

REGENT OF SUKOHARJO  
CENTRAL JAVA PROVINCE  
REGULATIONS OF THE REGENT OF  
SUKOHARJO  
NOMOR 23 TAHUN 2024  
ON  
FRAUD CONTROL POLICY (FRAUD CONTROL PLAN)  
BY THE BLESSINGS OF ALMIGHTY GOD

REGENT OF SUKOHARJO,

- Considering :
- a. that for the implementation of good, clean governance free from corruption, collusion, and nepotism in accordance with the laws and the national ideology of the Indonesian people, a consistent and sustainable commitment to a culture of integrity is required;
  - b. that cases of fraud in the form of corruption and other deviations may occur at various stages including planning, administration, reporting, accountability, and oversight of the management of regional finances, as well as village finances;
  - c. that according to Article 2, paragraph (1) of Government Regulation Number 60 of 2008 concerning the Government Internal Control System, in order to achieve effective, efficient, transparent, and accountable management of state finances, ministers/agency leaders, governors, and regents/mayors are required to exercise control over the implementation of government activities;
  - d. that based on the considerations outlined in letters a, b, and c, it is necessary to establish a Regent Regulation concerning the Fraud Control Policy (Fraud Control Plan);
- Remembering :
- 1. Article 18, paragraph (6) of the 1945 Constitution of the Republic of Indonesia;
  - 2. Law Number 13 of 1950 concerning the Formation of Districts within the Central Java Province, as amended by Law Number 9 of 1965 concerning the Formation of Batang District and amending Law Number 13 of 1950 concerning the Formation of Districts within the Central Java Province (State Gazette of 1965, Number 52, Supplementary State Gazette Number 2757);

3. Law Number 23 of 2014 concerning Regional Government (State Gazette of the Republic of Indonesia Year 2014 Number 244, Supplementary State Gazette of the Republic of Indonesia Number 5587), as amended several times, most recently by Law Number 6 of 2023 concerning the Establishment of the Government Regulation in Lieu of Law Number 2 of 2022 concerning Job Creation into Law (State Gazette of the Republic of Indonesia Year 2023 Number 41, Supplementary State Gazette of the Republic of Indonesia Number 6856);

#### HAS DECIDED:

To Issue : REGENT REGULATION CONCERNING FRAUD CONTROL POLICY (FRAUD CONTROL PLAN).

#### CHAPTER I

#### GENERAL PROVISIONS

##### Article 1

In this Regent Regulation, the following terms are defined as:

1. Region refers to Sukoharjo Regency
2. Regional Government refers to the Regent as an element of the regional government organizer who leads the implementation of government affairs that are the authority of the autonomous region.
3. Regent refers to the Regent of Sukoharjo.
4. Regional Apparatus refers to the elements assisting the Regent and the Regional People's Representative Council in organizing government affairs that are the authority of the region.
5. Regional Inspectorate refers to the supervisory element of the Sukoharjo Regency government affairs.
6. Regional Inspector refers to the Regional Inspector of Sukoharjo Regency.
7. Village Government refers to the Village Head or other names as designated, assisted by the village apparatus, as the organizing element of village government.
8. Public Service Agency (BLUD) refers to a system implemented by technical service units/regions' agencies in providing services to the public, which has flexibility in financial management patterns as an exception from the general provisions on regional financial management.

9. Collusion is the conspiracy or unlawful cooperation between government/regional organizers or between government/regional organizers and other parties that harms others, the community, and/or the state/region.
10. Civil Servants, hereinafter referred to as ASN, are State Civil Apparatus, which includes Civil Servants and Government Employees with Work Agreements in the Regional Government.
11. Regional Organizers are Government Officials who perform executive, legislative, or judicial functions, and other officials whose functions and main duties are related to the administration of regional government affairs in accordance with the provisions of laws and regulations.
12. Public service is the activity or series of activities conducted to meet the needs of services in accordance with laws and regulations for every citizen and resident regarding goods, services, and/or administrative services provided by public service organizers.
13. Fraud Risk is the possibility of fraud occurring and the potential consequences for the organization if the risk occurs.
14. Fraud is an act done dishonestly with the aim of gaining profit or causing loss by deceiving, tricking, or using other methods that violate the provisions of laws and regulations.
15. Corruption is a criminal act as referred to in the provisions of laws and regulations that govern criminal acts of corruption.
16. Nepotism is any act by a government/regional organizer that is unlawful and benefits the interests of their family and/or cronies over the interests of the public, nation, and state.
17. Prevention is the overall efforts, methods, and techniques in managing organizational resources with the goal of preventing the realization or emergence of risk factors and causes of fraud risk.
18. Detection is the overall efforts, methods, and techniques in managing organizational resources with the goal of identifying, discovering, and determining the existence and occurrence of fraud.
19. Response is the overall reaction, methods, and techniques in managing organizational resources with the goal of reducing the level of impact of fraud events that will, are, or have occurred.

20. Educative refers to preventive efforts focused on raising awareness of fraud risks and developing anti-fraud attitudes and behaviors through education, training, and learning initiatives.
21. Preventive refers to anticipatory preventive activities that are proactive in nature, addressing potential risk factors, risk sources, and causes of fraud before they arise.
22. Deterrence refers to preventive measures taken during the occurrence of identified fraudulent actions through effective safeguarding and protection efforts.
23. Intimidation or deterrence refers to preventive efforts aimed at increasing the likelihood of fraud being quickly detected and offenders being threatened with firm and severe consequences, thereby instilling fear of engaging in fraudulent acts.
24. Sudden Inspection, hereinafter referred to as "Sidak," is a direct inspection of the implementation of regulations, tasks, and related matters conducted suddenly without prior notice.
25. Probity Audit refers to assurance provided by a probity auditor to conduct independent oversight of a procurement process and provide objective opinions or conclusions on whether the procurement process adheres to probity requirements, including compliance with applicable procurement procedures, as well as meeting principles and ethics in procurement.
26. Procurement Review refers to the re-examination of evidence related to a procurement activity to ensure that the activity has been carried out in accordance with established regulations, standards, plans, or norms.
27. Continuous Supervision refers to all activities conducted by an independent entity, in this case, the Regional Inspectorate, to provide adequate assurance as a tool for early warning, carried out on an ongoing basis.
28. Continuous Monitoring refers to the evaluation of the quality of performance of the internal control system integrated continuously within activities.
29. Risk-Based Internal Supervision is a methodology that links internal supervision with the risk management framework of an organization.

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30. Investigative Audit is the process of searching, discovering, collecting, analyzing, and evaluating evidence systematically by competent and independent parties to reveal the actual facts or events regarding indications of criminal acts of corruption and/or other specific purposes in accordance with applicable laws and regulations.
31. Disciplinary Punishment is a sanction imposed by an Authorized Official to punish Civil Servants for violating Civil Servant Disciplinary Regulations.
32. Asset Recovery is the activity of tracing, freezing, confiscating, seizing, maintaining/managing, and returning assets resulting from fraudulent acts.
33. Cultural Reframing is an action aimed at shifting a culture from a negative orientation to a positive one.
34. Red Flags are signs or indications of something unusual or a deviation, serving as signals that fraud has occurred.
35. Fraud Control Task Force is a task force established to control specific types of fraud, such as the Illegal Levies Eradication Task Force referred to as the Saber Pungli Task Force.
36. Fraud Risk Assessment, hereinafter abbreviated as FRA, is a series of processes involving the identification, analysis, and evaluation of fraud risks.
37. Fraud Risk is the likelihood of fraud occurring and the potential impact if it happens.
38. Fraud Risk Register and Map are documents produced through the processes of identifying, analyzing, and evaluating fraud risks.
39. Third Parties are individuals, organizations, and other entities that interact with Regional Government, either in contractual or non-contractual relationships.
40. Whistleblowing System is a system that manages or regulates the procedures for complaints/disclosures regarding unlawful behavior, unethical/improper conduct, or violations of policies and/or regulations, with the aim of optimizing the participation of stakeholders and other parties or the broader community in revealing violations occurring within the Regional Government environment.

## Article

### 2

This Regent Regulation is intended as a guideline for the Regional Government and government internal supervisory apparatus to plan the control of fraud indicating criminal acts of corruption within the Regional Government environment.

## Article

## 3

The objectives of this Regent Regulation are:

- a. to enhance the knowledge and understanding of Regional Government administration regarding fraud;
- b. to improve compliance of Regional Government administration with regulations prohibiting fraudulent acts;
- c. to create a transparent and accountable work environment and work culture within the Regional Government;
- d. to build the integrity of a clean and corruption-free Regional Government administration;
- e. to increase public credibility and trust in the administration of public services by the Regional Government; and
- f. to encourage the implementation of fraud control in the management of Regional Government finances by the Regional Government.

## Article

## 4

The objective of drafting this Regent Regulation is to establish a fraud control plan within every process of program/activity implementation at the activity level, Regional Apparatus level, as well as at the Regional Government and Village Government levels.

## Article

## 5

- (1) Every Regional Government official or Civil Servant is obligated to reject any form of fraud identified from the outset that is related to their position and contrary to their duties or responsibilities.
- (2) The fraud control policy shall be implemented across all Regional Apparatus, Regional Public Service Agencies, other service units, and Village Governments within the Regional Government environment.
- (3) Any Regional Government official or Civil Servant who violates the provisions as referred to in paragraph 1 shall be subject to sanctions in accordance with applicable laws and regulations.

## CHAPTER II

FRAUD CONTROL STRATEGY AND FRAUD  
CONTROL ENVIRONMENT

## Part One

## Fraud Control Strategy

## Article 6

- (1) The fraud control strategy consists of three strategies, namely:
  - a. Prevention;
  - b. Detection; and
  - c. Response.

- (2) The Prevention Strategy as referred to in paragraph 1 letter a may take the form of:
- a. educative measures;
  - b. preventive measures;
  - c. deterrence; and
  - d. intimidation or deterrence.
- (3) The Detection Strategy as referred to in paragraph 1 letter b may take the form of:
- a. sudden inspections;
  - b. *probity audit*;
  - c. review of Goods and Services Procurement;
  - d. continuous supervision and continuous monitoring; and
  - e. risk-based internal supervision.
- (4) The Response Strategy as referred to in paragraph 1 letter c may take the form of:
- a. investigative audits/special audits;
  - b. imposition of disciplinary sanctions;
  - c. *asset recovery*;
  - d. cultural reframing; and
  - e. reporting to the authorized agency.
- (5) The implementation of the Fraud Control Strategy as referred to in paragraphs 2, 3, and 4 shall follow the guidelines for each type of activity.

## Part Two

### Fraud Control Environment

#### Article 7

- (1) For fraud control policies to be implemented effectively and efficiently, a foundation of a fraud control environment is required as a primary prerequisite.
- (2) The fraud control environment as referred to in paragraph 1 shall include at a minimum:
- a. commitment from leadership levels;
  - b. an anti-fraud culture;
  - c. fraud control policies and procedures.
  - d. fraud control unit;
  - e. fraud risk assessment;
  - f. third-party management; and
  - g. whistleblowing system.

#### Article 8

Leadership commitment may take the form of:

- a. exemplary attitudes and behavior that serve as a model for employees in the workplace;
- b. an anti-fraud declaration expressed in writing and openly announced through various media utilized by the Regional Government;
- c. requiring all employees to create and/or sign an Integrity Pact or a Statement of Non-Fraudulent Conduct;

- d. providing necessary resources for fraud control efforts, including human resources, infrastructure, financial support, and other relevant needs; and
- e. taking firm action in response to any fraudulent acts occurring within the Regional Government.

#### Article 9

An anti-fraud culture may take the form of:

- a. incorporating anti-fraud commitments into the vision, mission, objectives, goals, and values of the Regional Government;
- b. a code of ethics or behavioral standards that clearly define anti-fraud criteria; and
- c. the imposition of disciplinary sanctions in accordance with applicable laws and regulations.

#### Article 10

Fraud control policies and procedures as referred to in Article 7 paragraph 2 letter c constitute technical guidelines, implementation instructions, activity standard procedures, or other fraud control design documents.

#### Article 11

- 1. (1) Fraud risk assessment is conducted in conjunction with risk management within the Regional Government.
- (2) The list and map of fraud risks must serve as the basis for planning the mitigation of risks in a measured and comprehensive manner for the programs and activities of the Regional Government.

#### Article 12

- (1) Third parties working with the Regional Government must undergo a proper selection process in accordance with the laws and regulations, ensuring the selection of third parties who have a commitment to anti-fraud principles.
- (2) Public service delivery to the community must meet the criteria of clean and service-oriented public service.
- (3) Third parties and the community receiving public services are key partners in the implementation of anti-fraud policies.

#### Article 13

- (1) The Whistleblowing System must be easily accessible and usable by the general public.
- (2) Complaint handling policies must guarantee protection for the whistleblower.



CHAPTER III  
ANTI-FRAUD BEHAVIOR

Article 14

- (1) Regional government officials must:
  - a. work honestly and responsibly;
  - b. refrain from fraudulent behavior;
  - c. remind each other to avoid fraudulent actions;
  - d. uphold the institution and prioritize the interests of the organization over personal or group interests;
  - e. avoid actions that encourage or lead to practices of collusion, corruption, and nepotism;
  - f. report any fraud they hear, see, or become aware of to their superior or other authorized parties; and
  - g. perform their duties with a sense of responsibility and avoid reprehensible actions, self-interested actions, or those that benefit family, cronies, or groups, and not expect any rewards in any form that contradict the laws and regulations.
- (2) Regional government officials are prohibited from committing fraud, whether within or outside the scope of their official duties.
- (2) Regional government officials are prohibited from committing fraud, both within and outside the scope of their official duties.
- (3) Government officials who violate the provisions as referred to in paragraph (1) and paragraph (2) will be subject to sanctions in accordance with the applicable laws and regulations.

CHAPTER IV  
STRUCTURE OF FRAUD CONTROL

Article 15

- (1) The organizational structure of the Fraud Control Task Force at the Regional Government level consists of:
  - a. the person responsible;
  - b. the deputy responsible;
  - c. the chairperson;
  - d. the secretary; and
  - e. members.
- (2) The main duties of the fraud control structure as referred to in paragraph (1) include planning, designing the fraud control system, coordination, monitoring, and evaluating the fraud control system at the Regional Government level.
- (3) The Fraud Control Task Force is established by the Regent's Decree.

CHAPTER V  
GUIDANCE AND SUPERVISION

Article 16

- (1) The Regent shall provide guidance and supervision on fraud control in the region.
- (2) The head of the Regional Device shall implement guidance and supervision on fraud control within their area.
- (3) The Regional Inspectorate shall carry out the supervision of fraud control.

CHAPTER VI  
FINANCING

Article 17

The financing for the implementation of this Regent Regulation is sourced from the regional income and expenditure budget.

CHAPTER VII  
FINAL PROVISIONS

Article 18

This Regent Regulation shall come into effect on the date of its promulgation.

In order for everyone to be informed, the promulgation of this Regent Regulation shall be carried out by placing it in the Regional Gazette of Sukoharjo Regency.

Enacted in Sukoharjo  
on July 8, 2024

THE REGENT OF SUKOHARJO,  
signed.

ETIK SURYANI

Promulgated in Sukoharjo  
on July 8, 2024

THE SECRETARY OF  
SUKOHARJO REGENCY,

signed.

WIDODO

REGIONAL GAZETTE OF SUKOHARJO REGENCY  
2024 NUMBER 23