

Implementation of Whistleblowing System in Fraud Prevention

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Abstract

Fraud is an unlawful act that often harms companies or individuals. Corruption is the most common type of fraud in Indonesia. To address this, governments and companies have used various approaches, one of which is the whistleblowing system. Whistleblowing reports suspected fraud that has occurred or will occur within an organization. In this study, four auditors who work at the Inspectorate of Banyumas Regency were used as informants to see how whistleblowing helps prevent fraud. This research uses a case study approach and qualitative methods. Observation, interviews, and documentation are used to collect data. The results showed that although the regent's regulation has regulated whistleblowing in the Banyumas Regency Inspectorate, the system is still ineffective. The number of people using the complaint application and website is still low. In addition, after an audit is completed, no complaints have been proven. According to informants, whistleblowing is a specific complaint about violations or fraud that occurs in the workplace. However, the whistleblowing system at the Banyumas Regency Inspectorate is more focused on internal complaints, although they also receive complaints from external parties. This research provides an in-depth understanding of how whistleblowing is used in local government. This can be the basis for a better whistleblowing system and prevent fraud in the future.

Keyword: Whistleblowing system; Fraud; Government.

Abstrak

Fraud adalah tindakan melanggar hukum yang seringkali merugikan perusahaan atau individu. Korupsi adalah jenis penipuan yang paling umum di Indonesia. Untuk mengatasi hal ini, pemerintah dan perusahaan telah menggunakan berbagai pendekatan, salah satunya adalah sistem whistleblowing. Whistleblowing melaporkan dugaan tindakan fraud yang telah atau akan terjadi di dalam suatu organisasi. Dalam penelitian ini, empat auditor yang bekerja di Inspektorat Kabupaten Banyumas digunakan sebagai informan untuk melihat bagaimana

whistleblowing membantu mencegah fraud. Penelitian ini menggunakan pendekatan studi kasus dan metode kualitatif. Observasi, wawancara, dan dokumentasi digunakan untuk mengumpulkan data. Hasil penelitian menunjukkan bahwa meskipun peraturan bupati telah mengatur whistleblowing di Inspektorat Kabupaten Banyumas, sistem tersebut masih kurang efektif. Jumlah orang yang menggunakan aplikasi dan website pengaduan masih rendah. Selain itu, setelah audit selesai, belum ada pengaduan yang terbukti. Menurut informan, whistleblowing adalah pengaduan khusus tentang pelanggaran atau kecurangan yang terjadi di tempat kerja. Namun, sistem whistleblowing di Inspektorat Kabupaten Banyumas lebih terfokus pada pengaduan internal, meskipun mereka juga menerima pengaduan dari pihak eksternal. Penelitian ini memberikan pemahaman mendalam tentang bagaimana sistem whistleblowing digunakan di pemerintah daerah. Ini dapat menjadi dasar untuk sistem whistleblowing yang lebih baik dan mencegah penipuan di masa mendatang.

Kata Kunci : Sistem whistleblowing; Fraud; Pemerintah.

INTRODUCTION

Fraud is an act against the law, violates the law and is characterized by an element of intentional fraud (Husnawati & Handayani, 2017). Based on the Indonesian fraud survey conducted by the Association of Certified Fraud Examiners (ACFE) in 2022 the most prevalent fraud in Indonesia is corruption with a percentage of 64.40% or selected by 154 respondents. This is also supported by the results of research published as a Report to the nations by the Association of Certified Fraud Examiners (ACFE) that in 2022 in the Asia-Pacific region the most common fraud was corruption with a percentage of 55% and the total fraud cases in Indonesia based on research were 28 cases (ACFE, 2023). Corruption is the most rampant form of fraud and is difficult to prevent or detect because it is closely related to planned and structured cooperation with other parties, so there needs to be a way to detect fraud (Tuanakotta, 2018). The Corruption Perception Index (CPI) announced by Transparency International shows that until the end of 2022, Indonesia is still a country with a high level of corruption, ranking 110th out of 180 countries in the world with a score of 34 on a scale of 0-100 (100 means very clean and 0 means very corrupt). Within the Asian region, Indonesia ranks 21st out of 41 countries with high corruption. The following figure shows the movement of the corruption index score in Indonesia from 2012 to 2022.



Figure 1. CPI 2012-2022

Source: Corruption Perception Index (<https://www.transparency.org/>)

Anggriawan (2014) explains how to overcome fraud that occurs in the public sector carried out by the government, including by implementing a whistleblowing system, conducting forensic audits and investigative audits. Efforts to obtain sufficient evidence or early indications of fraud, as well as narrowing the space for fraudsters to move is to conduct fraud detection. The Association of Certified Fraud Examiners (ACFE) survey also revealed several effective methods of fraud disclosure. One of them is disclosure through the Whistle Blowing System (WBS). The whistleblowing system according to Utari et al., (2019) is a mechanism for submitting complaints of alleged criminal acts of corruption that have occurred or will occur involving employees and other people related to alleged criminal acts of corruption committed in the organization where they work. Whistleblowing system in Indonesia is a relatively new reporting system. In order to encourage the creation of Good Corporate Governance (GCG) and provide benefits for improving the quality of the implementation of corporate governance in Indonesia, the National Committee on Governance Policy (KNKG) has issued a document entitled Guidelines for Whistleblowing System (WBS). The policy was issued and published in 2018. Whistleblowing according to Ismawijayanthi & Putri (2023) is the right way to prevent fraud, losses, and abuse of power and position. Krehastuti (2014) argues that whistleblowing can come from within or from outside. Whistleblowing occurs when an employee becomes aware of wrongdoing by another employee and reports the wrongdoing to his or her supervisor. External whistleblowing, on the other hand, occurs when an employee learns of wrongdoing by the company and reports the wrongdoing to the public because it is detrimental to society. Therefore, the person who reports the whistleblower in a place or area is also called the whistleblower.

Pramono & Aruzzi (2023) said that most of the research on whistleblowing is conducted in the private sector of developed countries but there are still few studies conducted in Indonesia. For example, a study conducted by Nurhidayat & Kusumasari (2017) analyzed current laws and regulations and international best practices on whistleblowing to build a whistleblowing policy in Indonesia. However, the study did not discuss how companies in Indonesia create existing laws and policies. In addition, similar research was conducted by Gholami & Salihu (2019) who said the effectiveness of whistleblowing in finding bribery transactions was recognized by accountants and regulators in many countries in the world, including the United States. If whistleblowing policies and procedures are implemented properly and successfully in an organization, it will be a good early warning system for the organization to eliminate fraud including bribery before the problem gets worse (Hasanah, 2017). Research conducted by Pramono & Aruzzi (2023) on the implementation of reporting systems in government organizations in Indonesia divided their sample into three categories. First, organizations that explicitly announce that they have a whistleblowing system or similar terms. Such organizations often name their websites as "public complaints", but then explain that the system performs tasks similar to a whistleblowing system, so the procedures are categorized as a reporting system violations and these institutions fall into the first subsample. Institutions that receive complaints are included in the second subsample, but they do not clearly state that their system is a whistleblowing system. Some institutions only have a "contact us" page to provide this. Some other institutions have public complaint websites that are similar to whistleblowing systems, but usually contain incomplete information. Only 5% of the research subjects, only 31 institutions have a web-based whistleblowing system, according to this study. They fall into the first category. In addition, 37% of the research subjects are 229 institutions that have a channel to receive complaints on their website, but do not explicitly mention that this is part of their whistleblowing policy. While the remaining 358 entities, or 58% of the population, had neither a

whistleblowing system nor a tool or means to receive complaints.

Research on the implementation whistleblowing system at PT Pertamina, PT Telkom, and PT BCA from 2016 to 2019 conducted by Satyasmoko & Sawarjuwono (2021) found that each has different whistleblowing characteristics. Satyasmoko & Sawarjuwono (2021) concluded that whistleblowers play an important role in preventing moral violations. In addition, companies must have an adequate whistleblowing system that allows whistleblowers to be located and protected. Such collaboration can prevent and reduce the desire to commit ethical violations while encouraging whistleblowers to report ethical violations without fear or hesitation. PT Pertamina, PT Telkom Indonesia, and PT BCA have their own methods. Due to the number of cases resolved and the whistleblowing system implemented in its subsidiaries, PT Pertamina proved to have the highest level of effectiveness. Meanwhile, PT Telkom is rated as less effective in using the whistleblowing system due to few follow-ups and little improvement. Lastly, PT BCA has a simpler whistleblower channel, but the company's whistleblowing system proved effective in preventing internal fraud cases with significant losses. Apart from companies, fraud also often occurs in the government sector. This phenomenon shows that corruption can happen anywhere, no matter how big or where it occurs. Local corruption cases show the importance of fair and effective law enforcement throughout the region as well as ethical and integrity awareness at various levels of government. To improve the overall welfare of society, understanding and handling corruption cases at the local level can help create a more transparent and accountable government (Yunita et al., 2022). As happened in Banyumas Regency in 2022, there was a case of misuse of ex PNPM Mandiri Rural funds in Kedungbanteng Subdistrict which resulted in state losses of up to Rp 14 billion. In this case, ex PNPM Mandiri village funds in Kedungbanteng, Banyumas amounting to Rp 5.9 billion were invested in PT LKM KDM from 2015 to 2022 for savings and loan financial services activities until they grew to approximately Rp 14 billion (Tirta, 2022). Based on this introduction, the research question is how the implementation of whistleblowing in the Inspectorate of Banyumas Regency helps prevent fraud. The novelty in this paper is in the inquiry of research. This paper adopts a case study approach. Unlike research that uses quantitative methods, this approach provides an in-depth understanding of how the whistleblowing system is implemented in the Inspectorate of Banyumas Regency, including its challenges and successes. In addition, this approach provides a different and more detailed perspective than more general studies. This paper explores the implementation of the whistleblowing system specifically within the Inspectorate of Banyumas Regency, which may not have been widely discussed in previous literature. In addition, this paper brings new knowledge about fraud prevention practices at the local level, which can be an inspiration for other regions.

LITERATURE REVIEW

1. Fraud

Fraud is a legal term that refers to intentional misrepresentation. about the truth to manipulate or deceive a company or individual. Fraud creates a misjudgment or maintains an existing misjudgment to induce someone to enter into a contract. It involves intentionally enriching oneself by secretly reducing the value of assets (Enofe et al., 2013). The first Fraud Theory, the Fraud Triangle, is a theory proposed by Cressey that there are three factors that encourage someone to commit fraud, namely pressure, opportunity and rationalization. This pressure is what encourages someone to commit fraud, such as mounting debts or bills, a luxurious lifestyle, and drug addiction. These opportunities are usually caused by weak internal organizational controls, lack of supervision, abuse of authority, indiscipline, weak access to

information and lack of audit mechanisms. Opportunities can be avoided or minimized through procedures, controls, processes and early detection of potential fraud. Rationalization is the justification of fraudulent activities (Tuanakotta, 2018). The second theory, Fraud Diamond, is a new view of the fraud phenomenon proposed by Wolfe, D. T., and Hermanson (2004) consisting of elements of pressure, opportunity, rationalization and capability. According to Wolfe, D. T., and Hermanson (2004), many frauds that are generally large in number are not possible if there are no certain people with special capabilities in the company. Opportunity opens opportunities or entrances for Fraud, Pressure and Rationalization that encourage someone to commit fraud. However, the person committing the fraud must have the capability to realize the open door as a golden opportunity and to take advantage of it not just once but many times. The third fraud theory is the Fraud Pentagon, which is a theory proposed by Crowe Howart in 2011. The Fraud Pentagon theory is an extension of the fraud triangle theory previously proposed by Cressey 1953, and the fraud diamond theory previously proposed by Wolfe and Hermanson. The fraud diamond theory adds one fraud element, namely arrogance. So that the fraud model found by Crowe consists of five indicator elements, namely pressure, opportunity, rationalization. Ability and adding an element of arrogance which is the nature of superiority over rights owned and feels that internal control and company policies do not apply to him.

ACFE points out that fraud refers to one or more persons intentionally using an organization's resources beyond reasonable limits (unlawful conduct) and providing false facts (hidden facts) for personal gain. ACFE divides fraud into three categories: 1) Corruption, The Black Law Dictionary of Wales (Black Law Dictionary, 2007) defines corruption as something corrupted; tainted corruption denigrates moral corruption. Corruption programs can be divided into four categories: conflict of interest, bribery, illegal remuneration, and economic extortion. 2) Asset misappropriation, asset misappropriation is divided into two categories, namely cash misappropriation which can be done in the form of seizure, theft, or expense fraud and non-cash misappropriation (misappropriation) or theft (theft) of supplies which can be done in the form of misappropriation and other assets. 3) Financial statements that contain fraud, some examples of what companies usually do in making financial statements that contain fraud such as recording income and expenses during inappropriate periods, hiding liabilities and expenses designed to reduce the amount of debt and expenses that make the company appear more profitable, Deleting information in comments or accidentally including misleading information (improper disclosure), or improper evaluation of assets (improper evaluation of assets).

2. Whistleblowing

Whistleblowing is a term that came into use when the Sarbanes-Oxley Act was enacted. This regulation has made employees to report if they encounter violations with no fear of the person being reported (Saxton & Neely, 2019). In addition, Shawver & Shawver (2018)) define whistleblowing as the act of disclosing illegal, immoral, or unlawful behavior by someone in an organization to employees at the direction of a superior, resulting in different actions taken by the employee. In addition, according to Indayani & Yunisdanur (2020) whistleblowing is an activity where a complainant (whistleblower) reveals actions that are considered fraud, including bribery, in an organization and aims to stop these actions.

Fadilah & Salomo (2023) states that Whistleblowing can be used to detect fraud, such as abuse, corruption, bribery, and other unethical behavior by public and private organizations around the world. Transparency International also states that whistleblowing is one of the most effective methods to detect fraud and prevent corruption and other unethical practices Albrecht et al., (2016) said that there are several things that can help strengthen the implementation of WBS: (1)

anonymity, which means maintaining the identity of whistleblowers and the information they provide; (2) organizational culture, which means good leaders and their commitment to being an example for employees; and (3) policy, which means there is a comprehensive policy to protect whistleblowers from threats or discrimination.

Zarefar & Arfan (2017) said that whistleblowing should consist of eight components: the whistleblower, which can be a member or former member of the organization; the target, which is an individual or group that commits unethical or immoral acts; the recipient of the complaint, which is the individual or organization that receives the complaint; the subject, which is the type and nature of the violation or unethical act; information, which is a document that can be evidence of unethical acts; action, i.e. the information that constitutes evidence is disseminated through unusual means, such as internal or external communication; motive, i.e. the information should encourage moral and voluntary resistance; and result, i.e. the outcome of disseminating the information can stop unethical or immoral acts and protect the public interest.

RESEARCH METHODS

The method used in this research is a qualitative method. According to Kriyantono (2020) qualitative research is research that emphasizes exploring the depth of data rather than the breadth of data. This type of research is research with a case study approach regarding the implementation of whistleblowing at the Inspectorate of Banyumas Regency. The data collection used in this research is by interview, observation and documentation. Interviews were conducted directly with auditors who worked at the Inspectorate of Banyumas Regency.

The sampling technique used in this research is purposive sampling. Purposive sampling is also called judgment sampling, which is a deliberate choice of the researcher because of the quality of the informant (Etikan, 2016). The sample of this study were 4 auditors who worked at the Inspectorate of Banyumas Regency. This technique is a non-random technique that does not require an underlying theory or a certain number of informants. In simple terms, the researcher decides what needs to be known and sets out to find people who can and are willing to provide information based on knowledge or experience. Information about informants can be seen in Table 1 below:

Table 1. Informant Data

Name	Gender	Position	Length of experience
Sri Wahyuni	Female	Junior Auditor	13 Year
Retno Astuti Dewi	Female	Junior Auditor	12 Year
Akhyar	Male	Junior Auditor	8 Year
Suroso	Male	Junior Auditor	9 Year

In qualitative research, in order to be reliable, there must be a similarity between the researcher reports and what actually happens to the subject under study (Mekarisce, 2020) Data collection was carried out through interviews with four auditors working at the Inspectorate of Banyumas Regency, direct observation of the practice of implementing whistleblowing in the field, and collecting information from related documents. After that, the collected interview results need to be verified for validity. This study uses member checking to check and confirm back to the sources in this data for credibility test. The purpose of this activity is to find out the extent to which the data obtained are similar with the data provided by the sources. To do this checking, members send an email containing the interview data in the form of a narrative to the source.

After the data is approved, the source is asked to send a reply by including the results of the interview. Then the results of data analysis were interpreted to answer research questions and achieve research objectives. The conclusion of the case study research is compiled based on the findings and data analysis, and provides implications and recommendations that are relevant to the case under study.

RESULTS AND DISCUSSION

Based on ACFE research, Anti-Fraud Control states that the system Whistleblowing is the most effective method to prevent fraud. The act of a single person or group of people reporting irregularities in the government is known as whistleblowing. An act of deviation is any behavior by government employment that violates the laws, the city's code of ethics, or good governance principles. The Whistleblowing System (WBS) is a complaint management system designed to receive, handle, investigate, and document information provided by whistleblowers about irregularities occurring within government (Verdhayu, 2023). The fraud control system consists of detection and prevention, which serve to identify and discover fraud. Including whistleblowing policies and monitoring systems (Maulida & Bayunitri, 2021).

1. The Beginning of the Whistleblowing System at the Inspectorate

The implementation of the whistleblowing system in the government environment has been regulated in Regent Regulation Number 99 of 2020 which regulates whistleblowing and there is already a complaint application/website provided for complaints. The whistleblowing system in the Inspectorate of Banyumas Regency has been implemented since 2020. Whistleblowing according to the Banyumas Regency website is a mechanism for submitting complaints of certain alleged criminal acts that have occurred or will occur involving employees and other people committed in the organization where they work, where the reporter is not part of the perpetrator of the crime.

The criteria set for complaints based on 5W (what, who, why, when and where) and 1H (how), what explain related to the substance of the irregularities complained of, then there is who that explain the responsible party relating to who committed the deviation or the possibility of anyone who can be suspected of committing irregularities, and the relevant parties who need to be asked for information / explanation, when is relating to when the storage occurred, why explain why the deviation occurred relates to information on the cause of the deviation, and why someone did it, this relates to the motivation of a person to commit a deviation which will lead to proving the element of intent, where explain the location of the incident relates to where the storage occurred (work unit) and there is how which explain how define the deviation mode relates to how the deviation occurred.

KIRIM PENGADUAN

Anda melihat atau mengetahui dugaan Tindak Pidana Korupsi yang dilakukan Pegawai Pemerintah Kabupaten Banyumas. Silahkan melapor ke Inspektorat Kabupaten Banyumas. Jika laporan anda memenuhi syarat/kriteria, maka akan diproses lebih lanjut.

Silahkan Anda membaca informasi berikut terlebih dahulu :

- Setelah Anda berhasil mengirim pengaduan, maka secara otomatis Anda memiliki akun di aplikasi WBS dan mendapat kode unik untuk pengaduan Anda.
- Jaga kerahasiaan kode akun Anda (username & Password), agar tidak disalah gunakan oleh orang-orang yang tidak bertanggung jawab.

Data Pengaduan
Field dengan tanda bintang (*) wajib diisi

Jenis Pelanggaran * --PILIH JENIS PELANGGARAN--
Topik Pelanggaran * Masukan Topik Pelanggaran

Tempat Kejadian * --PILIH TEMPAT KEJADIAN--
Detail Lokasi * Masukan Detail Lokasi

Tanggal Kejadian * 29/09/2023
Jumlah Rupiah Masukan Jumlah Rupiah (Hanya Angka)

Uraian Kejadian *
Masukan Uraian Kejadian Maximal 500 Karakter

Figure 2. Whistleblowing system of Banyumas District

Source: WBS kab.Banyumas, 2024

It can be seen in Figure 2 the whistleblowing system that has been implemented at the Inspectorate of Banyumas Regency. In this system, we can report suspected fraud that occurs within the Inspectorate of Banyumas Regency. To do this, there are several steps that must be taken. Namely filling out the complaint form, after filling out the form, the report will be checked for completeness whether it is in accordance with the predetermined complaint criteria. If it does not meet the criteria, the verifier will ask the whistleblower to complete the lack of data for a maximum of 7 working days. If the complaint is in accordance with the criteria, it will be entered into the existing category. Whether it falls into the administrative category or criminal offense. After being put into the appropriate category, the reviewer team will conduct an investigative audit if the report is indeed appropriate. However, if the report is not appropriate then it will be archived. The reporter can monitor the reports that have been submitted and can communicate privately with the WBS administrator through the reporter's dedicated page.

2. Understanding of the Whistleblowing System at the Inspectorate

A whistleblowing system is a system used to store, process, and follow up whistleblower information about violations that occur in a company or organization (Kuncara, 2022). In the interview results, all informants in this study argued that the whistleblowing system is a forum for complaints about fraud that occurs in their work environment. This is explained by informants 2 & 3 as follows:

"The whistleblowing system is intended for internal complaints, regarding whether there is fraud, corruption or other violations that occur within the agency."
(Informant 2)

"As for the whistleblowing system in the Inspectorate, it is more focused on the internal, but for complaints there is a whatsapp service and there is the name lapak aduan for complaints from external" (Informant 3).

Based on interviews with informants, it can be concluded that they consider whistleblowing as a

more specific form of complaint that often comes from internal parties. Although there is a whistleblowing system set up by the government, it is less popular than general complaints that are often made through communication channels such as WhatsApp or other complaint services. In addition, informants agreed that whistleblowers usually come from internal company parties. This suggests that whistleblowers are those who have direct access to information related to fraud or violations within the company. The whistleblowing system, especially the one implemented in the Inspectorate, is more focused on internal complaints, although there are also external complaint services such as WhatsApp services or complaint centers.

Implementation of the Whistleblowing System at the Inspectorate of Banyumas Regency. Based on information from sources, the whistleblowing system in the Inspectorate of Banyumas Regency has been implemented since 2020. However, in practice, the existing whistleblowing system at the Inspectorate of Banyumas Regency is still not effective in its use. Based on the data on the website for complaints, it is true that there are still few people visiting the complaints website at the Inspectorate of Banyumas Regency. On March 04, 2024 at 10:43 information on visitors according to the Banyumas whistleblowing system (<http://wbs.banyumaskab.go.id/>) amounted to 29 people this week. In addition, none of the complaints that have been entered in the system have been proven after an audit. This is in accordance with the information submitted by informant 3:

"For whistleblowing, the application of the system has not been effective even though there has been socialization and introduction of the WBS, maybe because it is rather difficult to access so it is less popular. In addition, none of the incoming reports have been followed up to investigative audits, only to the examination of evidence" (Informant 3).

Based on information from informant and data from the website, it can be concluded that although the whistleblowing system has been implemented at the Banyumas Regency Inspectorate since 2020, in practice this system is still less effective. This can be seen from the small number of visitors to the complaint website at the Banyumas Regency Inspectorate, and the absence of complaints that have been proven after an audit.

The informant stated that despite the socialization and introduction of the existing whistleblowing system (WBS) at the Inspectorate of Banyumas Regency, however, this system is still not effective due to the difficulty of access and lack of popularity. In addition, none of the incoming whistleblowing have been followed up to the investigative audit stage, only to the extent of examining evidence. Thus, the conclusion from the information obtained is that further efforts are needed to improve the effectiveness of the whistleblowing system at the Inspectorate of Banyumas Regency, such as increasing socialization, providing more accessible complaint channels, and improving follow-up on incoming complaints to ensure that reported violations or fraud can be handled effectively and transparently.

3. Benefits of the Whistleblowing System at the Inspectorate of Banyumas Regency

Whistleblowing is a useful and important action for government agencies, because the complainants are people who have a close relationship with the case and have information about it. Therefore, the government seeks to encourage such whistleblowing internally. This is supported by the answer from informant 1:

"It is very important and useful, yes, because this whistleblowing will inform the

authorities other than on-site discovery whether it is really an act of fraud or not"
(Informant 1).

Whistleblowing is a very useful and important action for government agencies, because it allows parties who have information and close relationships with cases to submit complaints or reports related to fraud or violations that occur. The existence of whistleblowing is expected that the government can more quickly find out about potential fraud or violations, and can immediately take appropriate action to resolve the problem. In addition, support for the importance of whistleblowing is also reinforced by the answer from informant 1, who stated that whistleblowing provides benefits in informing the authorities about potential fraud or violations that occur in a particular place. It is important for government agencies to encourage whistleblowing internally, so that potential fraud or violations can be identified and followed up more effectively.

CONCLUSIONS, LIMITATIONS AND SUGGESTIONS

The use of a whistleblowing system in the Inspectorate of Banyumas Regency has started since 2020, as regulated in Regent Regulation Number 99 of 2020. This system aims to provide a mechanism for employees and related parties to report suspected criminal acts or violations that occur within the organization where they work. However, in practice, this system still faces several challenges in its effective use. Based on the research conducted, visitors to the Banyumas Regency Inspectorate whistleblowing system website are still relatively low. This shows that there are still few people who use or access this system to make complaints. In addition, no reports or complaints have been proven after an examination, indicating that no concrete results have been produced from this system. In interviews with informants, their understanding of the whistleblowing system tends to view it as a more specific grievance mechanism, especially for internal company issues. Although there is a whistleblowing system provided by the government, its use is still less popular.

The main challenges in implementing the whistleblowing system in the Banyumas District Inspectorate include the low number of website visitors and the lack of concrete results from incoming complaints. To improve the effectiveness of this system, efforts need to be made to increase public awareness and participation in using the whistleblowing system. In addition, it is also necessary to evaluate and improve the audit and complaint handling process in order to produce better results in preventing and handling fraud within the Banyumas Regency Inspectorate.

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