The Internal And External Factors In Prevention Of Procurement Fraud In Goods And Services Based On E-Procurement

M. Ikhwan Mansyuri[1], Muh. Syahru Ramadhan[2*]

[1,2]Accounting Departement, Sekolah Tinggi Ilmu ekonomi Yapis, Dompu, Indonesia
[*]Corresponding Author:
Email: syahru260113@gmail.com

Abstract.

The process of goods and services procurement within the government environment still has vulnerabilities to fraud, which necessitates proper handling. This study aims to identify the factors that can influence efforts to prevent fraud in the procurement of goods and services using an e-procurement system. The data for this research was obtained through the distribution of questionnaires to employees at the Procurement Services Unit (ULP) and the Regional Financial and Asset Management Agency (BPKAD) Office of Dompu Regency. The sampling method used in this study is purposive sampling. Furthermore, the research data were tested using multiple regression analysis. This study demonstrates that the variables of technology utilization, e-procurement, internal control systems, organizational culture, employee ethics, and religiosity can influence the prevention of fraud in the procurement of goods and services. The research findings can serve as a reference for evaluating the use of information technology through e-procurement and the application of internal control systems for optimal results. Additionally, it is important to consider human resources, specifically employees, in maintaining organizational culture, good ethics, and religious values as a foundation for actions in the workplace to avoid various deviant or unlawful behaviors.

Keywords: *The Internal and External Factors, prevention fraud and e-procurement.*

I. INTRODUCTION

Electronic procurement (e-procurement) is the procurement of goods/services carried out using information technology and electronic transactions in accordance with applicable laws and regulations. E-procurement aims to increase transparency and accountability, enhance market access and healthy business competition, improve the efficiency of the procurement process, support monitoring and auditing processes, and meet the need for up-to-date information access. Presidential Regulation Number 16 of 2018 governs the procurement of goods and services for the government. This regulation has undergone several revisions to ensure that the goods and services procured are of high quality, free from fraud, and provide optimal benefits for national development. To ensure that the government and regional organizations operate effectively and efficiently, it is important to prevent fraud, particularly in the procurement of goods and services, as this practice is common in the sector.Based on the investigation results, the Head of the Dompu Regency Prosecutor's Office stated that there are two suspected cases of corruption in the irrigation channel projects in Kwangko and Sori Paranggi. The budget for the Kwangko irrigation project in the 2022 fiscal year was IDR 3.51 billion, while the budget for Sori Paranggi was IDR 2.3 billion [1]. The Deputy Chairman of the Corruption Eradication Commission (KPK), Alexander Marwata, revealed that the majority of corruption cases, approximately 80%, occur in the procurement of goods and services. In the era of regional autonomy, the need for goods and services procurement has increased in line with the reliance of development on the regions' ability to plan and implement these procurements. Nevertheless, the government procurement system for goods and services remains vulnerable to corrupt practices [2].

This is supported by a statement from the KPK Deputy Chairman, Alexander Marwata, that nearly 90% of the cases handled by the KPK originate from the procurement of goods and services (PBJ). This underscores that PBJ is one of the largest contributors to corruption crimes [3].This case shows that the effectiveness of fraud prevention in the procurement of goods/services in Dompu Regency is still not optimal. Therefore, improvements are needed to enhance transparency and the fundamental principles of procurement, namely openness and non-discrimination in the procurement process. To prevent fraud, an electronic procurement system, known as e-procurement, is required. Currently, the Dompu Regency

Government has implemented an electronic procurement system, or e-procurement. E-procurement is a web-based procurement system for goods/services utilized by the government by leveraging information, technology, and internet-based communication tools, allowing procurement to be conducted without direct meetings and in a more transparent manner. Therefore, several factors can influence fraud prevention in the procurement of goods and services, including the utilization of technology, e-procurement, internal control systems, organizational culture, employee ethics, and religiosity.The utilization of technology through e-procurement is expected to enhance the procurement system (PBJ) by the Dompu Regency Government. This is because the implementation of e-procurement can reduce the risk of fraud in the PBJ process. Research [4] explains that fraud can be addressed through two methods: prevention and detection. Therefore, fraud prevention is a crucial strategy in fraud management.

Another factor that influences fraud in the procurement of goods and services is internal control. Properly implemented e-procurement will be supported by effective internal controls, active participation, and the involvement of all parties simultaneously. The internal control system must be capable of reducing the temptation for individuals to steal or engage in collusion [5] [6]. One oversight function in the PBJ process that can be implemented is ensuring that tender participants are independent and have no connections with the procurement committee. Additionally, accurate verification and validation processes can serve as benchmarks for fraud prevention in PBJ [7]. Research [8]; [9]; [10]; and [11] show that internal control has a positive impact on preventing fraud in the procurement of goods and services.Furthermore, a factor that can influence fraud prevention is ethics, which refers to human behavior or actions that can be judged as good or bad based on the outcomes of human deeds that can be understood by reason [2]. Ethics in the implementation of procurement of goods/services (PBJ), as regulated in Presidential Regulation No. 54 of 2010, includes several principles, such as performing duties in an orderly manner, carrying out tasks professionally, independently, and responsibly, avoiding and preventing violations, not accepting rewards, and maintaining confidentiality. Research conducted by [11] and [12] shows that ethical principles can prevent fraud. Additionally, the attitude that leans toward religiosity is the final factor that can prevent fraudulent actions. Religiosity is the way individuals understand, internalize, and align religious values in their daily lives [13].

Research findings by [14] and [15] indicate that religiosity can act as a deterrent to fraud.This study selected respondents from the Procurement Services Unit (ULP) and vendors because they are institutions directly involved in the implementation of goods and services procurement (PBJ). Therefore, the research question formulated in this study is: Do the utilization of technology, internal control systems, ethics, and religiosity influence the prevention of procurement fraud in goods and services based on e-procurement? The urgency of this research lies in the study of e-procurement and internal control systems (SPI), which are still very limited in existing research. Additionally, the researcher has included three variables: the utilization of information technology, ethics, and religiosity, making this research important for adding theoretical references. The research findings are expected to provide insights for government auditors and oversight bodies to enhance the capabilities of ULP employees, making them more effective in carrying out PBJ procedures and thus avoiding corruption.

II. METHODS

This study uses a quantitative method. Specifically, the researcher focuses on the variable of detecting fraud in the procurement of goods and services electronically (e-procurement) during the COVID-19 pandemic in Indonesia. The aim of the research is to examine the role of technology utilization, internal control systems, ethics, and religiosity in efforts to detect fraud in the procurement of goods and services through e-procurement. The study's respondents were selected from employees working at the Procurement Services Unit (ULP) office and the Regional Financial and Asset Management Agency (BPKAD) office in Dompu Regency. The sample selection process used purposive sampling, where the sample was determined by the researcher based on specific criteria, namely, permanent employees working at the ULP and BPKAD offices in Dompu Regency with more than one year of experience. Based on this sampling process, the number of respondents was 100.

Table 1. Sample Selection Results

No.	Description	Sample
1.	Respondents who work at ULP	40
2.	Respondents who work at BPKAD	60
	Total Respondents	**100**

The data in this study were obtained using a questionnaire distribution technique, where a set of written statements was provided to respondents for them to answer. This research used a Likert scale as the measurement scale. In the study, with a range indicator from 1 to 6, scales from 1 to 3 indicate levels of disagreement, while scales from 4 to 6 indicate levels of agreement with the questionnaire statements.The data analysis technique in this study began with descriptive testing and a discussion of the respondents' demographics. Subsequently, the quality of the data was assessed using validity and reliability tests. Validity testing is used to determine whether a questionnaire is valid, while reliability testing measures whether a questionnaire is consistent as an indicator of a variable or construct [16]. Multiple regression testing was used as the analytical model to assess the effect of independent variables on the dependent variable. The framework of this study is illustrated in Figure 1

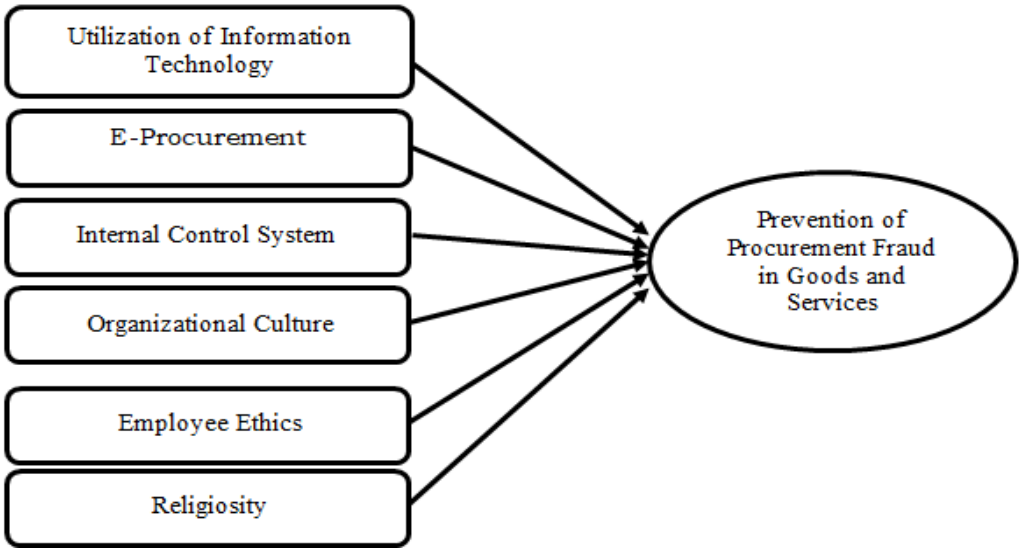

Fig 1. Conceptual Framework

The first stage of the data analysis technique involves descriptive testing and a discussion of the respondents' demographics. Subsequently, multiple linear regression testing is used as the analytical model to examine the relationship between independent variables and the dependent variable, which includes three types of tests: the coefficient of determination test, the F test, and the t test. Based on this explanation, the multiple linear regression model is as follows:

$$PF_{it} = \alpha_0 + \beta_1 PTI_{it} + \beta_2 E - PRO_{it} + \beta_3 SPI_{it} + \beta_4 BO_{it} + \beta_5 ET_{it} + \beta_6 RG_{it} + \varepsilon_{it}$$

Description:

PFit	= Prevention of fraud in procurement of goods and services
PTIit	= Utilization of Information Technology
E_PROit	= E-Procurement
SPIit	= Internal Control System
Boit	= Organizational Culture
ETit	= Employee Ethics
RGit	= Religiosity
α	= Constant
β1, β2, β3, β4	= Regression coefficient PTI1, SPI2, ET3, RG4
ε_it	= Error

III. RESULT AND DISCUSSION

Based on the questionnaire distribution results, data were collected from 100 respondents who are employees of the Procurement Services Unit (ULP) and the Regional Financial and Asset Management Agency (BPKAD) of Dompu Regency. Table 1 shows the demographic classification of the study respondents, including gender, education level, age, years of work experience, and monthly income. The data indicate that there are 58 male respondents and 42 female respondents, with the majority falling in the age range of 30 to 40 years, representing 52%. Furthermore, the most common education level among respondents is a bachelor's degree, with 45 individuals, while the least common is a master's degree, with only 1 person. In terms of work experience, 67% of respondents have been employed for more than 5 years, with most having a monthly salary between IDR 2.5 million and IDR 5 million.

Table 2. Demographic Characteristics of Respondents

Demography Characteristics		Number of Participants	Percentage
Gender	Male	42	42%
	Female	58	58%
	Total	**100**	**100%**
Education	Senior High School	44	44%
	Diploma	10	10%
	Bachelor Degree	45	45%
	Master Degree	1	1%
	Doctoral Degree	0	0%
	Total	**100**	**100%**
Age	Less than 20 years	0	0%
	Between 20-30 years	27	27%
	Between 30-40 years	52	52%
	Between 40-50 years	17	17%
	Between 50-60 years	4	4%
	Over 60 years	0	0%
	Total	**100**	**100%**
Length of Work	1 to 2 years	6	6%
	2 to 3 years	16	16%
	3 to 4 years	11	11%
	4 to 5 years	0	0%
	Over 5 years	67	67%
	Total	**100**	**100%**
Income	Less than IDR 2,5 Million	24	24%
	IDR 2,5 – IDR 5 Million	74	74%
	IDR 5 – IDR 10 Million	2	2%
	IDR 15 – IDR 20 Million	0	0%
	More than IDR 20 Million	0	0%
	Total	**100**	**100%**

Descriptive Statistical Test. The purpose of this test is to obtain a general overview of the research information, including the minimum value, maximum value, average value, and standard deviation of the data. Based on the information in Table 2 regarding the results of the descriptive statistical test, each dependent variable represents the prevention of procurement fraud in goods and services, while the independent variables consist of 6 (six) variables: technology utilization, e-procurement, internal control systems, organizational culture, employee ethics, and religiosity. The minimum scale of the seven research variables ranges from 1.00 to 3.00, indicating that the lowest responses from participants correspond to the opinion of "disagree" with the statements in the questionnaire. Meanwhile, the maximum value of the six variables is 6.00, corresponding to the response of "strongly agree" with the questionnaire statements. The average value for all variables is greater than 5, which indicates that, on average, respondents chose "agree" with the statements presented. This is consistent with the test results, which show that all independent variables can influence the prevention of procurement fraud in goods and services. The statistical test results also reveal that the standard deviation values are higher than the average values, indicating that the research data have a high level of variation concerning the fraud prevention variable.

Table 3. Descriptive Statistics Test Results

Variabel	Minimum	Maximum	Mean	Std Deviation
Utilization of Information Technology	2.00	6.00	5.17%	8.77
E-Procurement	3.00	6.00	5.09%	9.17
Internal Control System	2.00	6.00	5.08%	9.72
Organizational Culture	2.00	6.00	5.22%	9.45
Employee Ethics	3.00	6.00	5.23%	8.45
Religiosity	1.00	6.00	5.21%	9.14
Prevention of Procurement Fraud in Goods and Services	3.00	6.00	4.96%	8.88

Data Validity Test

Based on the results of the data quality test, all statements measuring the variables of technology utilization, e-procurement, internal control systems, organizational culture, employee ethics, religiosity, and fraud prevention are valid. This is because all statement indicators show correlation values greater than the table value of 0.1946, as indicated in Table 3.Furthermore, the reliability test of the data shows that the statements in the questionnaire have a Cronbach's alpha value greater than 0.6, meaning the data is reliable. A summary of the reliability test is presented in Table 4.

Table 4. Validity Test Results

Variable	Indicator	Pearson Correlation	t-table	Decision
Prevention of Procurement Fraud in Goods and Services	1	0,756	0.1946	Valid
	2	0,846	0.1946	Valid
	3	0,831	0.1946	Valid
	4	0,850	0.1946	Valid
	3	0,832	0.1946	Valid
	6	0,704	0.1946	Valid
Utilization of Information Technology	1	0,793	0.1946	Valid
	2	0,848	0.1946	Valid
	3	0,874	0.1946	Valid
	4	0,896	0.1946	Valid
	5	0,917	0.1946	Valid
	6	0,865	0.1946	Valid
e-procurement	1	0,918	0.1946	Valid
	2	0,926	0.1946	Valid
	3	0,905	0.1946	Valid
	4	0,913	0.1946	Valid
	5	0,928	0.1946	Valid
Internal Control System	1	0,865	0.1946	Valid
	2	0,907	0.1946	Valid
	3	0,915	0.1946	Valid
	4	0,903	0.1946	Valid
	5	0,850	0.1946	Valid
Organizational Culture	1	0,883	0.1946	Valid
	2	0,857	0.1946	Valid
	3	0,812	0.1946	Valid
	4	0,802	0.1946	Valid
	5	0,846	0.1946	Valid
	6	0,883	0.1946	Valid
	7	0,860	0.1946	Valid
Employee Ethics	1	0,838	0.1946	Valid
	2	0,907	0.1946	Valid
	3	0,905	0.1946	Valid
	4	0,903	0.1946	Valid
	5	0,866	0.1946	Valid
	6	0,889	0.1946	Valid
	7	0,864	0.1946	Valid

	8	0,829	0.1946	Valid
Religiosity	1	0,872	0.1946	Valid
	2	0,831	0.1946	Valid
	3	0,868	0.1946	Valid
	4	0,894	0.1946	Valid
	5	0,885	0.1946	Valid

Table 5. Reliability Test Results

Variable	N of Item	Cronbach Alpha	Alpha	Decision
Prevention of Procurement Fraud in Goods and Services	6	0.887	0,60	Reliable
Utilization of Information Technology	6	0.931	0,60	Reliable
E-Procurement	5	0.953	0,60	Reliable
Internal Control System	5	0.933	0,60	Reliable
Organizational Culture	7	0.935	0,60	Reliable
Employee Ethics	8	0.956	0,60	Reliable
Religiosity	5	0.919	0,60	Reliable

Multiple Linear Regression Test. This test is used as a model to facilitate the analysis of the effect of independent variables on the dependent variable. The regression model is used to test the factors such as the independence of technology utilization, e-procurement, internal control systems, organizational culture, employee ethics, and religiosity in relation to the prevention of procurement fraud in goods and services. Based on the information presented in Table 3 summarizing the results of the regression model test, the multiple linear regression equation for this study can be formulated as follows:

$PF_{it} = 3,152 + 0,118PT_{it} + 0,902\ E\text{-}PRO_{it} + 0,402SPI_{it} + 0,120BO_{it} + -0,384EP_{it} + 0.100RG_{it} + \varepsilon_{it}$

Table 6. Regression Model Testing Results

Model	*Unstandardized koefisien* B	*Standar Error*	T	*Sig.*	Decision
a (konstanta)	3,152	1,215	2,596	0,011	
Utilization of Information Technology	-0,118	0,051	2,313	0,023	Accepted
E-Procurement	0,902	0,091	9,953	0,000	Accepted
Internal Control System	0,402	0,092	4,380	0,000	Accepted
Organizational Culture	0,120	0,060	2,003	0,048	Accepted
Employee Ethics	-0,384	0,069	-5,596	0,000	Accepted
Religiosity	0,100	0.049	2,045	0,044	Accepted
Dependent Variable:	Prevention of Procurement Fraud in Goods and Services				
n	100				
Nilia R Squared	0.902				
Koefisien Determinasi (R^2)	0.895				
Nilai F statistik	142.144				
Probabilitas (F-Statistic)	0.000^b				

Next, Table 6 shows the coefficient of determination value of 0.895. This means that 89.5% of the variance in the dependent variable can be explained by the independent variables. The remaining 10.5% is explained by other variables not included in the research model. The probability (statistic) value is also 0.000 < 0.05, indicating that the variables of technology utilization, e-procurement, internal control systems, organizational culture, employee ethics, and religiosity simultaneously have an effect, meaning at least one independent variable is related to the prevention of procurement fraud in goods and services. Additionally, the technology utilization variable has a significant value at the level of 0.023, proving its effect on the prevention of procurement fraud. Furthermore, the e-procurement, internal control systems, and organizational culture variables have significance values of 0.000, 0.000, and 0.048, respectively, which show lower significance compared to the alpha value of 0.05. This means that e-procurement, internal

control systems, and organizational culture affect the prevention of procurement fraud in goods and services. Additionally, employee ethics shows a significance value of 0.000 < 0.05, indicating that this variable affects the prevention of procurement fraud. The application of employee ethics in government or the public sector can help identify indications of fraud, leading to a reduction in corruption cases in the government sector. The results for religiosity show a significance value of 0.044 < 0.05, indicating that religiosity influences the prevention of procurement fraud in goods and services.

Utilization of Technology and Prevention of Procurement Fraud in Goods and Services. The use of technology has proven to affect the prevention of procurement fraud. This means that leveraging technology in the e-procurement process is crucial, especially in the stages of planning, testing, and reporting. Technology utilization in procurement, such as the use of e-procurement, can enhance transparency in the procurement process. With an integrated electronic system, every step in the procurement process can be monitored in real-time, from proposal submission to payment. This reduces the likelihood of corruption or fraud as all parties involved have access to the same information, thereby increasing accountability. By using technology, manual interactions can be minimized because technology allows for the automation of many processes in procurement, such as bid evaluation, tender announcements, and contract management. This reduction in manual interaction minimizes opportunities for individuals to manipulate or arrange under the table. With an automated system, every decision made is recorded and can be audited, thus minimizing the chances of fraud.

A technology-based procurement system allows for automatic and continuous tracking and storage of data. This data can be analyzed to detect unusual patterns or potential indications of fraud. For example, data analysis can help identify suppliers who frequently win tenders or contracts that experience sudden changes. Thus, technology supports more in-depth and ongoing audit capabilities. Moreover, technology helps improve accuracy and speed in the procurement process. With the support of algorithms and data analysis, decisions can be made based on more complete and accurate information, reducing the risk of errors or information manipulation. The speed of the process also reduces the time available for certain parties to attempt to manipulate the process.Based on respondents' answers regarding the use of information technology in the procurement of goods and services, including the facilities and infrastructure such as computers to support increased use of technology in the e-procurement process, and the use of software or applications like Microsoft Excel, Microsoft Word, etc., to support their work. Additionally, the procurement services unit has provided an adequate internet network, which is used as a link between officials for sending the necessary data and information. Computers in the ULP are routinely maintained to avoid damage; if any damage occurs, the ULP unit will promptly repair it so that users can enjoy the bidding process effectively. Furthermore, the initial transaction process and reporting at the ULP are computerized, as is the e-procurement-based procurement process, allowing vendors and others to directly monitor the bidding process, thus helping to minimize fraud. The higher the level of technology use in the procurement process, the better it is in preventing fraud.

This is consistent with research [17], [18], [19], which shows that information technology can automatically detect and prevent fraud and is useful for fraud prevention measures. [20], [21] demonstrate that the procurement process using digital technology with e-procurement can eradicate tendencies towards fraud. Therefore, information technology is used to acquire, process, store, and distribute various types of information documents using computers and telecommunications, driven by the strong motivation of the ULP of Dompu Regency to innovate and create new solutions to address various issues in the procurement of goods and services.

E-Procurement and Fraud Prevention in Procurement of Goods and Services. Based on statistical data analysis, e-procurement has been shown to play a significant role in minimizing fraud. This means that e-procurement is crucial in preventing fraud in the procurement of goods and services. By enhancing transparency, automating processes, improving efficiency, and facilitating more effective monitoring and auditing, e-procurement significantly reduces the likelihood of fraud. Procurement is a critical aspect of organizational operations, both in the public and private sectors. If not managed properly, it is vulnerable to fraudulent practices that can lead to financial losses and damage an organization's reputation.

One increasingly used method to improve efficiency and reduce fraud risk in procurement is the implementation of e-procurement systems. E-procurement refers to the use of information and communication technology to carry out procurement processes electronically. The use of e-procurement is believed to have a significant impact on fraud prevention in the procurement of goods and services. E-procurement allows for the entire procurement process to be conducted transparently and well-documented. Every stage, from tender announcements, bid submissions, to winner selection, can be accessed electronically by all interested parties. This transparency minimizes opportunities for collusion or manipulation of information, which are often primary sources of fraud. The system also supports accountability as every decision and action can be traced back to the responsible party.

One of the main advantages of e-procurement is its ability to automate various processes, such as bid evaluations, vendor assessments, and contract management. Automation reduces manual interactions, which often present opportunities for manipulation or abuse of authority. By decreasing human intervention in critical processes, e-procurement helps to minimize the chances of fraud. E-procurement improves efficiency by speeding up the procurement process and reducing errors commonly found in manual management. For example, errors in calculations or record-keeping can be minimized with an integrated and automated system. This efficiency not only accelerates procurement but also reduces opportunities for certain parties to manipulate data or documents. The e-procurement system stores comprehensive data and audit trails, making monitoring and auditing easier. Every transaction, decision, and change in the procurement process is recorded in the system, accessible and reviewable by auditors or oversight parties at any time. This makes it difficult for fraudsters to hide traces or alter information without detection. Consequently, e-procurement allows for the application of advanced data analysis to detect anomalies or suspicious activities that could indicate fraud. For instance, data analysis can help identify vendors who frequently win contracts or reveal irregular pricing arrangements. With this capability, potential fraud can be detected and prevented earlier.

This is consistent with research [22], [23], which shows that e-procurement, including new technologies like blockchain, plays a crucial role in preventing fraud by enhancing transparency, accountability, and efficiency in the procurement of goods and services. Additionally, [24], [25] demonstrate that e-procurement can improve fraud detection in procurement by analyzing large data sets to identify anomalies, predict risks, and enhance efficiency in the procurement of goods and services.

Internal Control Systems and Fraud Prevention in the Procurement of Goods and Services. Statistical tests indicate that internal control systems affect fraud prevention. This means that implementing internal control systems involves a series of policies and procedures established by an organization to ensure that operations are conducted according to objectives, financial reports are accurate, and organizational assets are protected. In the context of procurement, internal control systems play a crucial role in preventing fraud. Effective internal controls enable an organization to detect anomalies and discrepancies in the procurement process early on. Procedures such as task segregation, internal audits, and document verification aim to prevent any individual or group from having complete control over the entire procurement process. This minimizes the opportunity for fraud because every step in the procurement process is monitored and audited regularly. The Procurement Service Unit (ULP) plays a significant role in controlling and supervising the policies and rules applied within an organization, especially with the use of e-procurement systems. This is consistent with respondents' answers indicating that the control environment in the ULP is well-managed because it adheres to procurement regulations and laws. Additionally, communication and information management within the ULP are well-executed in the tender process, both among employees and tender participants. Furthermore, control and corrective actions are taken promptly. This is reflected in the respondents' answers regarding monthly salaries, where the average employee salary ranges from IDR 5,000,000 to IDR 10,000,000, which is sufficient to discourage fraudulent behavior in procurement processes.

Overall, internal control systems play a key role in preventing fraud in procurement processes. Through early detection, transparency, conflict of interest prevention, and regular monitoring and evaluation, organizations can reduce fraud risk. Research supports the argument that strengthening internal control systems is essential for creating a safer and fraud-free procurement environment. This is evident as the SPI

(Internal Control System) structure within the Procurement Service Unit (ULP) includes planning, implementation, control, and monitoring frameworks for achieving procurement goals. Additionally, there are procedures for monitoring internal control performance, both routine and specific. This aligns with stewardship theory, where such conditions are built upon a strong service-oriented attitude by stewards. A service-oriented attitude replaces personal interests with service as the foundation for power ownership and use. Behavioral factors, human behavior, patterns, and psychological mechanisms (motivation, identification, and power) are crucial in leading an organization [26]. Therefore, the ULP must adhere to procedures and maintain professionalism and independence through e-procurement to minimize fraud in the procurement process. Research [8], [27], [28], [9] confirms that internal control systems influence fraud detection. This means that government implementation of internal control systems is effective in minimizing fraud. The better the internal control system applied by the government, the more effective it will be in preventing fraud at every stage of the procurement process.

Organizational Culture and Fraud Prevention in the Procurement of Goods and Services. Data analysis indicates that organizational culture influences fraud prevention. This means that honesty and ethics must be embedded within the organization to ensure work is conducted according to SOPs, achieving the goal of reducing fraud in government. Therefore, cultural principles should serve as guidelines for appropriate behavior in the government environment, creating a comfortable atmosphere for employees to perform tasks free from abuse of power for personal gain. This is supported by respondents' answers in the questionnaire, indicating that the procurement department head provides opportunities for employees to innovate in completing tasks, and employees must be disciplined, professional, honest, responsible, and committed to performing their duties well, thus avoiding fraudulent actions. Consequently, the government aims to minimize opportunities for fraud, as described in the fraud triangle theory, which suggests that high-ranking individuals have a greater opportunity for fraud. Thus, the government seeks ways to prevent fraud in the procurement process through adherence to honesty, responsibility, compliance with regulations, and integrating religious values to promote ethical behavior and minimize fraud in procurement via e-procurement.

Research shows that the organizational culture in the Procurement Service Unit of Dompu Regency has embraced values of honesty, responsibility, transparency, and accountability. Moreover, the established culture ensures a comfortable working environment, allowing employees to minimize fraud risks. Additionally, the government continually raises anti-fraud awareness as a means to highlight the importance of fraud prevention in procurement. Organizational culture encompasses rules, values, and beliefs within an organization known to all parties in the government environment as principles for conducting activities for both employees and others. Therefore, organizational culture plays a vital role in ensuring a fraud-free procurement process through e-procurement, promoting a culture of honesty, transparency, and accountability. Research [29], [30] demonstrates that organizational culture affects fraud prevention. Furthermore, [31] shows that organizational culture is crucial in managing fraud risks. Therefore, the government must create and maintain an ethical organizational culture integrated with religious values, continually motivating employees to act correctly. Employees should be empowered to report suspicions in the procurement process to minimize fraud.

Employee Ethics and Fraud Prevention in the Procurement of Goods and Services. Research indicates that employee ethics influence fraud prevention in procurement. This means that all employees in the Procurement Service Unit (ULP) possess the necessary skills, such as intelligence, education, experience, and training, to provide value to the government by delivering good performance. Employee ethics refer to the principles and moral standards guiding employee behavior in the workplace. Strong ethics encompass integrity, responsibility, and honesty, which are essential to ensure that employees act in a trustworthy manner and comply with government policies.Employees with strong ethics are more likely to be aware of and committed to following existing policies and procedures, reducing the likelihood of fraudulent actions. Ethical employees are more inclined to report suspicious behavior or rule violations, reinforcing internal monitoring systems and identifying potential fraud early. This aligns with the fraud triangle theory regarding opportunity. When employees in the procurement process have opportunities to commit fraud—whether in

planning, preparation, execution, or reporting—ethical employees prioritize public interest over personal gain. This means they support and encourage ethical behavior as an effective way to prevent fraud by respecting the law and maintaining high moral standards. Morality or ethics reflects how someone embodies, practices, and expresses their beliefs about right and wrong. Higher morality makes it harder for employees to engage in fraudulent activities.

This is supported by respondents who stated that employees in the e-procurement process adhere to existing policies at ULP and perform their duties professionally. Additionally, ULP employees do not influence others in a way that could result in unhealthy competition. This shows that ULP employees uphold high ethical standards, impacting the procurement process via e-procurement to be free from fraud. Furthermore, ULP employees always follow orders from superiors, taking responsibility for their job descriptions. The primary values instilled in ULP employees are honesty, transparency, and accountability to avoid conflicts of interest and safeguard the organization. Employees are prohibited from accepting rewards from related parties and must protect confidentiality and prevent misuse of data and electronic information. Research [32], [33], [34] demonstrates that ethics impact fraud prevention. This means that higher employee ethics in the ULP of Dompu Regency in the procurement process via e-procurement will result in a reduced tendency to commit fraud. Therefore, ethical training is essential for all employees to raise awareness and minimize fraud.

Religiosity and Fraud Prevention in the Procurement of Goods and Services. Statistical tests show that religiosity affects fraud prevention in procurement. This means that ULP employees in Dompu Regency must possess high integrity as it influences actions prioritizing personal interests. Religiosity is crucial for ULP employees in the procurement process via e-procurement because it is a significant personal value that can influence behavior. Higher levels of religiosity in ULP employees correlate with a lower tendency for deviant behavior. This means that ULP employees must adhere to their religious beliefs and apply them in procurement processes. Religion plays a vital role in daily life as it can serve as a self-control mechanism for ULP employees. This aligns with respondents' answers in the questionnaire, where ULP employees adhere to religious values in their work, understanding that honest work brings blessings. Therefore, incorporating religious values into work can lead to a sense of comfort, happiness, and tranquility. Religiosity should be instilled in ULP employees to avoid deviant actions prohibited by religion, such as asset misuse for personal gain, and legal violations harming others. This is consistent with the Theory of Planned Behavior (TPB), where behavior can be influenced by religious values. The Procurement Service Unit should conduct religious teachings related to fraud awareness so employees understand the consequences of violations. Fraud prevention can be achieved by increasing employees' awareness of religious values.

Religiosity reflects employees' appreciation and life attitude based on their religious values. This appreciation is demonstrated through adherence to procurement laws, where ULP employees are prohibited from favoring vendors or others involved in procurement processes that could harm others. Thus, ULP employees must be independent, neutral, and unbiased as they are accountable to the public as part of government performance. Independent employees can help minimize fraud in the procurement process via e-procurement. Religiosity involves an individual's deep connection to religion, encompassing beliefs, symbols, and values driven by spiritual forces. Employees with high religiosity indirectly regulate themselves to avoid deviant actions, thus minimizing fraud. Research [35], [36], [37] proves that religiosity enhances fraud prevention efforts, reducing the likelihood of fraudulent actions. Additionally, ULP in Dompu Regency emphasizes discipline and protection against fraud in all tasks.

IV. CONCLUSION

Based on the research findings, the use of technology has been shown to influence fraud prevention in the procurement of goods and services, indicating that the implementation of technology in the e-procurement process is crucial, especially during the planning, testing, and reporting stages. Additionally, the internal control system variable also contributes to fraud prevention, as the Internal Control System (SPI) plays an important role in overseeing and controlling the policies and regulations applied within an

organization. Furthermore, this study shows that organizational culture affects fraud prevention. This means that the implementation of honesty and ethics must be cultivated within the organization to ensure that work is carried out according to SOPs, achieving the goal of reducing fraud in government. Moreover, employee ethics can influence fraud prevention, as all employees of ULP and BPKAD involved in the procurement tender process through e-procurement possess good competencies such as intelligence, education, experience, and training, which can add value to the government through optimal performance. The final variable, religiosity, also proves to impact fraud prevention, as employees have high integrity in carrying out their duties.

Overall, the research findings indicate that various factors are effective in preventing fraud in the procurement process. Therefore, the ULP and BPKAD offices of Dompu Regency need to continue optimizing the use of information technology, e-procurement, and the application of the Internal Control System (SPI) in these procurement processes. Additionally, it is also important to consider the aspect of honesty towards human resources, especially employees, to establish it as a culture within the government. Moreover, employees must uphold good ethics and religious values as a foundation for their actions in the workplace. Future researchers are advised to explore factors that can prevent fraudulent actions in other government units or agencies in different regions, considering the potential differences in regional characteristics and cultural contexts that may affect the results.

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