Supervision of Student Organization Funds: An Academic Reality

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ABSTRACT

This study aims to describe the supervision function of student organization fund management by the student executive and legislative bodies at Faculty X, University ABC. Data are obtained through in-depth interviews with several informants, such as the committee and functionaries of student organization. The results of this study show that the supervision function of student organization fund management has not been running optimally due to several factors. Those factors are found at each phases of student organization fund management. In planning phase, price standardization has not been updated for few periods, which is a constraint in determining the nominal budget. Furthermore, in implementation phase, the legislative institution is not directly involved in disbursing and spending student organization funds. Moreover, validity checking of expenditure evidences in the accountability phase is limited to seeing the completeness of the bills and receipts identities only, without making confirmation to the bills and receipts issuer.

Keyword: Internal Control, Supervision, Student Organization Funds

1. INTRODUCTION

According to monitoring conducted by Indonesia Corruption Watch (ICW), cases of fraud in education funds have a high proportion. This is evidenced by the discovery of cases of suspected corruption in higher education in Indonesia during the last 10 years, from 2006 to 2016 (Paat, 2016). Furthermore, the monitoring results also showed that due to this fraud, the state suffered a loss of IDR 218.804 billion and involved almost all elements of the academic community. Fraud in the field of education is carried out not only by officials of educational institutions, but also by students, such as the corruption case of social assistance funds committed by students for their personal needs by making fictitious proposals (Utami, 2013). The next is the case of misuse of student organization quarterly funds of the Faculty of Industrial Technology, Islamic University of Indonesia for the period 2016/2017 worth IDR 49,101,613.00 committed by a member of the Student Representative Council for the personal interest concerned (Satriadi, 2018). The case occurred due to leader’s excessive trust in his/her members as well as a lack of coordination and intensive communication. Fraud occurring in education is not only in terms financial management, but also in terms of academic affairs, such as the plagiarism case committed by lecturers who actually should have become an role model for students. If this fraud continues, it is possible that it will trigger fraud in other areas (Umy.ac.id, 2017).

These phenomena indicate that fraud can occur in various modes and is carried out by all elements of the academic community, including students. The results
of research conducted by Puspitasari, Haryadi and Setiawan (2015) provide evidence that financial management of student organizations refers to misuse of assets and manipulation financial accountability reporting. Many factors are suspected to be the cause of rampant cases of fraud in education, one of which is the weak internal control system of an organization, including weak supervision of organizational operations (Zainuddin, 2018). The internal control framework, according to COSO, also shows that monitoring or supervision is also a part of internal control components that can support the achievement of organizational goals.

The importance of the supervisory role is shown through several research results. Astarani and Angelita (2014) examined the influence of the supervisory agency on accounting fraud committed in Pontianak City cooperatives. The results show that the increasingly effective role of supervisory agency is able to minimize and reduce the level of potential accounting fraud. Next, the results of research conducted by Husain (2014) show that the education and teaching programs delivered by teachers of a Public Junior High School in Kendari City are less qualified due to the lack of maximum education supervisors. The importance of supervision is also evidenced by research conducted by Li, Makaew and Winton (2014) that monitoring carried out by banks can reduce the tunneling frequency of companies in China. The existence of external supervision carried out by financial analysts contributes to the prevention of corporate fraud in developing countries, so that it can provide benefits for shareholders and strengthen business ethics (Chen, Cummings, Hou, & Lee, 2014).

Internal control is necessary for every type of organization. Research conducted by Yesinia, Yuliarti, and Puspitasari (2018) found that internal control system has a role in the accountability of village fund management. The implementation of effective internal controls on the management of zakat, infaq and shadaqah funds at the Jember Branch of the Al-Falah Social Fund Foundation (YDSF) has increased the trust of donors to provide funds to YDSF management (Wardayati & Imaroh, 2015). The results of research conducted by Rahayu, Yudi, Rahayu, and Ridwan (2018) also prove that internal control of school financial management is important in achieving quality education, considering that schools receive the mandate to manage funds sourced from government budgets as well as funds from the community. This is also proven by the research conducted by Putri and Windyastuti (2018) that internal control has an effect on fraud prevention in the management of School Operational Assistance (Indonesian: Bantuan Operasional Sekolah/BOS) funds in a private elementary school in Yogyakarta. Based on the results of studies mentioned above, internal control is very important for an organization, regardless of the type of organization. Supervision is an inseparable part of the internal control of an organization. Therefore, various organizations have placed internal auditors, internal supervisory units, audit committees, and other supervisory bodies to perform supervisory functions to ensure that the organization's internal control runs effectively. In addition, supervision can be used as a means to mitigate risks, including the risk of fraud.

Student organizations, as a forum for students to channel their creativity, academic and non-academic talents/interests, as well as a place to learn to organize, also require good supervision, especially in terms of managing student funds. Student funds need to be managed properly and can be accounted for properly through good supervision with the aim that all stakeholders in this student organization can use information on the results of student fund management for decision making. Based on the background described above, this study intends to describe the supervisory role carried out by the student executive and legislative
bodies at Faculty X, University ABC. The reason for choosing the object is that this faculty is one of the major faculties based on the number of students and student activity units including the variety of student activities.

This study has theoretical benefits to add to the literature for academics that supervision can mitigate fraud. In addition, this study also serves as an evaluation material for the Faculty X of University ABC’s legislative body in carrying out its supervisory role towards the faculty executive body, as the executor of student activities or manager of student funds, and the Student Affairs Coordinator (Koorbidkem) as well as for a representative of the Faculty X of University ABC who oversees the implementation of the supervisory function carried out by the legislative body of the Faculty X, University ABC.

2. LITERATURE REVIEW AND HYPOTHESIS

Stakeholder’s Theory
According to Freeman (1984), the survival of an organization is very dependent on the success of management in establishing relationships with stakeholders. The stakeholder theory approach was classified by Donaldson & Preston (1995), into three different frames: descriptive approach, instrumental approach and normative approach. Vitolla et al. (2019), explain that descriptive approach ensures the way organizations use to consider the needs of stakeholders. Instrumental approach requires managers to be accountable to stakeholder requests. Meanwhile, normative approach states that ethical principles are the basis for the theory of interest.

In the normative approach, all stakeholders in an organization have the right to obtain information, not only on financial aspects but also on social, environmental and governance aspects. The right of stakeholders to obtain information is the responsibility of reporting organizations that have ethical moral standards. Based on an instrumental approach, the organization should try to reconcile the information that stakeholders need. In the instrumental approach, providing quality information represents the organization’s response to information needed by stakeholders (Vitolla et al, 2019). Student organizations that also deal with stakeholders are required to provide quality information to assist stakeholders in making decisions. The management of student funds will lead to activity accountability reports. This accountability report should be accessible and can be used by stakeholders in making the right decisions, in this regard, the supervisory function is needed

Management of Student Organization Funds
Student organization fund management is defined as the activity of managing funds given to finance activities that students participate in or activities held by student organizations, either at the regional, national or international level at each university (Ristekdikti, 2019). Hapsari and Seto (2019), explain that there are at least three stages of university fund management including student funds. The three stages are planning, implementation, and accountability. Planning is the stage where a student organization prepares a budget plan for student funds from the work program that has been agreed upon. The planning stage produces an output in the form of a budget proposal containing a budget for income and expenditure. The implementation of student funds is a manifestation of activities that have been agreed upon based on a predetermined budget proposal. Every revenue and expenditure on budget execution must be accompanied by complete and valid evidence. This evidence will then form the basis for the accountability stage. Accountability is the final stage in the management of student funds, that is, the process of examining evidence supporting the budget that has been realized during the implementation stage. The
accountability report will be the output of the accountability stage containing the budget and realization of the budget.

Figure 1. The Stages of Student Organization Fund Management

Monitoring as a Component of COSO’s Internal Control

Internal control, according to COSO cited by Utami (2019), is a process that is designed and carried out by all entity personnel, from the board of commissioners, management to other personnel, to provide adequate confidence in achieving the objectives of effectiveness and efficiency of operations, reliability of financial statements, as well as compliance with applicable regulations. The reliability of reporting internal and external financial and non-financial reports is one of the objectives to be achieved through the application of internal control because it includes reliability, timeliness, transparency or various requirements set by regulators and recognized by the entity’s standard and policy makers. Sari, Ghozali, and Achmad (2017) define internal control as policies and procedures that are established to protect company assets from misuse and ensure that the business information presented is accurate and laws and regulations are adhered. COSO (2009) explains that proper internal control can help an organization achieve its goals. Internal control works by mitigating the risks that can cause an organization to fail to achieve its goals. The objectives of internal control can be achieved when the components of internal control are functioning effectively. COSO (2013) frames the internal control component into five components: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication and (5) monitoring.

Monitoring as a component of internal control, according to COSO, also has an important role. COSO (2009) states that effective monitoring can help streamline the assessment process, but many organizations do not understand how important the monitoring component is in internal control. Monitoring is defined as a process to assess the quality of system performance over a period of time. Monitoring can be carried out on ongoing activities, separate evaluation or a combination of the two. Monitoring on ongoing activities means that monitoring is carried out on ongoing activities which include management activities and regular monitoring activities and the actions of personnel in carrying out their duties. Ongoing monitoring activities include all components of internal control, including activities that are unethical, uneconomical, inefficient or ineffective. Meanwhile, a separate evaluation includes evaluating the effectiveness of the internal control system and providing assurance that internal control achieves the desired results (Pickett, 2010). Furthermore, monitoring can help to determine what policies and procedures that have been designed and implemented by management but have not been carried out effectively by employees (Badara & Saidin, 2013).

Proper monitoring can provide benefits to the organization, such as (a) being able to identify and correct internal control problems on a time basis, (b) producing more accurate and reliable information in decision making, (c) being able to prepare accurate financial reports and on time, and (d) be in a position to provide periodic assertions of the effectiveness of internal control (COSO, 2009).
3. METHODS
Types of Research and Data Collection Techniques
This research was conducted at the student organization of Faculty X, University ABC, a private university in Central Java. This research design uses a qualitative descriptive method. Sources of data used in this study are primary data and secondary data. Primary data is obtained by conducting in-depth interviews with several sources, namely student organization functionaries and the committee. Meanwhile, secondary data is obtained through documentation of supporting evidence which shows the role of the legislative / executive body in carrying out its supervisory role. This study also uses data collection techniques in the form of observation with the involvement of researchers in the committee under the student organization.

Data Analysis Technique
The stages of data analysis in this study refer to Miles and Huberman (1992) who specifically explain the stages of qualitative data analysis. In more detail, the stages of data analysis used in this study are: (1) reducing the data which includes summarizing the interview data, observation and documentation relevant to the research; (2) comparing the suitability of data between interview data, observation results and secondary data obtained; (3) presenting data which includes the process of displaying data that has been compared so that the data is organized and easy to understand; (4) analyzing data which is a process of finding the meaning of the data that has been presented by adjusting the events in the field with the theory developed from previous research; and (5) conclusion which is the process of determining the results of the research after data analysis.

In addition to the stages of the analysis technique, this study also conducts data triangulation, by comparing answers between sources with the same questions, and then comparing them with documents that have been successfully collected, so the results of the analysis can be more objective.

Figure 2. Qualitative Data Analysis Technique and Triangulation

4. RESULT AND DISCUSSION
General Description of Research Objects
The student organization of Faculty X, ABC University is divided into executive and legislative boards. The faculty executive board acts as a compiler and the party proposing work programs and budgets that will be implemented during one academic year period as well as implementing programs that have been mutually determined. Meanwhile, the legislative board acts as a supervisor and appraiser for the implementation of work programs and budgets for the executive faculty, which will then be submitted to the executive branch at the university level.

There are about forty members of the executive and legislative boards of Faculty X, each of whom are active students of Faculty X, ABC University. The executive board consists of a chairperson, secretary, treasurer, and four heads of fields and members of the fields, while the legislative board consists of a chairman, a secretary, and four heads of the commission and members.

In carrying out its work programs which are divided into humanistic (soft)
skills and professional (hard) skills work programs, the executive board of Faculty X is in charge of the activity units which are divided into each area of the executive board, including: sports unit, journalism unit, nature lovers unit, spiritual unit, theater unit, and several study program student associations. Each activity unit consists of a chairman, treasurer, secretary, or what is commonly called the Daily Administrator (Indonesian: Badan Pengurus Harian/BPH) and members who are divided into several divisions. The unit in charge of the executive board will make a program of activities or events that are held annually. The programs will then be carried out by the committee consisting of students who are not involved in student organizations. The committee members for each program are formed by each activity unit whose number varies depending on the size of the program to be held. Each committee is led by a chairman who is assisted by a treasurer, secretary, and members who are divided into sections. After being formed, the committee will carry out a program of activities ranging from planning to completion of the program.

The Role of Supervision of Student Organization at the Planning Stage

The planning stage for the management of student funds begins with the process of submitting units. Each unit under the executive board will propose work programs that will be carried out during the current period by presenting them to the leaders of the executive board. The next stage is unit guidance, which is the stage for further discussion of work programs to be carried out by the unit together with the executive leader, and each unit will begin discussing the budget for each activity carried out, such as statement from the executive treasurer as follows:

"Assisted with the budgeting, and when we met, they (Daily Administration Unit) had already brought the rough draft of budget proposal. The reference is the previous Accountability Report, let alone for annual activities. We’ll see about whatever being budgeted. If there is a guest star, how much is the fee. Usually we also help with the formats, for example in making a proposal, what is contained in the table, about the header, and all kinds of things. Then we usually ask the Daily Administration Unit, for example in the national seminar, what goal he wants to achieve, the theme of the activity, who the guest star including the fee."

The statement of the executive treasurer was supported by the chairman of one of the study program student association units, as follows:

"In the guidance unit, the budgeting is assisted, one of which is to allocate each fund, for example the Student Organization Development. So in the guidance unit, we explain the amount of nominal contribution, what the participants get, such as a seminar kit, certificate, food, so the Student Organization Development is not allowed to fund the three needs because they are borne by the participants through contributions. Sometimes in a budget proposal there are unit columns with different names, there are boxes, there are people. So, under the guidance unit, they (the executive agency) clarify and examine us. Regarding the draft proposal, especially since the event is the same, or may not be that different from the event that will be held in this period, if there are changes, they (the executive board) can ask. So, we can explain it, too."

Before the guidance is carried out, the treasurer of executive board will coordinate with the faculty treasurer regarding the nominal amount of bound student funds that the faculty will receive in the current period. The nominal amount of bound funds consisting of Student Organization Development funds and Student Family Contribution funds will then be distributed to each work program. Furthermore, the distribution of student funds is explained by the executive treasurer as follows:

"The distribution of Student Organization Development for program activities consists of 40% for humanistic skills and
60% for professional skills as regulated in the mechanism. So, the one who determines the Student Organization Development and the Student Family Contribution is indeed the executive treasurer. We will look at considerations such as increased prices, the number of participants who will join, and so on. The bound funds that we have distributed to the unit will then be distributed to each activity event by the unit treasurer himself because it is the authority of the unit treasurer. Things that are also taken into consideration are the quantity and quality targets. The quantity target is related to the number of participants who will take part in the activity, while the quality target is related to the output, for example inviting competent speakers or increasing prizes to attract participants.

This statement is in line with that stated by representatives of budget commissions in legislative board and activity unit. Furthermore, the bound funds that have been distributed to the unit will be distributed to each activity program, as explained by the chairman of one of the study program association units as follows:

“We look at the evaluation of the previous period’s activities. Basically, when the unit treasurer distributes it, there must be a reason given to us. In every event there must be suggestions for additions or subtractions. We discuss together the main points. In addition, the quantity target and the quality target for each period must be different.”

Based on the informant’s statement, it can be seen that the distribution of bound funds to activity units is the right and authority of the treasurer of executive board because it is in accordance with the Student Development Pattern Scenario (SPPM) which regulates the functions of the faculty executive board. The distribution of funds is carried out with considerations, such as the regulation of the nominal percentage of funds for each type of activity, as well as the quantity and quality targets to be achieved for each activity. The legislative board, in this case the budget commission, does not play a direct role in the process of distributing nominal funds to both units and work programs to be implemented. The nominal amount of bound funds that has been allocated to each unit will then be given to the faculty legislative board, as explained by the representative of the legislative board’s budget commission:

“In this regard, we at it are asking how much is allocated to the units. The most important is that it must meet the requirements of 60% for professionals and 40% for humanists. And at the beginning of the period we will ask for transparency.”

In addition to using bound funds, an activity also uses other funds, such as funds obtained from committee efforts or commonly referred to as business funds (Usda) and contributions from the activity participants themselves. Business funds and participant contributions are used to cover the lack of funds for an activity. Determination of the nominal amount of business funds and participant contribution is the authority of the committee, in this case the activity unit and daily administrator. Coordination of determining the nominal amount of business funds is carried out together with the treasurer of the executive board, as described in the following interviews with the treasurer of executive board:

“Regarding business funds and the contribution of the participants, we, the executive board, just give suggestions whether they are sure with the amount of the business funds and the contribution of participants. If the amount collected is that much, it will bet like this or like that, just that. Surely we will give considerations, but the exact nominal is determined by the activity unit and committee. So regardless of the nominal value, as long as they can give a reason why the nominal is that much, we, executive board, don’t have a problem.”

This statement is in line with what was said by representatives of the legislative board and unit representatives of one of the study program associations.
that the business funds and participant contributions are coordinated with the treasurer of the executive board and the treasurer of the executive board has the right to ask and provide input on the nominal amount of business funds and the stipulated contribution. The reasons for consideration of the nominal amount of business funds and contributions were explained by the unit representatives as follows:

“We also see the phenomena, what if the contribution is too big and what if it’s too small. If it is too big, we are afraid that the potential participant’s interest will decrease, but if it is too small, it will be a burden for the committee to close out of their business. This also applies to business funds, if the number of committee members is large it will be able to relieve business funds, but if the number of committee members is too large, we monitor that the job description for each committee is also difficult.”

Based on the results of the interviews described earlier, the amount of the budget for an activity can change every period, especially for activities that tend to be held regularly every year. Many things are considered from changes in the nominal amount of an activity’s budget, including the quantity and quality targets an activity wants to achieve. The quantity target is related to the number of participants who will take part in the activity, while the quality target is related to the output that the participants will get by participating in the activity. Each committee wants the two targets to be achieved more than the event targets in the previous period, so this requires a different budget from the previous period.

The process of managing funds for a student activity refers to the Executive Work Mechanism (MKE) to help create good organizational governance and to prevent multiple interpretations, so that the unity of movement of all units can be realized. Therefore, the budgeting process for an activity also uses the Executive Work Mechanism reference that has been made by the university. At the unit guidance stage, the treasurer of executive board will assist the activity unit under it to prepare a budget for each activity to be carried out using the nominal sources of funds that have been determined based on the established Executive Work Mechanism. The budgets will then be discussed together at the Faculty’s Work Meeting (Raker) and working meetings at the university level with other faculties or what is commonly called the Coordination Meeting (Rakor).

At the Working Meeting stage, the budget will be corrected by the executive and legislative boards of faculty, as stated by the treasurer of executive board as follows:

“During the model unit guidance, they make a proposal. We prepare this unit guidance to be brought to the Work Meeting. During the guidance of the unit, we help them prepare a budget, such as helping to tidy up the format and all kinds of things. If the formats are correct, at the meeting we just need to correct them like a nominal punctuation mark, or there are budgets that the unit has not discussed yet, but it turns out that when the meeting they make a new addition, usually we, the executive board, will ask what is this budgeting for.”

Representative of the budget commission of faculty legislative board also revealed the monitoring process carried out at the Working Meeting stage:

“Yes, we check the nominal, whether it is in accordance with the Executive Working Mechanism (MKE) or not, and whether the nominal in the budget is in accordance with standardized prices or not. For example, if the price of goods is budgeted higher than the standard price, we will reject it.”

Budgeting for goods or services needed in student activities at ABC University uses standardized prices. Standardized price is a benchmark for activity implementers including the nominal value of each good or service to be used, because standardized
price is the highest indicator of the price of goods or services set by the university legislature based on a survey that has been conducted. In fact, the prices of goods and services in the field are actually higher than the price standard set by the university legislature. All informants stated that finding a higher price in the field than standardized made it difficult to carry out the budgeting process for an activity.

The budget that has been corrected and ratified at the Work Meeting will then be discussed with all faculties at the Coordination Meeting to be reviewed and corrected as was done during the Work Meeting at the faculty level. However, the one that will explain each budget is no longer an activity unit but the faculty executive and legislative boards being discussed with the university’s executive and legislative boards.

Changes in the budget often occur even though it has been passed together at the Coordination Meeting. The bound funds that have been allocated to each student activity cannot change, unless there are important things that make it necessary to increase or decrease. The addition or reduction of bound funds must be discussed by the chairman of executive board and the chairman of legislative board, including discussing the constraints and reasons for the change and signed by the chairman of executive board, the chairman of committee, and the faculty student coordinator. Unlike bound funds, business funds and participant contributions are more flexible and can change according to conditions.

After the budget is approved in the Coordination Meeting, then the unit can form a committee for each event to be held. The formation of the committee is marked by the issuance of a Decree (SK) on the formation of the committee. After the decree is issued, the activity treasurer will complete the budget proposal that has been ratified at the Coordination Meeting to match the Executive Working Mechanism (MKE), and then the treasurers of the executive and legislative boards will re-correct the budget including the budget format, punctuation, budgeted item units and others. The revised budget, signed by the executive chairman and treasurer and obtaining a memo from the legislative board budget commission, can then be corrected at the university level by the university’s executive and legislative boards, as well as the university’s finance department. Budget proposals that have been approved at the university level can then be used as a reference in the process of disbursing funds.

The Role of Supervision of Student Organization at the Implementation Stage

The implementation stage of student fund management in the student organization of ABC University is related to the process of disbursing funds for approved budget proposals and the spending process using funds that have been disbursed.

Disbursement of funds in the student organization of Faculty X is carried out in two ways: the transfer system to vendors and cash disbursements. Disbursement of funds using the transfer system will be carried out by the university’s finance department and only for expenses that have a large nominal value and are certain in nature or in other words, an invoice has been issued by the vendor. Meanwhile, cash disbursements are made for small or uncertain expenses, for example coaching money as a prize for contestants who have not yet known the winners of the activity. In addition to being used for uncertain expenses, cash disbursements can be used when the committee turns out to have previously provided the funds using other funds they have.

In the process of disbursing bound funds, the activity treasurer will be accompanied by the treasurer of the executive board, as explained by the representatives of the legislative board’s budget commission:

“Regarding the disbursement of funds, the legislature does not participate. The one who accompanies is the executive treasurer,
because according to the scenario in SPPM, the activity treasurer coordinates with the executive board, so they cannot go directly to the legislative board.”

This statement is in line with the statement delivered by executive treasurer as follows:

“As much as possible, during the disbursement, the committee is accompanied by the executive treasurer, so that we can see the progress of the disbursement. The legislature is just knowing but not getting involved.”

The results of the interview explain that in the process of disbursement of funds, the legislature does not have a direct role in overseeing the disbursement of funds. The supervisory process is carried out by the executive board, in this case the treasurer. Furthermore, the treasurer of executive board will notify the legislative board. However, there is no provision that regulates the reporting or notification process to the legislative board every time the funds are disbursed, as explained by the treasurer of executive board as follows:

“During the disbursement process, the committee does not report it to the legislature. It doesn’t have to be the formal reporting. From us, the executives, do not even inform formally to the legislative budget commission, it is only informal information, just talk casually when you meet them. The point is that there is no legal obligation to make a written report on every disbursement of funds.”

In the process of disbursing funds, the activity treasurer is accompanied by the treasurer of executive board and all forms of cash that have been disbursed are the full responsibility of the activity treasurer, meaning that if something happens with the disbursed money, it will be the responsibility of the activity treasurer and the activity committee. This is further explained by the treasurer of executive board:

“So, as much as possible, we, the treasurers, accompany the disbursement. If we can’t accompany, the activity treasurer himself is forced to disburse but he must keep in contact with us. For the non-transfer system, cash must be counted in front of the student fund management. If they have left the room and there is a shortage, it is beyond the responsibility of the fund manager, but becomes the affairs of the activity treasurer and the activity committee.”

The disbursed student organization funds can then be used to spend for the needs of the activities, as described by the executive board as follows:

“The committee does not need to tell the executive or legislative, because we will see it at the Accountability Report. But, usually a few months before the event, we will definitely ask whether a large nominal amount has been paid or not. In other words, just for the crucial budget. Not every purchase must be reported.”

This statement is in line with the statement made by the representative of the legislative board’s budget commission that the money to be spent is just enough to be told to the activity treasurer. The legislative board does not interfere with the committee’s spending because the committee understands the needs of the event. Based on the results of the interview, it is clear that there is no form of comprehensive supervision of the process of spending student funds. The executive and legislative boards will continue to communicate regarding the expenditure of goods and services that are crucial or have a large nominal value.

In reality, there are many things that could prevent the implementation process from running properly, for example, the transfer of funds. This was further stated by the legislative board budget commission representatives as follows:

“Not buying according to the proposal is okay, especially during a pandemic like this. There are activities that have been diverted and some were even canceled. As long as they make an official report that will be attached to the accountability report which contains information on why not buying according to the proposal, including
information on the reasons for not buying, what to buy, what nominal diverted or unused."

Based on the results of previous interviews, it is known that there is no overall supervision from the legislative board to the activity treasurer when student funds have been disbursed. Student funds disbursed in cash and in the hands of the activity treasurer are fully the responsibility of the treasurer and the activity committee. Thus, when the disbursed student funds are reduced or lost, the treasurer and the activity committee will replace the money. The executive and legislative boards and the university finance departments do not participate in the process of replacing the lost money. Furthermore, there are no binding provisions or regulations regarding the condition of missing or reduced student funds, whether done accidentally or deliberately by certain individuals.

The Role of Supervision of Student Organization at the Accountability Stage
At the accountability stage, activity implementers will make an accountability report for the funds used for the activities they have carried out. The accountability report that has been made will be corrected by the executive board first, then by the legislative board. After being corrected in the faculty student organization, the accountability report will then be corrected by the university’s executive and legislative boards. The accountability report which is declared correct and completed at the student organization at the university level is marked by the signing of the accountability report by the chairman and treasurer of the executive board at the university level. After finishing at the student organization, the accountability report will be submitted to the student fund management department according to the type of fund. The student fund management will then make corrections again and then submit it to the university’s finance department. The accountability report is stated to be correct and in accordance with applicable regulations if there is no further information from the student fund management.

The accountability report that has been prepared by the executor of the activity must be submitted to the faculty executive board one day after the activity is carried out, and it is submitted to the legislative board three days after the activity is completed and corrected by the executive board. In the executive board, the accountability report will be corrected by the treasurer of executive board as told as follows:

“The reference is a valid budget proposal. In the Accountability Report, there are needs that are budgeted and not budgeted. At the bottom are things that have not been budgeted for but are realized. We sort out it. Then also sort out the expenditure according to the use of the source of funds.”

The accountability report relates to evidence on the purchase of goods and services during activities. Purchasing in the form of goods is evidenced by a note, while spending for services is evidenced by a receipt for payment. All evidence of expenditure must be attached and submitted together with the accountability report. All expenditure evidence will also be corrected by the executive board, as clearly expressed by the executive treasurer as follows:

“All evidence will be attached by the activity treasurer at HVS to the executive, so it can be checked right there before entering the legislature. The payment for services using a receipt, we check whether there is a stamp, nominal, signature, and phone number of the person. For notes, there must be date, place, phone number, signature and shop stamp. For example, in the Accountability Report, it is written IDR 50,000, but on a note it is written IDR 40,000, it means that it must be corrected. The nominal in the Accountability Report must match the one on the existing note or receipt.”

Correction of the accountability report at the faculty legislative board level is the same as that at the executive board level,
as stated by the representative of the legislative board’s budget commission as follows:

“On D + 3, the legislature has checked the Accountability Report and the evidence. The Accountability Report is checked based on the budget proposal, then the notes are checked whether the date is correct or not, whether the nominal in the note is the same as in the Accountability Report, including the validity of the note, address, stamp, and others.”

The results of the interview explain that the executive and legislative board will check the nominal conformity contained in the accountability report with evidence of spending on goods and services required for activities. Budget proposals that have been approved at the planning stage will be used by correctors to check the suitability of spending on goods and services with budgeted goods and services. Goods and services that are not budgeted, but are actually spent are allowed according to what has been described in the implementation stage. Goods and services that are not budgeted but are spent will be put on the accountability report after the goods and services spending part has been budgeted.

In addition to nominal suitability, the executive and legislative boards will also check the validity of evidence of expenditures for goods and services. On the note, the corrector will check the completeness of the identity of the note, such as the date of the note, name and address of the vendor, telephone number, signature, and the vendor’s stamp. Meanwhile, checking payment receipts as evidence of service purchase includes the amount submitted, the phone number of the service provider that can be contacted, the signature of the service provider, and stamp duty according to the nominal amount of money submitted. Checking the validity of evidence of expenditures for goods and services is only carried out to the extent of completing proof of identity, but the executive and legislative boards, as correctors of the accountability report, do not confirm to vendors or service providers the correctness of committee spending transactions, as explained by the executive treasurer as follows:

“The executive will not confirm to the vendor. It’s just a matter of seeing the note whether there is a letterhead or not, there is a telephone number and a signature or not. Or in other words, the identity of the notes is complete or not. The executive will not check or call the vendor one by one.”

Regarding the validity of the note, representative of the legislative board from the budget commission said as follows:

“There should be confirmation at the shop, but from what has been taught by the seniors, we do not need to make confirmation. Maybe confirmation will be made by the university’s finance department.”

Based on the results of the interview, the two correctors explained that in guaranteeing the validity of the notes, they did not confirm to the vendor or service provider related to the spending transactions made by activity committee. In fact, the faculty legislative board, that should have confirmed this, did not do it, because based on experience in the legislative board, the alumni of the legislative board said not to confirm it. So the functionaries of the faculty legislative board, especially the budget commission, did not confirm this.

In reality, there are often leftovers from student funds that are used in every activity, even though there is a policy that every income of student funds must be the same as expenses. Regarding the remaining student funds from an activity implementation, the executive treasurer explains as follows:

“The remaining funds will be discussed with the chairmen of the executive, legislative boards and Daily Administrator to find out where the remaining funds are from, where it will be taken. The point is
there is clear communication regarding the real situation. For the bound funds given by the campus, if there is any remaining, the remaining funds must be returned”

The results of the interview explain that when there is remaining funds from the implementation of an activity, it will be followed up based on the type of funds. The remaining funds from an activity must be communicated to the faculty executive and legislative boards, including where it is from and where will it be taken. If the remaining fund comes from bound fund provided by the university, it will be returned to the university, whereas if it comes from business funds and participant contributions, it will be followed up according to the agreement on the results of communication with the executive and legislative boards.

DISCUSSION

Based on the results of the interviews previously described, the supervisory function of the management of student funds carried out by the executive and legislative boards has not been implemented optimally. The lack of the supervisory function can be seen in the three stages of student fund management due to several factors.

At the planning stage, price standardization that has not been updated is one of the factors causing the supervisory function to not be optimally implemented. Even according to the source person, who has been treasurer of the executive board for two periods, the price standardization has not been updated at all, even though there are higher prices in the field. This made it a little difficult for both the faculty executive and legislative boards and the committee. The price standardization which has not been updated has confused both the corrector and the committee, whether to use standardized prices or prices in the field, so that the planning process can take longer.

Furthermore, at the implementation stage, the supervision conducted by the legislative board has not been maximal, as evidenced by the process of disbursing funds and spending funds. Source person from the legislative board says that the legislative board does not play a direct role in the disbursement and expenditure process because it has been stipulated that the legislative board cannot coordinate directly with the activity committee. The legislative board can only coordinate with the executive board. The legislative body cannot directly assist the process of disbursement of funds because there has been no regulation that regulates the reporting process for implementing activities to the legislative board, at least as a form of transparency to the supervisors of the management of student funds. So far, the legislative board will only know about an activity after disbursing funds from the executive treasurer as the party accompanying the activity treasurer during the fund disbursement process. However, the notification of disbursement of funds given by the treasurer of executive board to the legislative board is neither formal nor mandatory.

Apart from not being able to assist directly in the process of disbursing funds, the legislative board also does not have the right to coordinate directly with the activity committee regarding the expenditure of disbursed student funds. The committee who wants to spend student funds for activities needs to simply tell the activity treasurer, without the need to report to the faculty executive or legislative boards, which in fact are the supervisors of every movement of student funds. Again, this is caused by the absence of regulations that specifically regulate this matter. The faculty executive and legislative boards will only control expenditures that are crucial and have a large nominal value, the rest will be checked on the committee’s accountability report along with evidence that supports the spending transactions that have been made. The legislative board can be said to be passive during the process of disbursing and spending student funds for an activity, whereas Puspitasari et al. (2015) found that fraud that occurred at
the implementation stage of student fund management was quite diverse, such as embezzlement of money and falsification of evidence of spending in the form of improper nominal on notes or receipts, then the excess money spent would go into the committee’s ‘pocket’ that spent the item. In addition, there are no regulations at ABC University that specifically regulate if one day there is a finding of fraud at the student fund management stage that has the potential to harm the organization, one of which is at the implementation stage.

The supervision function of the legislative board at the accountability stage for the management of student funds is also not optimal. This is proven in the process of examining the accountability report prepared by the activity committee. In addition to checking the nominal suitability of the accountability report with evidence of expenditure, the legislative board will also check the validity of evidence of goods and services spending in the form of notes and receipts of payment. Checking the validity of evidence of spending for goods and services is limited to checking the completeness of the identity of notes and receipts. The executive and legislative boards do not confirm to vendors or service providers related to the accuracy of spending transactions made by the activity committee, even though Puspitasari et al. (2015) also found that at the accountability stage, activity implementers can falsify the completeness of purchase evidence such as shop stamps using computer applications, and even cooperate with goods suppliers to simplify the process of accountability for their events.

The use of blank notes for accountability purposes is also often carried out by those implementing the activity, so that they can write the nominal on the note as desired (Salsabil, Utami, & Hapsari, 2019). So, there is a possibility that the complete identity of the note or receipt which is used as an indicator of the validity of evidence expenditure does not reflect actual conditions. This can be an indication that the spending information made by the committee is not at the actual nominal reported in the accountability report. It could be lower or even higher for certain purposes. Such conditions will make the stakeholders of student organizations use unqualified information because it does not reflect the actual conditions, so that it is possible that the stakeholders of student organizations will make inappropriate decisions, for example for the university as the provider of bound funds for student organizations. An accountability report that provides detailed information on the amount spent on committee funds for an activity in a period can be used by the university in determining the amount of funds to be given in the next period. Information on the amount of funds spent in the current period that does not reflect the actual conditions will make the university wrong to make decisions in the provision of funds in the coming period and this is contrary to the concept of stakeholder theory.

Supervision carried out by the executive and legislative boards should be carried out in order to meet the information needs of student organization stakeholders so that stakeholders are sure that the management of student funds has been carried out properly and the information generated from the accountability report prepared by the activity committee can be relied on by stakeholders to take the right decision, such as the addition or reduction of student funds by the university for an activity program in the coming period. This is also in accordance with the monitoring concept by COSO that the existence of effective monitoring in this study in the form of supervision by the legislative and executive boards can help produce accurate and reliable information for student organization stakeholders in making decisions.

5. CONCLUSION
The supervisory function carried out over the management of student funds has not been maximal. The findings show that the factors causing the supervisory
function to be less than optimal include price standardization that has not been updated even for several periods. Another finding is obtained at the implementation stage, in which when disbursing funds, the activity treasurer is only accompanied by the treasurer of executive board, so that when the executive treasurer is absent, the disbursement is carried out by the activity treasurer himself. This is based on existing regulations that the coordination line for implementing activities cannot go directly to the legislative board, which in fact is the main supervisor of student funds. The process of spending funds is also another finding at the implementation stage. The executive and legislative boards are not directly involved in every spending made by the executor of activities, even though the potential for fraud in the implementation stage is very likely to occur. In addition, this has not been regulated in the existing mechanism. The findings at the accountability stage are in the form of checking the validity of the evidence of expenditure to the extent that it is seen from the completeness of the identity of the existing notes or receipts only. The legislative board is supposed to confirm to the vendor, but they do not do it because they think the confirmation will be done by the university’s finance department. Moreover, this has not been explained in the existing mechanism. This research has practical implications that an effective model for overseeing the management of student organization funds requires clear rules and mechanisms at each stage. The existing mechanism should regulate price standardization updates that are carried out periodically so that in determining the nominal budget, it can reflect the actual situation on the ground. Furthermore, the existing mechanisms need to be evaluated in order to provide clarity of actions that need to be taken by the legislative board as the supervisor at the accountability stage, such as the obligation to confirm any evidence of expenditure to related vendors. The mechanisms and regulations implemented should be able to strengthen the supervisory process for the management of student organization funds, so as to reduce various fraudulent acts that have the potential to harm the student organizations, faculties, and universities. Faculties or universities can also form an audit committee that is specifically tasked with overseeing the performance of the executive and legislative boards at each stage of student organization funds management. From a theoretical perspective, this research supports that the supervisory models can be carried out in ongoing activities. In the context of student organization fund management, this model is more appropriate to apply considering that various acts of fraud actually occur when the program of activities is planned and implemented. Interviews were only conducted with resource persons who were at faculty level student organizations, so that the information obtained did not yet describe the overall supervisory function of student fund management which also involved university student organizations and the university finance department. Therefore, it is hoped that future research can obtain information from parties directly related to the management of student funds at the university level.

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