Utilization of Information Technology and Internal Control Systems on Accountability of Procurement of Goods and Government Services

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ABSTRACT

The intent of the study to determine the influence of the use of information technology and internal control systems on the responsibility of government supply of goods and services. This study uses a type of causality research with a quantitative approach. Data obtained from surveys through the distribution of questionnaires with a total sample of 60 originating from implementers in the Electronic Procurement Services Section, Selection Committee, Procurement Officers, Commitment Making Officers, Providers (partners). Data is processed using SPSS statistical analysis tools. The results showed that partially the application of Information Technology and Internal Control Systems had a positive and significant influence on the responsibility of supply of Goods and Services of the Regional Government of Pangkajene and Kepulauan Regency.

Keywords: Responsibility for Procurement of Goods and Services, Internal Control Systems, Information Technology.

INTRODUCTION

To realize maximum service, organizations and institutions in the public sector must have good governance, so that in its performance it can produce maximum benefits for the community and its members. In addition, to realize good performance, local governments must be able to take the right decisions that will be realized in the form of work programs with the aim of prospering the community.
The word corruption is something that we are familiar with. In the reform era, various kinds of corruption cases were widely reported in almost all media, corruption has been entrenched, extending from the central level to the regions, not only in the government, but also in the private sector with a wide network. Indonesia is one of the most corrupt countries in the world. Quoting the KPK case handling statistics available in several annual KPK reports, 2012, 2013, 2014. Since 2004-2014, the KPK has handled 411 corruption cases, of which 131 or one third of them occurred in the supply of goods / services. This places corruption in this area as the second most handled case by the Commission after the bribery case.

Generally, corruption takes the form of mark-ups, procurement conspiracies, arrangements for tender winners, collusion between suppliers and fictitious Procurement (cnbcindonesia.com: 2019). Government goods / services supply is activities of goods / services procurement by regional ministries / institutions that are financed by the State Budget / Regional Budget whose processes have been identified from the needs until the submission and acceptance of work results (Republic of Indonesia Presidential Decree No.16 in 2018). In the process of supply of goods and services is one example that often harms state finances. PBJ is considered as a contributor to leakage of state finances (Antara News: 2008), even though PBJ is a strategic instrument for the government to encourage equity, create jobs, improve people's welfare.

Economic development in Indonesia which is increasingly complex greatly affects all fields of life. Particularly at service goods procurement agencies, government efforts in carrying out development cannot be separated from the strategic role of procurement. There will be no improved irrigation, added school classrooms or rejuvenated health center health equipment, without a procurement process. Therefore, the national procurement system should be strengthened.

Pangkajene and Kepulauan Regencies are one of the regencies in South Sulawesi Province that are not immune from a number of Goods and Services Procurement cases, including those from the BPK LHP related to the work on the procurement of medical devices; it was found that there was a state loss of Rp. 700 million more than the total budget used for Rp. 22 Billion more than the Audit Report (LHP) of the Supreme Audit Agency (BPK) mentioned several violations in the implementation of projects originating
from the Special Allocation Fund (DAK) this 2016 fiscal year (liputan6.com, 2019). Next is corruption cases in procurement activities of props of the Education Office with a project value of 1.2 billion, a state loss of 300 million (Tribunpangkep.com: 2016).

Seeing the many cases that occur, really needs to be perfected the procurement process of government equipment and services that are not in line with expectations. procurement reform continues to be pursued by the government to reduce the occurrence of errors and practices of fraud in the supply of goods and services.

The goal of this research is to be able to know the influence of the use of Information technology and Internal Control Systems on Government Goods and Services procurement Responsibility.

**LITERATURE REVIEW**

**Application of Information Technology**

Understanding information technology are all facilities consisting of software and hardware that aim to improve the function of information for the public better and faster (Ghazmahadi, Basri, Kusnadi and Ramli, 2020; Imran and Ramli, 2019). Information technology is technology that can be applied to send information through electronic media (Lucas, 2000; Takaya, Ramli and Lukito, 2019; Chandra, Takaya and Ramli, 2019).

To realize the objectives of effective and efficient supply of goods and services, application electronically is used, which is called electronic procurement (e-Procurement). This Application include General auctions, pre-qualifications and electronic sourcing using a website-based module. E-Procurement is complete application related to all procurement activities.

The e-Procurement in Indonesia is called the SPSE (Electronic Procurement System) application managed by LPSE or Electronic Procurement Services (LKPP, 2016). Electronic Procurement Serviceis a work unit created in all government agencies to manage the system electronically or services with electronics implemented by the government procurement service unit. This system will also improve transparency and accountability, competition for a healthy business, and make improvements to the efficiency of the procurement system, will certainly automatically improve supervisory and control
functions, for the realization of government procurement of goods and services that are clean and free of collusion and nepotism.

In accordance with Presidential Regulation Number 54 of 2010, known principles in the e-procurement system: (1) Effective, its means use the minimum cost and power to get maximum results; (2) Efficient, meaning goes as planned with the maximum benefit; (3) Transparent, meaning that provide clear information to all interested parties, (4) Open, meaning that procurement activities can be followed by all providers of goods and services according to the competencies and regulations; (5) Competing, means the auction is carried out in a healthy manner and meets the specified criteria; (6) Fair / non-discriminatory, meaning that the same treatment for all bidders and no intervention; (7) Accountable, meaning that all stages must be carried out according to applicable rules so that the results can be accounted for.

The benefit gained by using an electronic procurement system is the efficient use of the state budget (APBN), activities can be completed in a faster period of time and healthy competition for competition between business actors up to support a conducive investment climate with the national (Jasin et al, 2007).

**Internal Control System**

Internal control is a way to guide, control and assess the resources of a company or institution (Valery, 2011). So that it can prevent fraud and maintain the security of company assets, whether tangible or intangible. Internal monitoring is one way to realize government accountability in carrying out the supply of goods and services. To prevent fraud in the procurement process, the government issued Presidential Regulation No. 54 of 2010 which was later updated with presidential regulation no. 16 of 2010 which regulates the procurement of goods and services in the field of government. Internal supervision of all policies and to safeguard the security of the country's wealth from all forms of fraud is the responsibility of the government as management for the realization of transparency and accountability in managing state finances effectively, efficiently and economically.

Government Internal Control System is a system that is generally and comprehensively and integrated which is held by the central government to the regional government. Contained in government regulation No. 60 of 2008. Government Internal
Control System is implemented by the Financial and Development Supervisory Agency (BPKP) and the Inspectorate through the Government Internal Control Apparatus. Whereas the government’s External Control System is implemented by the Supreme Audit Board (BPK), the DPR / DPRD, the Police, the Prosecutors’ Office, the Corruption Eradication Commission and other judicial institutions. With the existence of the SPIP, it is aimed at creating good supervision in all government institutions or agencies so as to prevent mistakes that cause state losses.

The COSO identifies 5 interconnected components of control internal. These 5 components largely determine how effective the internal control function. The five components revered to are: (1) Environment control, (2) Risk Assessment, (3) Activities Control, (4) Communication and Information, (5) Monitoring.

**Accountability for the Procurement of Goods and Services**

According to Bastian (2010) accountability is a form of responsibility to provide an explanation for everything that has the right to request information. Accountability is an oversight of the results of public service activities and then delivers transparency to the community (Teguh Arifiyadi, 2008). One of the principles in E-tendering is Accountability, which means it all stages of activities must be in accordance with applicable rules and regulations so that they can be legally accounted for.

There are 5 things that must be known in connection with the concept of accountability, namely are transparency, liability, control, responsibility, and responsiveness (Koppel, 2005). The main basis of accountability is transparency, where the individual or organization is said to be accountable if he is able to explain or assess his actions or actions (Ramli and Maniagasi, 2018). Thus, accountable individuals or organizations cannot hide their mistakes or avoid being investigated. An organization must be open and transparent to all interested parties, especially to activities involving the interests of the general public, because the performance of an organization is judged by its transparency. Transparency also requires the truth of information to the parties concerned and the public.

Liability is another dimension of accountability. Interpreted in an easy-to-understand language that this concept addresses employees and the company, provide rewards or punishments when violations occur (Ramli and Yudhistira, 2018; Ramli, 2019b), and
provide rewards when employees give success to the company (Ramli, 2018a; Priarso, Diatmono, and Mariam, 2019; Imran, 2018; Ramli, 2018b). Accountability for misappropriation of funds, inaccurate allocation of risks, or abuse of authority or authority. Instead, a remuneration system is given based on individual and organizational performance (Ramli, 2019a; Armanda, Basri, Kusnadi, Ramli, 2020; Mariam and Ramli, 2019a). Public employees receive bonuses and compensation based on performance achievements (Mariam and Ramli, 2019b; Ramli and Mariam, 2020). Disclosure of violations or weak performance without any liabilities is a reflection of the weak degree of accountability (Mariam, 2019).

RESEARCH METHODS

This study uses a type of causality research with a quantitative approach. Data obtained from the survey results through the distribution of questionnaires with a total sample of 60 originating from implementers in the Electronic Procurement Services Section, Selection Committee, Procurement Officers, Commitment Making Officers, Providers (partners) in Pangkajene and Kepulauan Regency. Determination of the sample using purposive sampling technique that is the sample is determined based on compatibility with the research problem (Amir, 2015). Data were processed using SPSS 23 statistical analysis tools.

RESULT AND DISCUSSION

The following is a table of processed data using SPSS 23 to find out the influence of Information Technology Utilization and Internal Control Systems on the Procurement responsibility of Goods and Services of the Regional Government of Pangkajene Kepulauan Regency.

**Table 1: Regression Analysis Results Table**

| Coefficientsa | Unstandardized Coefficients | Standardized Coefficients | Collinearity Statistics |
|---------------|----------------------------|---------------------------|-------------------------|
| Model         | B                          | Std. Error                | Beta                    | T | Sig. | Tolerance | VIF |
|               |                            |                           |                         |   |     |           |     |
Based on the above table above, linear regression formulation as follows:

\[ Y = 4.284 + 0.332X_1 + 0.497X_2 \]

From the equation model, it can be described as follows, if the use of information technology (X1) increases by one unit, the value of the internal control system is constant, then the value of accountability for the procurement of goods and services of the local government (Y) will increase by 0.332 units. If the value of the internal control system (X2) increases by one unit and the value of the use of information technology is constant, the accountability value of the procurement of goods and services of the local government (Y) will also increase by 0.497 units. Or in other words, the increasing value of using information technology tends to be followed by accountability in the procurement of goods and services of local governments. Quantitatively the use of information technology contributes to the accountability of the procurement of goods and services of local governments by 0.332 units in a positive direction with a constant of 4.284. Likewise, an increase in the internal control system is likely to be followed by an increase in accountability for the procurement of goods and services of local governments. Quantitatively the internal control system contributes to the accountability of procurement of local government goods and services by 0.497 units in a positive direction with a constant of 4.284.

Based on the results of data analysis using SPSS 23 shows that the variable utilization of information technology (X1) has a positive and significant effect on the accountability of the procurement of goods and services of local governments (Y) with a significance value of less than 0.05 that is equal to 0.009. While the internal control system variable (X2) also has a positive and significant effect on the accountability of the procurement of goods and services of local governments (Y) with a significance value of less than 0.05 which is equal to 0.000.
Discussion

1. The Influence of Utilization of Information Technology on the Accountability of Procurement of Goods and Services

The result shows that the variable X1 utilization of information technology had a significant positive influence on the variable Yis accountability for procurement of goods and services. This is related to the phenomenon that changes in the procurement system long before the advent of information technology, everything is done manually. It takes months of time from planning to announce the winners, so that the opportunity to take negative actions and harm the country has a huge opportunity. The intervention of all parties is very large, mainly from stakeholders. By the technology as it is today, LPSE in Pangkep Regency itself already uses the SPSE application (Electronic procurement system) Version 4.2 is superior to the previous version. The advantage is: there is a quick auction feature that only takes 4 days to be able to get the winner of the tender so the implementation of the work can be faster too. In addition, electoral workgroups no longer need to download auction documents because everything has been prepared by the system. So that by the increasingly sophisticated information technology that is used it will have a significant influence on the responsibility of government supply of goods and services. Because of some of the work and responsibilities of procurement have been taken over by the system and the error rate will be smaller.

2. The Influence of Internal Control System on the Procurement Accountability

From result of research that have been shows that the internal control system has a positive and significant influence on the responsibility of government supply of goods and services. Internal control is more focused on the purpose of protecting state assets from misuse. By the improved internal control system, the accountability of procurement of goods and services will also be achieved well, all activities of procurement of goods and services run according to SOP (operational system standards) that have been set. Control of procurement planning will ensure that the goods to be obtained in accordance with the needs, types, specifications, quantity and quality. Control over the implementation of supply in accordance with applicable laws and regulations, namely referring to Perpres No. 16 of 2018. Adequate internal control will also affect the integrity and ethical enforcement
of procurement actors, improve human resources, improve performance and especially create good public governance.

CONCLUSION

According to the results of research and data processing that has been done, it can be concluded that the application of information technology has a significant positive impact on the responsibility of procurement of goods and services of the Government of Pangkajene and Kepulauan Regency, and the Internal Control System has a significant positive impact on the accountability of supply of goods and Services of the Government of Pangkajene and Kepulauan Regency.

Managerial Implications

Seen from the results of the study, have implications that currently the electronic tender application is using SPSE version 4.3 where the wider community can directly access and assess government policies in connection to the procurement of goods and services. Likewise, the Internal Control System has improved with the separation of functions and clear responsibilities of procurement actors.

Suggestion

There are two things suggested in this study, firstly supply of government goods / services must prioritize the quality of public services, in order to achieve the national goal of improving the welfare of the community through good governance, so that the supply process electronic government goods / services / e-procurement can prevent corruption, collusion and nepotism. Then secondly, it is expected that procurement actors will uphold professional ethics, be neutral and not accept intervention from any party for the creation of accountable and transparent procurement reforms.

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