lincoln, Y.S., Gube E.G. (1985), Naturalistic Inquiry. Beverly Hills: Sage Publication.
- Lofland, J., Lyn, H.L. (1984), Analyzing Social Setting. California: Wadsworth Publishing Company.
- Miles M.B., Huberman A.M. (1984), Qualitative Data Analysis a Sourcebook of New Methods. <sup>2</sup>w Delhi: Sage Publications Ltd.
- Nasution S. (1996), Metodologi Penelitian Naturalistik Kualitatif. Bandung: Tarsito.
- Patton, M.Q. (2001), Qualitative Research and Evaluation Methods. London: Sage Publications.
- 13  
Peraturan Menteri Dalam Negeri RI No <sup>14</sup>Tahun 2016. Tentang Bantuan Sosial dan Hibah.
- Saiful A. (2011), Tujuan, Persiapan dan Implementasi Pembelajaran: Make and Match. Available from: <http://www.S4iful4amin.blogspot.com/2011/02>.
- 9  
Salamun, A.T. (2007), Prospek dan Faktor Penentu Reformasi Perpajakan. Jakarta: PT. Bina Rena Keluarga.
- Tuanakotta, T.M. (2010), Akuntansi Forensik dan Audit Investigatif, Edisi<sup>8</sup> 2. Jakarta, Penerbit: Salamba Empat.
- Yin, R.K. (2004), The Case Study Anthology. Thousand Oaks, CA: Sage Publisher.

# Fraud Management of Social Assistance Prior to and During the Execution of Regional Head Election on Some Districts and Cities in North Sulawesi Indonesia

## ORIGINALITY REPORT

9%

SIMILARITY INDEX

9%

INTERNET SOURCES

3%

PUBLICATIONS

%

STUDENT PAPERS

## PRIMARY SOURCES

1

[econjournals.com](http://econjournals.com)

Internet Source

5%

2

[repository.upi.edu](http://repository.upi.edu)

Internet Source

1%

3

Marsudi, Noor Hidayat, Ratno Bagus Edy Wibowo. "Optimal strategy for controlling the spread of HIV dynamics with educational campaigns and antiretroviral therapy", Journal of Physics: Conference Series, 2018

Publication

<1%

4

[hrmars.com](http://hrmars.com)

Internet Source

<1%

5

[digilib.uinsby.ac.id](http://digilib.uinsby.ac.id)

Internet Source

<1%

6

David P. E. Saerang, Joy Elly Tulung, Imelda W. J. Ogi. "he influence of executives' characteristics on bank performance: The case

<1%

# of emerging market", Journal of Governance & Regulation, 2018

Publication

7	<a href="http://www.umc.edu">www.umc.edu</a> Internet Source	<1 %
8	<a href="http://archive.org">archive.org</a> Internet Source	<1 %
9	<a href="http://repository.unhas.ac.id">repository.unhas.ac.id</a> Internet Source	<1 %
10	<a href="http://altinfojob.blogspot.com">altinfojob.blogspot.com</a> Internet Source	<1 %
11	<a href="http://repository.uinjkt.ac.id">repository.uinjkt.ac.id</a> Internet Source	<1 %
12	<a href="http://www.scribd.com">www.scribd.com</a> Internet Source	<1 %
13	<a href="http://spiritsumbar.com">spiritsumbar.com</a> Internet Source	<1 %
14	<a href="http://www.blackwellpublishing.com">www.blackwellpublishing.com</a> Internet Source	<1 %
15	<a href="http://stiba-malang.com">stiba-malang.com</a> Internet Source	<1 %
16	<a href="http://3rdipcore2014.weebly.com">3rdipcore2014.weebly.com</a> Internet Source	<1 %

---

Exclude quotes      Off

Exclude matches      Off

Exclude bibliography      Off