



Effectiveness of The Audit Program, Integrity and The Government Internal Control System on Prevention of Fraud in The Procurement of Goods and Services

Daning Ayu Ningsih^{1*}, Helmi Yazid², Dadan Ramdhani³

^{1*,2,3} University of Sultan Ageng Tirtayasa

Corresponding Author: daningayun@gmail.com^{1*)}

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Abstract:

The purpose of this study is to determine whether the effectiveness of probity audit, integrity, and the government's internal control system (SPIP) affects fraud in the procurement of goods and services in Serang district. This research uses quantitative methods. The sampling technique uses cluster sampling. The population in this study was a whole local government organization with a total of 27 and each OPD was given 5 questionnaires. The analysis method used in this study is the coefficient of determination method. The data processing process uses SmartPLS software version 3. The type of data used in this study is primary data. Path analysis and bootstrapping technique were used to test the hypothesis. The results of this study show that the effectiveness of the audit probity and the government's internal control system had a positive and significant effect on the prevention of fraud in the procurement of goods and services while for integrity it had no effect and was significant on the prevention of fraud in the procurement of goods and services.



Introduction

Fraud is a form of deliberate fraud that causes losses without being noticed by the aggrieved party and provides benefits for fraudsters. There are several frauds that occur in the public sector in the form of corruption (corruption), asset misappropriation, as well as false statements or fraudulent statements. In this case, the context of procurement of goods and services whose approach is repressive which actually makes employees in the government involved in procurement activities that must be guided in accordance with generally accepted provisions in order to minimize fraud. In accordance with Presidential Regulation no. 12 of 2021 concerning the procurement of goods and services, there is a drafting of regulations for the procurement of goods and services sourced from the APBN/APBD related to changes to Presidential Regulation no. 16 of 2018 concerning the procurement of goods and services.

Changes in the ordering of the provision of goods and services occur because they follow the development of an increasingly complex era of procedures for the provision of goods and services in government, which means the process is getting better. On the other hand, the changes that occur provide opportunities for certain parties to commit fraud. This is supported by data released by Indonesia Procurement Watch (IPW) which shows that 70% of corruption cases in Indonesia are in the form of irregularities in the procurement of goods/services. Data from corruption crimes (TPK) by type of case also shows that the largest corruption case after bribery is the procurement of goods/services which can be seen in the following table:

Table 1.1
Corruption Crimes Based on The Type of Case

Case	Years					
	2015	2016	2017	2018	2019	2020
Procurement	14	14	15	17	18	18
Licensing	1	1	2	1	0	0
Bribery	38	79	93	168	119	25
Levy/Extortion	1	2	0	4	1	0
Misuse of the Budget	2	2	1	0	2	0
TPPU	1	3	8	6	5	0
Hindering the KPK Process	0	0	2	3	0	0

Source: Processed by the Author

Based on the Indonesian Fraud Survey conducted in 2019, the most detrimental fraud in Indonesia is Corruption, including in the government sector (KPK, 2019). According to the KPK, corruption results in a slowdown in a country's economic growth, decreased investment, increased poverty, and increased income inequality. Even corruption can also reduce the level of happiness of the people in a country. State Financial Losses caused by Corruption throughout semester 1 2020 amounted to Rp. 39.2 Trillion While the additional criminal

replacement money was only Rp. 2.3 trillion. Based on this data, around 5.8% of the value that can be recovered from corruption crimes.

For more than a decade, the Indonesian government's efforts to eradicate corruption through the KPK have been carried out. From 2004 to 2020, corruption convictions handled by the KPK based on the type of cases were 1122 cases with bribery cases as the most acts, namely 739 cases or 65.8% and Goods/Services Procurement Cases as many as 236 cases or 21%. Corruption related to cases of procurement of goods and services is usually to determine state losses more easily than cases of corruption due to bribery (ACFE Indonesia, 2020). Corruption in the procurement of goods and services will have an impact on discrepancies in specifications, volumes, and quality.

The many fraudulent practices of procurement of goods/services that occur are of course due to the non-compliance of parties involved in the procurement process of goods/services to government regulations so that the state always bears its losses as a result of fraud practices that occur continuously. Problems in the procurement of goods and services can arise at the stage before the contract is signed, namely the selection process (ex ante screening) and at the stage after the contract is signed, namely the implementation of the contract (ex post adaptation). Most of the problems occur at the stage of contract execution, although in some cases they are caused by an election process that is not in accordance with the procedure. Broadly speaking, the problem of government procurement contracts in Indonesia, which in most cases ends in disputes between providers and buyers, is related to three things, namely (1) incomplete contract documents; (2) vagueness/multi-interpretation of the provisions in the contract; (3) the emergence of factors that cannot/are difficult to predict (Robin A. Suryo, 2013)

The approach to evaluating the procurement of goods and services is carried out by auditing the procurement of goods and services applied by the government to overcome various existing problems related to the procurement of goods/services, especially to detect irregularities and fraud at the time of procurement of goods/services. The success factor in the process of procurement of public goods is honesty (Thompson et al., 2015). Probity Audit is an approach to prevent corruption and ensure that the process of all activities in public sector institutions, such as procurement of goods/services, sale of assets, and sponsorships/grants, is carried out in a fair, objective, transparent, and accountable manner.

In Indonesia, probity audits have begun to be implemented since the issuance of the Regulation of the Head of the Financial and Development Supervision Agency Number PER-362 / K / D4 / 2012 concerning Guidelines for Probity Audits of Government Procurement of Goods / Services for Government Internal Supervision Officers. With the implementation of probity audits, such as providing fresh air for the government in the eradication of corruption in the field of procurement of government goods/services. Kasminto, Director of Regional Financial Supervision for Region I of the BPKP stated that if we do what is called a probity audit, of course, cases like the one that happened in Hambalang will not happen (Renaldo Andrew Jusuf, Grace B. Nangoi, 2021).

Probity audit is an independent assessment activity to ensure that the procurement process of goods/services has been carried out consistently in accordance with the principles of integrity, truth, and honesty as well as compliance with applicable laws and regulations to increase accountability for the use of public funds (Arifin & Hartadi, 2020). Through the construction of facilities and infrastructure is very important in supporting and driving the economy and community services in Indonesia by going through a procurement system that is suitable for good use where physical facilities and infrastructure, or often referred to as infrastructure, are a very important part of the service system for the community. Various physical facilities are vital to support various activities in the government, economy, industry and other social activities in the community. The development of quality infrastructure such as roads, buildings, bridges, energy, electricity and telecommunications will create prosperity for the community. This is a nation's ability to carry out development through the procurement of goods and services.

Along with the change of leadership reforms that have occurred in Indonesia, there is hope that the implementation of expenditures financed by the APBN or APBD can be carried out effectively and efficiently by prioritizing the application of the principles of business competition that are healthy, transparent, open and can apply fairly to all parties. The broad scope and scope of government procurement of goods/services, cross-institutional and cross-sectoral, can also have an impact on the development of small businesses, increasing domestic production, and developing the climate in the business world (Arifin Z et al., 2020) .

The distribution and distribution of the state budget, one of which is through the procurement of government goods/services which is a fundamental component of good governance. Government procurement of goods/services has the purpose of, among others, obtaining goods/services at prices that can be accounted for in quantity and quality according to and on time for implementation. To regulate the implementation of the procurement of goods/services financed from the APBNat or APBD, it needs to be regulated from a formal and material perspective. Considering that financing the procurement of government goods/services is government spending sourced from state finances which, among others, come from taxes for every Indonesian citizen. The regulation is intended so that the procurement process of goods/services has transparency, accountability and without reducing effectiveness in its implementation (Kementrian Keuangan Republik Indonesia, 2018).

Strengthening regulations in the government goods/services procurement sector is also with the establishment of the Indonesian Government Goods/Services Procurement Policy Institute (LKPP) on Presidential Regulation Number 54 of 2010 concerning Government Procurement of Goods/Services, then on March 16, 2018 the President has signed Presidential Regulation No. 16 of 2018 concerning Government Procurement of Goods/Services stating that the selection method for Providers of Goods/Construction Work/Other Services consists of a. E-purchasing; b Direct Procurement; c. Rapid Tender; and e. Tenders. E-purchasing as referred to according to this Presidential Regulation, is carried out for Goods/ Construction Works / Other Services that have been listed in the electronic

catalog. Meanwhile, Direct Dressing according to this Presidential Regulation is for the Procurement of Goods/ Construction Work / Other Services which is worth a maximum of Rp. 200,000.00 (two hundred million rupiah). Direct Appointment in accordance with this Presidential Regulation is carried out for the Procurement of Goods/Construction Works/Other Services under certain circumstances. Rapid Tender according to this Presidential Regulation is carried out in terms of: a. The specifics and volume of its work can already be determined in detail; and b Business Actors have been qualified in the Provider Performance Information System, and the Tender as referred to is carried out in the event that it is unable to use the Provider selection method in certain circumstances (Perpes, 2021).

The mechanism for determining procurement agents can be carried out through a self-management process if the executor is UKPBJ or through the selection process carried out by individuals or business entities (LKPP, 2020). This procurement agent will be a solution for procurement that is complex or unusually carried out by the Task Force.

Where basically the management of government finances must be carried out by every member in the government organization both from the central and in the regions with high integrity. In addition, a good control system is also needed. Controls are carried out to prevent fraud. Therefore, to realize prevention, the government has created a system of supervision and control on government performance. The activity is named the Government Internal Control System (SPIP) which is stipulated in government Regulation number 60 of 2008 (Hughes, 2008) .

Research on the implementation of audits on procurement of goods and services in Indonesia has been widely carried out, but most of the research that has been carried out on audits carried out after payment or post award audits, while research on audits carried out before payment or probity audits / pre-award audits is still very minimal. With the many cases of procurement of goods/services that occur in the Government even though the government has implemented probity audits and the government's internal control system that regulates based on laws and regulations, there is still a lack of research related to probity audits so the author is interested in researching the implementation of probity audits in more depth (Dewi & Muslimin, 2021).

In previous research, there were weaknesses, namely in the procurement of goods and services that occurred at the planning stage, determining technical requirements, determining product specifications, providing explanations, and evaluating bids, where at this stage the procurement officer was still able to carry out a monopoly accompanied by a lack of integrity and ineffectiveness in this stage. probability audit in preventing fraud that occurs in the procurement of goods and services. So that in this study the researchers added the Government Internal Control System (SPIP) variable in preventing fraud in the procurement of goods and services in order to minimize fraud that occurred in the procurement of goods and services that occurred within the local government as well as at the center.

The four elements in the diamond fraud theory explain that initiative is a strong desire based on a person's needs so that he intends to commit fraud. In this case, Wolfe and Hermanson (2004) interpret it as pressure. Where Opportunity is a condition that arises

because of weaknesses in the system that can be exploited by people who understand the system so that they can commit fraud. Rationalization is a description of the attitudes and thoughts of the perpetrators of fraud that if someone commits fraud, the results and risks obtained will be commensurate with the fraud he has committed. Capability is a condition related to the abilities possessed and needed by a person so that he is the right person to commit fraud. With his abilities he can recognize opportunities to commit fraud and can turn them into reality (Avianto et al., 2019).

Research methods

The method used in this study was to use the survey method, where the authors distributed questionnaires for data collection. The approach used in this study is a quantitative approach. Quantitative research is defined as a research method based on the philosophy of positivism, used to examine certain populations or samples, data collection using research instruments, data analysis is quantitative / statistical, with the aim of testing predetermined hypotheses (Sugiyono, 2017).

The population used in this study was actors of procurement of goods and services located in Local Government Organizations (OPD) in Serang Regency with a total of 135 respondents overall. The type of data used in this study is primary data derived from questionnaires in the form of questions that are shared with all respondents and the tools used in this study using SmartPLS version 3.

Results and Discussion

Data analysis

In measuring this study, a questionnaire was submitted where respondents were asked to answer according to the respondent's opinion. Researchers measured questionnaire answers using the 5-point Likert Scale. The Likert scale is used to measure the attitudes, opinions, and perceptions of a person or group of people about social phenomena with each Independent variable is to give 9 questions and for the dependent variable by giving 15 questions.

Research using sampling techniques is more profitable than using only the population. Therefore, there are many considerations that need to be considered by researchers so that in carrying out their information search they can produce representative information so that their research can be categorized as valid research.

The following is a list of the research population:

- a. Budget User/Power Budget User (PA/KPA)
- b. Commitment Making Officer (PPK)
- c. Procurement Service Unit (ULP)/Procurement Officer
- d. Committee/Official Recipient of Work Results
- e. Goods/Services Provider

Full Model Structural

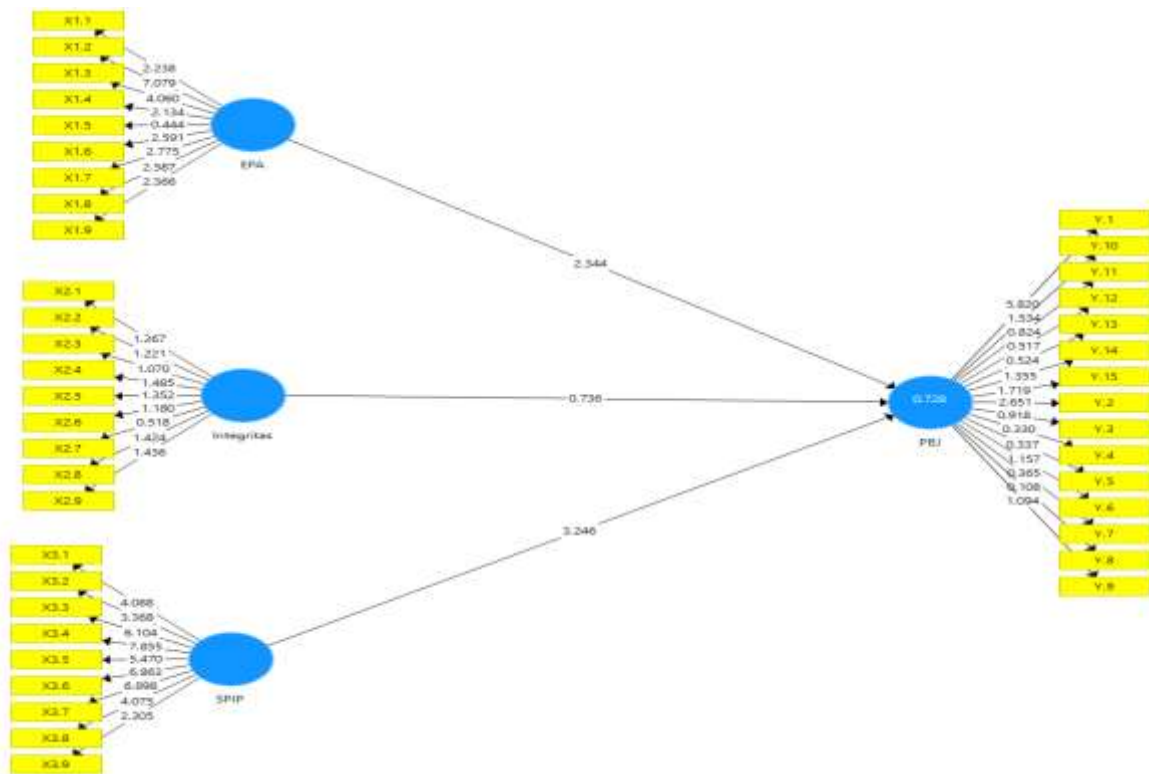


Figure 1. Full Model Structural

Descriptive statistics

Descriptive statistics are used in this study to provide an overview of Probit Audit Effectiveness, Integrity, SPIP and fraud prevention in the procurement of goods and services by managing the answers of the relevant respondents. Descriptive statistics provide an overview of the data that we will see from the average value (mean), standard deviation, variance, minimum, maximum, range, sum, kurtosis, and skewness (skew of distribution). The following is a table of descriptive statistics:

Table 2.
Descriptive Statistics

Variable	Min	Max	Mean	Std. Deviation
Efektivitas Probit Audit	5	2	4.241666667	0.934324
Integritas	5	2	4.518518519	0.670875
Spip	5	2	4.662962963	0.5284479168
PBJ	5	2	4.002222222	0.764699

Source: SmartPLS output processed 2022

Based on table 2 above, describe descriptive research variables used for the entire sample in this study. Minimum is the smallest value from a series of observations, maximum is the largest value from a series of observations, the mean (average) is the sum of the values of all data divided by the number of data, while the standard deviation is the root of the sum of the squares of the difference between the data values and the average. average divided by the number of data.

Data on the effectiveness of the Probity Audit obtained through a questionnaire with nine statements and five alternative answers (1,2,3,4, and 5). From the results of 120 respondents, the highest score was 5 and the lowest score was 2 with an average value of 4.241 and a standard deviation of 0.9343, for data integrity obtained through a questionnaire with nine statements and five alternative answers (1,2,3,4, and 5). From the results of 120 respondents, the highest score was 5 and the lowest score was 2 with an average score of 4.518 and a standard deviation of 0.6708, for the Internal Control System (SPIP) the data obtained through a questionnaire with nine statements and five alternative answers (1,2, 3,4, and 5). From the results of 120 respondents, the highest score was 5 and the lowest score was 2 with an average value of 4.662 and a standard deviation of 0.5284, while for PBJ the data obtained through a questionnaire with nine statements and five alternative answers (1,2,3,4, and 5). From the results of 120 respondents, the highest score was 5 and the lowest score was 2 with an average value of 4.002 and a standard deviation of 0.764.

Data Quality Test Results

a. Validity test

The validity test in this study is by using SMartPLS software with the Outer Model or Menasurement Model, namely Convergent validity which can be seen by the square root of avrtage variance extranced (AVE) value with latent variables or constructs, namely the correlation between one construct and another construct. In the model, if the square root is more than 0.5, it can be said to have a good Discriminate Validity value. These results can be presented in table 3 below:

Table 3
Average Variance Extracted (AVE)

	Average Extracted (AVE)	Variance	√AVE	KET.
EPA	0.627		0.900	VALID
Integritas	0.415		0.646	VALID
Spip	0.447		0.813	VALID
PBJ	0.244		0.514	VALID

Source: SmartPLS output processed 2022

Table 3 describes the value of the AVE and the AVE root of the construct or variable of Probity Audit Effectiveness, Integrity, SPIP and PBJ Fraud Prevention, it can be seen that each of the variable constructs has an AVE value above 0.5. This shows that each construct is a good validity of each indicator. This questionnaire is used to determine the effect of the variables of Effectiveness of Probity Audit, Integrity, SPIP, and Procurement of Goods and Services to be said to be valid.

Research result

a. Reliability Test

In the reliability test, the software used is PLS with Composite Reliability. In a data it is said to be reliable if with Composite Reliability it is more than 0.7. These results are presented below:

Table 5
Realibility Test Results

	Composite Reliability	
Efektivitas Probitiy Audit (EPA)	0.921	Reliabel
Integrity	0.714	Reliabel
Spip	0.859	Reliabel
PBJ Fraud Prevention	0.726	Reliabel

Source: SmartPLS output processed 2022

The data in table 4.10 can be seen in each latent variable contained in the Composite Reliability value above the value of 0.7. This indicates that internal consistency or variables have good reliability.

Hypothesis Test

Hypothesis testing was conducted to determine the relationship between the research variables. The relationship between the variables tested as explained in the problem formula, namely there are 3 hypothesis testing. The basis used in testing the hypothesis is the value contained in the output path coefficients in SmartPLS statistically, each hypothesized relationship is carried out using simulation. The following is the output path coefficients in this study:

Table 6
Result For Inner Weight

	Original Sample	Sample Mean	Standard Deviation	T Statistic
EPA -> PBJ	4.076	3.802	0.0831	4.907
Integritas -> PBJ	0.021	0.030	0.037	0.556
SPIP -> PBJ	0.495	0.478	0.142	3.468

Source: SmartPLS output processed 2022

Based on the table above, it can be seen that the effect of EPA on PBJ is a Positive value of 4.076 and a significant value of 0.05 ($4.907 > 1.96$). The effect of integrity on PBJ is negatively valued at 0.021 and has no significant value at 0.05 ($0.556 < 1.96$). The effect of SPIP on PBJ is positively valued at 0.495 and is worth 0.05 ($3.468 > 1.96$).

In assessing the model with PLS begins by looking at the R-square for each dependent latent variable. This R-square is a value that pays attention to how much an independent or exogenous variable affects a dependent or exogenous variable. The following is presented in the form of an R-square in table 7:

Table 6
R Table

	<i>R-Square</i>
PBJ	0.936

Source: SmartPLS output processed 2022

The table above shows the value of the R-square contruk PBJ of 0.936 or 93.6%, meaning that the PBJ variable is influenced by 93.6% by the EPA, Integrity, and SPIP variables, and the sis is influenced by contributions from other factors. So it can be concluded that the higher the R-square, the greater the independent variable, and can explain the dependent variable, so that the better the structural equation.

a. The Coefficient Of Determination (R²)

The coefficient of determination is measuring the magnitude of the proportion or percentage explained by the dependent variable by all the independent variables. The value of (R²) is between 0 < (R²) < 1. The larger (R²), the better the quality of the model, because the more it can explain the relationship between the dependent variable and the independent (Gujarati & Dawn, 2012).

The results of the regression analysis based on the coefficient of determination (R²) in table 4 below:

Table 7. Results of the coefficient of determination (R²)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,673	0,452	0,353	0,00803

Source: SPSS output processed 2022

The coefficient of determination (R²) in table 7, the R square value is 0.452 and the adjusted R square value is 0.353. The result of the coefficient of determination is 35.3% with the remaining 64.7% which is explained by other variables outside the study.

Discussion

a. Effectiveness Of The Audit Program On Prevention Of Fraud In The Procurement Of Goods And Services

H1 states that the Probity Audit Effectiveness has a positive and significant effect on PBJ Fraud Prevention which is shown with the original sample of 4,076 which means a positive relationship and the T-Statistic value of 4,907 is greater than the T-table, which is 1.96, which means significant. This Hypothesis 1 is accepted.

The results of research by Danuta (2017) state that by having adequate facilities and infrastructure, probity audit practices can run optimally. With the availability of adequate facilities and infrastructure in the practice of probity audit, it can assist the auditor in checking the volume of the building, material specifications, conformity with planning, and others. When the implementation of a probability audit is not equipped with adequate facilities and infrastructure, the opportunity factor becomes the dominant cause of fraud. In this case, opportunity is an opportunity that can be used by someone to commit fraud or irregularities in the process of providing building construction.

In the research conducted by Syahru in 2019, it was explained that the results of the research on the effectiveness of the probability audit had a positive and significant effect on preventing fraud in the procurement of goods and services. This is due to the fact that the auditee has an important role in the practice of probity audit because the auditor at the time of the examination really needs data related to the process of procuring goods/services and as a determining factor in the success of the practice of procuring goods/services.

With the implementation of Probity Audit Effectiveness in the Prevention of Procurement of Goods and Services which regulates the preparation and evaluation prior to the creation of contracts in goods and services where this is caused by the auditee who has an important role in the practice of probity audit because the auditor at the time of the examination really needs data that related to the process of procurement of goods/services and as a determining factor in the success of the practice of procurement of goods/services.

Based on BPKP RI Regulation No. 3 of 2019 concerning Guidelines for Internal Supervision of Government Procurement of Goods/Services, probity audit is defined as assurance provided by a probity auditor to carry out independent supervision of a process of procurement of goods/services and provide an opinion or objective conclusion regarding whether the process of procuring goods/services is in accordance with the requirements of honesty (probity requirement), which has complied with the procedures for the procurement of goods/services in accordance with the provisions of the applicable laws, as well as the principles and ethics of the procurement of goods/services. Probity audit is also an effort to strengthen internal control and risk management in the procurement of goods/services through the role of the Government Internal Supervisory Apparatus (APIP).

Procurement of government goods/services by conducting a Probity Audit has the aim of obtaining goods and services at an accountable price with the appropriate quantity and quality and timely implementation so that there is no fraud in the process of procuring goods and services that are appropriate. This shows that the effectiveness of the Probity Audit has an impact on the procurement of goods and services carried out by the Serang Regency government where both the procurement committee to the working group and others involved in the procurement of goods and services have been evaluated during the preparation of the current year's budget for each procurement package. This will be done through the LPSE system which is input by the operator until the disbursement of funds for purchasing procurement packages, all of which have been monitored.

b. Integrity On Prevention Of Fraud In The Procurement Of Goods And Services

Based on the results of data processing which shows that integrity has a negative and insignificant effect on PBJ Fraud Prevention, which is shown with the original sample of 0.021 which means a negative relationship and the T-Statistic value of 0.556 is greater than the T-table which is 1.96 which means significant. Thus Hypothesis 2 is rejected.

Lack of integrity is an important factor in the occurrence of fraud in the procurement of goods and services. According to OECD (2016), integrity refers to the enforcement of ethical standards and moral values of honesty, professionalism and truth that becomes the basis for ensuring fairness, non-discrimination and compliance in the public procurement process. Integrity violations in the procurement of goods / services are related to the opportunity, rationalization and capability, which are elements of the diamond fraud theory. With opportunity, rationalization, and capability, the procurement officers are usually tempted and easy to commit fraud. Integrity violations in the procurement of goods / services are related to the opportunity, rationalization and capability, which are elements of the diamond fraud theory. With opportunity, rationalization, and capability, the procurement officers are usually tempted and easy to commit fraud (Avianto et al., 2019) .

Based on respondents' answers to the indicators in the use of integrity variables that show varying values, this is due to each individual for his or her integrity in carrying out the procurement of goods and services. Individual factors related to need and greed, while the generic factors of opportunity and disclosure have not been maximized in providing a deterrent effect for the perpetrators. Greedy individuals trigger dishonest acts and neglect their responsibilities in order to fulfill their personal interests and put aside the interests of others, including the goals of the organization where they work. The greedy individual nature reflects the lack of morality and integrity possessed by employees who work in government circles.

Improper treatment of entity assets can be carried out in various ways including embezzlement of receipts of goods/money, theft of assets, or actions that cause the entity to pay prices for goods or services that are not received by the entity. Fraud Detection The initial stage in detecting fraud is to study the activities of organizations and business units on third parties in the procurement of goods or services.

c. The Government Internal Control System On Prevention Of Fraud In The Procurement Of Goods And Services

Based on the results of data processing, SPIP shows that it has a positive and significant effect on PBJ Fraud Prevention which is shown with the original sample of 0.495 which means a positive relationship and the T-Statistic value of 3.468 is greater than the T-table, which is 1.96 which means significant. Thus Hypothesis 3 is accepted.

The Government Internal Control System (SPIP) has an influence on the prevention of fraud in the procurement of goods/services. The internal control system indirectly creates inherent supervision so that there are no more individuals who abuse authority or power. The results of this study are supported by the theory of the concept of an internal control system that has been regulated in Government Regulation Number 60 of 2008 concerning the

Government's Internal Control System which explains that the purpose of the internal control system is to present guarantees of adequate confidence in order to achieve organizational goals through effective & efficient activities, reliability of financial statements and compliance with laws and regulations.

The results of this study are in line with previous research conducted by Lea, (2018) stated that the Government's Internal Pretext System has a signive-fish influence on the prevention of fraud in the procurement of goods and services.

Based on respondents' answers to the indicators in the use of the Government Internal Control System variable which shows varying values, this is due to the integral process of actions and activities carried out continuously by the leadership to all employees to provide adequate confidence in the achievement of organizational goals through effective and efficient activities, reliability of financial reporting and compliance with laws and regulations.

Every activity carried out by the central and local government must be supported by the Government Internal Control System (SPIP). The application of SPIP is intended as a form of controlling government organizations in achieving goals where SPIP is the foundation of an organization that will be solid, steady and able to work according to its path.

SPIP activities are carried out by all civil servants and officials in the government to ensure a government that is free from fraud, especially in the procurement of goods and services.

By carrying out internal control activities within the government, it can direct, supervise, and measure the resources of an organization, and play an important role in measuring and detecting fraud. However, the reality obtained based on research is that there may be employees who do not understand the procurement process at the OPD due to new regulations and regulations caused by rotation or transfer of employees to a different OPD and not in accordance with the educational background of the employee.

Conclusion

This study aims to determine the effect of the independent variable, namely the Effectiveness of Probity Audit, Integrity, and the Government's Internal Control System on the dependent variable, namely the Prevention of Fraud in the Procurement of Goods and Services. The method used in sampling is by using the Cluster Sampling method. Throughout 2015 to 2020, corruption crimes handled by the KPK based on the type of case were 1122 cases with bribery being the most common act, namely 739 cases or 65.8% and Goods/Services Procurement Cases as many as 236 cases or 21%. The approach to evaluating the procurement of goods and services is carried out by auditing the procurement of goods and services implemented by the government to overcome various existing problems related to the procurement of goods/services, especially to detect irregularities and fraud during the procurement of goods/services.

Based on the results of research and discussion in the previous section, the following conclusions are the effectiveness of the Probity Audit has an effect on the Prevention of Fraud in the Procurement of Goods and Service, Integrity does not affect the Prevention of Fraud in

the Procurement of Goods and Services, The Government's Internal Control System has no effect on the Prevention of Fraud in the Procurement of Goods and Services.

Broadly speaking, the problems of government goods/services procurement contracts in Indonesia, which in many cases end in disputes between providers and buyers, are related to three things, namely (1) incomplete contract documents; (2) ambiguity/multi-interpretation of the terms in the contract; (3) the emergence of factors that cannot/difficult to predict.

The approach to evaluating the procurement of goods and services is carried out by auditing the procurement of goods and services implemented by the government to overcome various existing problems related to the procurement of goods/services, especially to detect irregularities and fraud during the procurement of goods/services.

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