THE FACTORS THAT INFLUENCES OF THE FRAUD IN SYARIH BANK

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Abstract
The objective of this research was to prove empirically the factors affecting the fraud in Sharia Banks. This factor was measured by the Sharia compliance proxied by the Profit Sharing Ratio, the Islamic Income Ratio, the Islamic Investment Ratio, and the Islamic Corporate Governance. The sampling technique used in this research was purposive sampling. The number of this sample was 9 Sharia Commercial Bank with 5-year observation. The type of this research was the descriptive statistic and the classical assumption test. The analysis tool used in this research was SPSS version 20.0. The result of this research showed that the Islamic Investment Ratio and Islamic Corporate Governance affected the fraud; while, the Profit Sharing Ratio and Islamic Income Ratio did not affect the fraud.

Keywords: Profit Sharing Ratio, Islamic Income Ratio, Islamic Investment Ratio, Islamic Corporate Governance, Fraud.

INTRODUCTION
Pursuant to the Indonesian financial system, there are two types of banks, namely banks that conduct their business activities conventionally and banks that conduct their business based on sharia principles or commonly known as sharia banks. The bank is one of the investment institutions which is in great demand from various other investment institutions. Additionally, the bank is a business entity that collects funds from the public in the form of deposits and distributes them to the public in the form of credit and/or other forms to improve the lives of many people (Law No. 10 of 1998).

Law Number 21 of 2008 regarding Sharia Banking states that sharia banking is everything that concerns about Sharia Bank and Sharia Business Unit, including institutions, business activities, as well as ways and processes in conducting out their business activities. Meanwhile, the definition of an Islamic bank itself is a bank that conducts business activities based on Sharia Principles. According to its type, Islamic banks consist of Sharia Commercial Bank (Bank Umum Syariah - BIS) and Sharia People Financing Bank (Bank Pembinaan Rakyat Syariah - BPR/S). The history of the existence of a Bank that uses sharia principles in the world first appeared in the village of Mit Ghamr, one of the regions in Egypt. Spearheaded by an economist named Dr. Ahmad El Najjar who formed a financial institution that in its operations does not charge interest to borrowers or pay interest to savers, besides this bank invests directly or in partnership with other parties and then shares profits with savers, the financial institution is named Mit Ghamr Local Saving Bank in Egypt in 1993 (Nurhayati and Wasilah, 2015). The establishment of Bank Muamalat became a pioneer in the development of Islamic banking in Indonesia with the emergence of other Islamic banks. The development of Islamic banking in Indonesia is increasingly rapid after the enactment of Law Number 21 of 2008 regarding Sharia Banking (Nurhayati and Wasilah, 2015). This development can be seen from the number of banks and offices, both Sharia Commercial Bank (Bank Umum Syariah - BIS), Sharia Business Units (Usaha Syariah - UIUS) and Sharia People Financing Bank (Bank Pembinaan Rakyat Syariah - BPR/S).

In 2011, the development of sharia banking started with 11 (eleven) Sharia Commercial Banks in Indonesia, and it later rose to 13 (thirteen) in 6 (six) years. An increase followed this development in the number of offices which there were 1,401 offices in 2011 to 1,837 offices. Likewise, UIUS and BPR/S continue to develop in Indonesia.

The further development of Islamic banking has implications for the greater challenges that Islamic banks must encounter, where the biggest challenge is to maintain the reputation and good image before the customers in order to keep customer trust and loyalty to an Islamic bank. As may have been known, an Islamic bank is a bank conducting their business activities based on sharia principles sourced from the Al-Qur’an, Hadith and Ijmak of the ulamas applied both within and outside the company (Nurhayati and Wasilah, 2015). Then the question arises whether the existence of sharia elements guarantees an institution free from fraud? The reality is not, as evidenced by the existence of fraud cases that occur in Islamic institutions. For instance, the case of Customer’s fund embezzlement by BTPN Syariah employees, who made fictitious customer reports and data. It is estimated that BTPN Syariah suffered a loss of 169 million Rupiah. The employee committed that action during the period of 2015-2016, when he was still serving as the Center Advisor at BTPN Syariah (Tribun Lampung, October 2017).

THEORETICAL BASIS
Agency theory is a theory that explains the relationship between capital owners (principal), namely investor and manager (agent). The investor authorizes the manager to manage the company. Agency theory based on the contractual relationship between the owner (principal) and the manager (agent) is difficult to create because of conflict of interests.

Fraud, according to W. Stave Albrecht and Chad D. Albrecht in Karyono (2013), fraud is a general understanding and includes a variety of ways that can be used violently by someone to benefit from others through improper conduct.

Shariah compliance is the compliance of sharia bank with sharia principles. Sharia bank is a financial institution which...
The factors that influence the fraud in Syariah Bank

**Methodology**

In this study, the authors used the secondary data as the data were obtained from sources that were published and ready to use. Therefore, the authors merely collected it. The authors obtained data from all sources that published the Shariah financial statements, where it used as an object in this study.

According to Sugiyono (2017), the population is a generalization area consisting of object/subject that has certain qualities and characteristics determined by researchers to be studied and concluded. Population is not just a person, but also an object and another natural object. The population in this study were all Sharia Commercial Banks (Bank Umum Syariah - BUS) registered at Bank Indonesia from 2012 to 2016, namely 12 Sharia Commercial Banks in total.

The sample is part of the number and characteristics possessed by the population (Sugiyono, 2017). The sampling technique used by the researcher is to use a purposive sampling method. According to Sugiyono (2017), purposive sampling is a technique of selecting a sample from a population-based on certain considerations (criteria), both expert judgment and scientific consideration.

The independent variable is a variable that affects other variables or variables that are considered influential on other variables; in relation to the problem under study, then the independent variable is the Shariah-Compliant which is proxied by Profit Sharing Ratio, Islamic Income Ratio, Islamic Investment Ratio, and Islamic Corporate Ratio Governance.

The dependent variable is the variable that is influenced by other variables, in relation to this problem, the dependent variable is Fraud.

This study used the SPSS (Statistical Product and Service Solution) software version 20.0 to test the hypotheses that have been formulated, so in this study, the following data analysis methods used are descriptive statistic, classic assumption test consisting of data normality test, multicollinearity test, heteroskedastitas test, and autokorelasi test. Data Analysis Tool consisting of multiple linear regression analysis, t-test, coefficient of determination (R2), and t-test.

Data of Sharia Commercial Bank that met the criteria to be sampled are those Sharia Commercial Banks with a study period of 5 years. Thus, the number of research samples is 45.

The normality test result using One-Sample Kolmogrov-Smirnov test that has been presented in table 4.3, wherein it showed that the statistical significance (two-tailed) for the Fraud, PSR, ISR, IIR and ICG variables is 0.108 with the Kolmogrov-Smirnov Z value of 1.209.

It can be seen that the significant value with the One-Sample Kolmogrov-Smirnov test for all variables is greater than 0.05. Therefore, it can be concluded that the data is normally distributed and research can be continued by using a parametric test (Ghozali, 2016).

Based on the multicollinearity test result, it can be seen that the result of the calculation of tolerance values showed that the PSR (X1), ISR (X2), IIR (X3), and ICG (X4) have a tolerance of more than 0.1 (10%), among others 0.835 (83.5%), 0.864 (8.64%), 0.946 (94.6%) and 0.905 (90.5%) respectively, which means that the correlation between the independent variables is less than 100%. Likewise, the result of the calculation of variance inflation factor (VIF) showed that the PSR (X1), ISR (X2), IIR (X3), and ICG (X4) have a VIF value of less than 10, among others 1.198, 1.157, 1.057, 1.195 respectively. If the tolerance value is more than 0.10 and VIF is less than 10, then there is no correlation between the independent variable or Ghozali multicollinearity (2016).
Based on table 4.5, the Durbin-Watson value is 1.623. When compared with the Durbin-Watson table with \( n = 45 \) and the number of independent variables \( k = 4 \) the table values obtained \( dl \) (lower) = 1.3357 and \( du \) (upper) = 1.7200 so that it can be concluded that dw < \( 1.623 \) is smaller than the 4-du value (1.7200) then there is no auto-correlation (Ghozali: 2016).

Furthermore, according to Heteroscedasticity test result, there was no heteroscedasticity. Therefore, it can be concluded that there was no heteroscedasticity (Ghozali: 2016).

RESULT

Based on the result of the first hypothesis analysis, it is known that there is no effect between profit sharing ratio on fraud due to the fact that the Profit Sharing Ratio (PSR) or profit-sharing provided is high which does not affect the fraud that occurs. However, although Sharia financial institutions have implemented compliant sharia with high profit-sharing, and management has created certain measures and efforts to minimize the occurrence of fraud, fraud cannot be prevented where one of the factors causing fraud is individual factor in the form of moral related with the greed that exists in the caliph (Karyono, 2013).

Effect of Islamic Income Ratio on Fraud. Based on the second hypothesis, there is no influence between the Islamic income ratio to fraud due to the activities on Sharia bank income have been carried out or dominated by activities that are Sharia in accordance with Islamic principles but there is still fraud that occurs, thus the income activities that are in accordance with sharia principles do not affect the fraud that occurs. This is because the bank has received revenue from halal sources, and if there is non-halal income, it has been reported in the qardh source and usage report. With the existence of reports on the sources and uses of qardh funds, banks have implemented shariah compliance that does not result in fraud (Sadi, 2015).

Effect of Islamic Investment Ratio on Fraud. Based on the third hypothesis, there is an influence between the Islamic investment ratio to fraud. It is because the investment activities carried out by Sharia banks are not in accordance with Islamic principles so that there is still fraud. Non-compliance with Sharia principles will cause unlawful investment due to the usury element (Sadi, 2015). Every increase of 1 unit in the investment ratio will have an impact on the reduction of fraud by 2.172. It shows that fraud will be reduced if the Sharia Commercial Bank makes a halal investment, thus the Sharia Commercial Bank has also complied with sharia compliance which is free from usury.

Ashraf Usmani stated that investment in interest-based funds could create a monopoly, open up greed, injustice, and oppression by creditors towards debtors. Fraud and deception are rife in trade and business (Sjahdeni, 2014). In that respect, it is understandable why at this time most of the scholars (cleric) agreed that bank interest, even if set low, is usury that is prohibited according to sharia (Sjahdeni, 2014).

The Influence of Islamic Corporate Governance on Fraud. Based on the fourth hypothesis, there is an influence between Islamic Corporate Governance on fraud. This is because Sharia Commercial Bank in Indonesia has implemented good Islamic governance and complies with Islamic laws in accordance with compliance principles so fraud can be prevented from its occurrence.

Every increase of 1 ICG unit will have an impact on the reduction of fraud by 2.149. A good application of ICG on Sharia Commercial Bank will reduce the level of fraud. The result of the composite self-assessment value is less than 1 illustrate the implementation of good Islamic corporate governance. The existence of the Sharia Supervisory Board helps reduce the occurrence of fraud at Sharia Commercial Banks (Sjahdeni, 2014).

Sharia banks are responsible for many parties (stakeholders), so the application of ICG is a necessity. The application of ICG is a form of Sharia bank accountability to the public that an Islamic bank is managed well, professionally and prudently so that fraud does not occur (Umam, 2016).

The Effect of Receivable Turnover on Profit. According to Kasmir (2016), Receivable Turnover is a ratio used to measure how long the collection of receivables during a period or the number of times the funds in this receivable revolve in one period. Hery (2016) stated that: "the higher the ratio of accounts receivable turnover shows that working capital embedded in accounts receivable is smaller, and this means
that it is better for the company because it does not need to wait for accounts to be disbursed immediately into cash. Receivables are generated by credit sales so that if sales are high, then profits are also high and vice versa.

Based on the result of the fourth hypothesis testing (Ha4) stating that Receivable Turnover has an effect on earnings at PT Konveta Mitra Abadi Lampung. According to the result, it can be seen that the variable receivable turnover has no effect on earnings. Therefore, the fourth hypothesis (Ha4) which states that “Receivable Turnover has a significant effect on Profit” is rejected. The author's assumption is not true that the influence of the old collection of receivables in one-period influences profits generated by the company.

The result of this study is not in line with the research conducted by Jiasti (2010), where the research result showed that receivable turnover affects earnings. Because the higher the receivables turnover, the more receivables that can be collected by companies. However, in the present case, the company in this study had problems in collecting its receivables, causing a decrease in profit. In addition to the number of uncollectible receivables increasing every month, many sales returns that occurred, causing the sales experienced a reduction and decreased profits.

CONCLUSION

This study aimed to examine whether there are influences of factors affecting a fraud in Sharia Commercial Banks for the period of 2012 to 2016. Determination of the sample is conducted by a purposive sampling technique and obtained from 9 Sharia Commercial Banks with a 5-year observation period, thus, the total sample obtained is 45 annual reports and report on the implementation of Islamic Corporate Governance of the Islamic Commercial Bank. 1. Simultaneous or joint test result (F test) showed that the profit-sharing ratio variable, Islamic Income Ratio, Islamic Investment Ratio and Islamic Corporate Governance have a significant influence on the Fraud. 2. The result of the hypothesis testing that used the t-test showed that the Profit Sharing Ratio and Islamic Income Ratio do not influence fraud. Whereas, Islamic Investment Ratio and Islamic Corporate Governance influence fraud.

REFERENCES

