

E-Procurement Implementation, Internal Control, and Organizational Commitment to Fraud Prevention Procurement of Goods and Services in Device Organizations Area (DOA) City Yogyakarta



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ABSTRACT: This study aims to determine the effect of implementing e-procurement, internal control, and organizational commitment to prevention of procurement fraud goods and services in the Regional Apparatus Organization (OPD) of the City of Yogyakarta. Population of this research is 27 OPD in the city of Yogyakarta, the sample used in study This is purposive sampling. Study. This use data primary Which form questionnaire addressed to the Regional Apparatus Organization (OPD) of the City of Yogyakarta. Testing hypothesis in study. This use analysis regression linear double help SPSS software version 25. The results of this study indicate that implementation e-procurement influential on the prevention of fraud in the procurement of goods and services, while control internal and organizational commitment have no effect on the prevention of procurement fraud goods And service on Organization Device OPD area Yogyakarta City

KEYWORDS: Implementation of e-procurement, internal control, organizational commitment and fraud prevention

I. INTRODUCTION

The development of business has been increasingly advanced both in the government and private sectors as it is today, terms such as fraud may not be heard infrequently by the general public. In developing countries like Indonesia, cases of fraud or fraud usually occur in the goods or services procurement division (Febriany, 2020).

The Association of Certified Fraud Examiners (ACFE) explains that fraud is an unlawful act and is carried out intentionally to achieve certain goals and is carried out by people inside the organization or outside the organization to gain personal or group benefits directly or indirectly. Theories about fraud developed according to the Fraud Triangle Theory, Fraud Diamond Theory, and Fraud Pentagon Theory (Sunarmo et al, 2020). The pentagon fraud theory explains that there are five factors that underlie a person committing fraud, namely pressure, opportunity, rationalization, competence and arrogance (Aprilia, 2017).

E-procurement is electronic procurement, namely the procurement of goods and services carried out using information technology and electronic transactions in accordance with statutory provisions (Exposure of Procurement of Goods and Services Through Electronic Media, Ministry of Public Works, 2011). With the existence of e-procurement, the government hopes that the occurrence of fraud in the goods and services procurement process can be minimized as much as possible.

Efforts to prevent fraud can be started from internal control. The government's internal control system has a very important role in producing financial accountability. Weaknesses in the government's financial system occur due to weak design and implementation of internal control systems. The government's internal control system has a very important role in producing financial accountability. Weaknesses in the government's financial system occur due to weak design and implementation of internal control systems.

Quoted from yogyakarta.bpk.go.id (2019), the Corruption Eradication Commission (KPK) arrested 5 people in the Hand-Catching Operation (OTT) in relation to an alleged bribery case involving the Yogyakarta District Attorney's Office (Kejari). August 20, 2019, the KPK named three suspects in this case. Two of the suspects are prosecutors. KPK deputy chairman Alexander Marwata said the bribery case was related to the Yogyakarta City Public Works, Housing and Settlement Areas (PUPKP) activities in bidding for a rainwater rehabilitation project.

E-Procurement Implementation, Internal Control, and Organizational Commitment to Fraud Prevention Procurement of Goods and Services in Device Organizations Area (DOA) City Yogyakarta

From this phenomenon, researchers are interested in conducting research on the prevention of cases of fraud in the procurement of goods and services in this phenomenon as the dependent variable Fraud Prevention in OPD Kota Yogyakarta. Research by Artantri et al, (2016) shows that the implementation of e-procurement has an effect on preventing fraud in the procurement of goods and services, another study conducted by Cahyani (2019) shows that e-procurement has a positive effect on preventing fraud in the procurement of goods and services, while the results of this study contrary to research conducted by Romaisah et al, (2017) which concluded that the implementation of e-procurement has no effect on preventing fraud in the procurement of goods and services.

Other factors that can affect fraud in the procurement of goods and services are internal control and organizational commitment. Research conducted by Leatemia & Febryanti (2020) shows that internal control and organizational commitment have a positive effect on preventing fraud in the procurement of goods and services, while the results of research from Meurah & Aida (2018) show that internal control and organizational commitment have a negative effect on fraud prevention, and Cahyani (2019) researched that internal control has no effect on preventing fraud in the procurement of goods and services.

The explanation above indicates that the results of several studies regarding e-procurement are inconsistent. Therefore, further research is important to be conducted to determine consistency when applied in different environmental conditions. This study aims to find empirical evidence regarding the influence of e-procurement, internal control and organizational commitment to preventing fraud in the procurement of goods and services. The addition of the e-procurement variable is intended to see how influential the implementation of e-procurement is on fraud prevention because based on this phenomenon the implementation of e-procurement has not been efficient in its use, as evidenced by the occurrence of bribery cases in project auctions at the Office of Public Works, Housing and Residential Areas (PUPKP) City of Yogyakarta and arrested 5 people in the Hand-Catching Operation (OTT) in relation to the alleged bribery case involving the Yogyakarta District Attorney's Office (Kejari). Therefore the researchers took the population in the Yogyakarta City Regional Apparatus Organization (OPD), because this phenomenon is a project of the Yogyakarta City Government involving the Department of Public Works, Housing and Settlement Areas (PUPKP).

Based on the description of the background, the formulation of the problem in this study is as follows: 1) Does the implementation of e-procurement have a positive effect on preventing fraud in the procurement of goods and services? 2) Does internal control have a positive effect on preventing fraud in the procurement of goods and services? 3) Does organizational commitment have a positive effect on preventing fraud in the procurement of goods and services?

The purpose of this research is to find out: 1) To test and obtain empirical evidence of the effect of implementing e-procurement on preventing fraud in the procurement of goods and services. 2) Testing and obtaining empirical evidence of the influence of internal control on the prevention of fraud in the procurement of goods and services. 3) Testing and obtaining empirical evidence of the influence of organizational commitment on the prevention of fraud in the procurement of goods and services.

II. THEORY AND HYPOTHESIS DEVELOPMENT

A. Teori Fraud Pentagon

Theories about fraud developed according to the Fraud Triangle Theory, Fraud Diamond Theory, and Fraud Pentagon Theory (Sunarmo et al, 2020). The pentagon fraud theory was introduced by Howarth (2011). The pentagon fraud theory is an extension of the fraud triangle theory previously put forward by Cressey (1953), in this theory it adds two other elements of fraud, namely competence and arrogance. Competence, in this case, is the same as capability, which was previously explained by the fraud diamond theory by Wolfe and Hermanson (2004), namely the ability of a person who has a large role that allows committing fraud. Meanwhile, arrogance is a trait of superiority over one's rights and feels that the internal controls and policies made by the company do not apply to him (Maryadi et al, 2020).

B. Procurement of goods and services

Procurement issues are never separated from the attention of various groups, even though there are regulations governing procurement (Fithriani et al, 2020). According to RI Presidential Regulation Number 12 of 2021 concerning Guidelines for Government Procurement of Goods/Services "The definition of government procurement of goods/services is an activity to obtain goods/services by ministries/agencies/work units of regional apparatus/other institutions whose process starts from planning needs until completion of all activities to obtain goods/services.

C. E-Procurement

Electronic Procurement, hereinafter abbreviated as e-procurement, is an auction system in the procurement of goods and services by the government using internet-based technology, information and communication facilities. With e-procurement,

E-Procurement Implementation, Internal Control, and Organizational Commitment to Fraud Prevention Procurement of Goods and Services in Device Organizations Area (DOA) City Yogyakarta

the auction process can take place in an effective, efficient, open, competitive, transparent, fair/non-discriminatory, and accountable manner so that it is hoped that it can reflect openness/transparency and also minimize fraudulent practices in auctions for the procurement of goods and services which result in losses to the State's finances (Hidayat, 2020).

In the statement of research conducted by Romaisah et al, (2017) we can conclude that the implementation of the e-procurement system has a positive effect on preventing fraud in the procurement of goods/services, as has been done by Artantri et al, (2016), conducting tests regarding the effect of e-procurement on prevention goods and services procurement fraud, the test results show that the implementation of the e-procurement system has a positive effect on the prevention of goods and services procurement fraud, the hypothesis developed in this study is:

H1: Implementation of e-procurement has a positive effect on preventing fraud in the procurement of goods and services

D. Internal control

According to Leatemia & Febryanti (2020) internal control is a process carried out by the board of commissioners, management and other personnel of an entity that is designed to provide reasonable assurance about the achievement of three groups of objectives, namely reliability of financial reports, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. Effective internal control plays an important role in the organization to minimize the occurrence of fraud, so as to close opportunities for deviant behavior to occur.

Internal control and fraud prevention are closely related because in general one of the conditions that creates opportunities for fraud or fraud to occur is weak internal control, weak internal control is dominant for fraud or fraud (Romaisah et al, 2017). So based on this research shows that if the level of fraud (fraud) occurs due to a weak or ineffective government internal control system. Conversely, if the internal control is strong, fraud prevention will be stronger, then the hypothesis developed in this study is:

H2: Internal control has a positive effect on preventing fraud in the procurement of goods and services

E. Organizational Commitment

Organizational commitment is defined as an attitude possessed by employees or employees who want to survive in an organization to achieve certain organizational goals. Organizational commitment is a form of loyalty from individuals to an organization. If employees have high organizational commitment, then the tendency of employees to commit fraud will decrease, Wijayanto (2020).

Based on research from Leatemia & Febryanti, (2020) revealed that Organizational Commitment has a significantly positive effect on the Prevention of Goods Procurement Fraud at the Ambon City Government Hospital. So the better the Organizational Commitment that is instilled in each employee, the better the prevention of goods procurement fraud that may be carried out by themselves (employees), the hypothesis developed in this study is:

H3: Organizational commitment has a positive effect on preventing fraud in the procurement of goods and services

conceptual framework

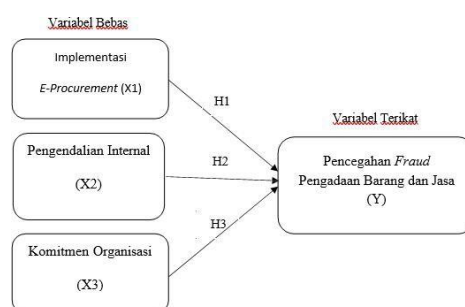


Figure 1. Conceptual Framework

F. Research methods

This research is a quantitative research. Source of data in this study using primary data obtained from the results of distributing questionnaires. The population of this study is the Regional Apparatus Organizations in the City of Yogyakarta with a

E-Procurement Implementation, Internal Control, and Organizational Commitment to Fraud Prevention Procurement of Goods and Services in Device Organizations Area (DOA) City Yogyakarta

total of 27 OPD. The sample in this study were Procurement Service Unit Employees, Procurement Employees, Commitment Making Employees (PPK) at OPD in the City of Yogyakarta, totaling 81 people.

III. RESULTS AND DISCUSSION

A. Research Instrument Test Validity test

The validity test used in this test is the Pearson Correlation. The significance of the Pearson correlation used in this study was 0.05. If the significance value is < 0.05 then the question item is valid and if the significance value is > 0.05 then the question item is invalid (Ghozali, 2018).

Table 1. Validity Test

| Variabel | Item | Pearson Correlation | Signifikansi | Valid |
|--|------|---------------------|--------------|-------|
| Implementasi E-Procurement | IE_1 | 0,582 | 0,000 | Valid |
| | IE_2 | 0,665 | 0,000 | Valid |
| | IE_3 | 0,839 | 0,000 | Valid |
| | IE_4 | 0,794 | 0,000 | Valid |
| | IE_5 | 0,804 | 0,000 | Valid |
| | IE_6 | 0,785 | 0,000 | Valid |
| | IE_7 | 0,717 | 0,000 | Valid |
| Pengendalian Internal | PI_1 | 0,547 | 0,000 | Valid |
| | PI_2 | 0,556 | 0,000 | Valid |
| | PI_3 | 0,694 | 0,000 | Valid |
| | PI_4 | 0,733 | 0,000 | Valid |
| | PI_5 | 0,630 | 0,000 | Valid |
| | PI_6 | 0,568 | 0,000 | Valid |
| Komitmen Organisasi | KO_1 | 0,794 | 0,000 | Valid |
| | KO_2 | 0,681 | 0,000 | Valid |
| | KO_3 | 0,799 | 0,000 | Valid |
| Pencegahan Fraud Pengadaan Barang dan Jasa | PF_1 | 0,656 | 0,000 | Valid |
| | PF_2 | 0,770 | 0,000 | Valid |
| | PF_3 | 0,868 | 0,000 | Valid |
| | PF_4 | 0,670 | 0,000 | Valid |
| | PF_5 | 0,501 | 0,000 | Valid |
| | PF_6 | 0,632 | 0,000 | Valid |

Source: Primary data that has been processed by researchers (2021).

Based on Table 1 above, it shows that the magnitude of the significance value of all question items is less than 0.005 ($\alpha = 5\%$). With this it can be said that all items are declared valid and the questionnaire in this study can be used for further analysis, namely the reliability test.

B. Reliability Test

The reliability test is used to measure indicators in a questionnaire. The questionnaire can be called reliable if the answers from the respondents are stable. SPSS has the facility to measure the reliability of a question with the Cronbach Alpha statistical test, (Ghozali, 2018). Where a question is considered reliable if it has a Cronbach Alpha value > 0.60 . Conversely, if a question has a Cronbach Alpha value of < 0.60 , the question is considered unreliable.

Table 2. Reliability Test

| Variabel | Cronbach's Alpha | Keterangan |
|--|------------------|------------|
| Implementasi E-Procurement | 0,861 | Reliabel |
| Pengendalian Internal | 0,672 | Reliabel |
| Komitmen Organisasi | 0,627 | Reliabel |
| Pencegahan Fraud Pengadaan Barang dan Jasa | 0,749 | Reliabel |

Source: Primary data that has been processed by researchers (2021).

From the results of the reliability test in Table 2 above, it is known that the Cronbach Alpha value of all variables is greater

E-Procurement Implementation, Internal Control, and Organizational Commitment to Fraud Prevention Procurement of Goods and Services in Device Organizations Area (DOA) City Yogyakarta

than 0.6, which means that each variable in this study is reliable. The variable implementation of e-procurement has a Cronbach Alpha value of 0.861, the internal control variable has a Cronbach Alpha value of 0.672, the organizational commitment variable has a Cronbach Alpha value of 0.627 and the variable prevention of fraud in the procurement of goods and services has a Cronbach Alpha value of 0.749.

C. Normality test

This test was conducted to test the regression model whether the residual variable has a normal distribution. This test uses the Kolmogorov-Smirnov one sample normality test with guidelines for decision making if the probability value is > 0.05, the regression model meets the normality assumption (Ghozali, 2018).

Table 3. Normality Test

| | | Unstandardized Residual |
|----------------------------------|----------------|-------------------------|
| N | | 74 |
| Normal Parameters ^{a,b} | Mean | 0E-7 |
| | Std. Deviation | 0.34819974 |
| Most Extreme Differences | Absolute | .096 |
| | Positive | .096 |
| | Negative | -.077 |
| Kolmogorov-Smirnov Z | | .096 |
| Asymp. Sig. (2-tailed) | | .087 |

Source: Primary data that has been processed by researchers (2021).

Based on the results of the normality test with the Kolmogorov-Smirnov Test shown in the table above, it shows that the regression model in this study meets the normality assumption because it has a probability value of 0.087 > 0.05 so that the data obtained is normally distributed.

D. Multiple Linear Regression Analysis

In testing this hypothesis used multiple linear regression analysis. Multiple linear regression analysis is considered appropriate in this test because the regression analysis not only determines the magnitude of the influence of the independent variable on the dependent, but also indicates the direction of the influence. Based on data processing using SPSS v.20 for Windows software, a multiple regression model is obtained.

Table 4. Multiple Linear Regression Analysis

| Coefficients ^a | | | | | | |
|--|----------------------------|-----------------------------|------------|---------------------------|-------|------|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 1.874 | 0.593 | | 3.162 | .002 |
| | Implementasi E-Procurement | .308 | .143 | .346 | 2.155 | .035 |
| | Pengendalian Internal | -.117 | .167 | .101 | .700 | .486 |
| | Komitmen Organisasi | .107 | .122 | .111 | .800 | .382 |
| a. Dependent Variable: Pencegahan <i>Fraud</i> Pengadaan Barang dan Jasa | | | | | | |

Source: Primary data that has been processed by researchers (2021).

Based on table 4, a multiple linear regression equation can be made as follows:

$$Y = 1,874 + 0,308X_1 + 0,117X_2 + 0,107X_3 + e$$

Based on the regression equation above, it can be seen that the influence of each variable can be interpreted as follows:

1. A constant value of 1.874 means that if the independent variables, namely the implementation of e-procurement, internal control and organizational commitment, do not change, in other words, it is assumed to have a value of 0, then the success rate of implementing accrual-based government accounting standards is 1.874.

2. The e-procurement implementation coefficient has a positive value of 0.308, meaning that if the e-procurement implementation variable increases by 1 unit, it will increase the prevention of procurement of goods and services fraud by 0.308 units, assuming the regression coefficient of other variables remains at 0.

E-Procurement Implementation, Internal Control, and Organizational Commitment to Fraud Prevention Procurement of Goods and Services in Device Organizations Area (DOA) City Yogyakarta

3. The internal control coefficient value is positive at 0.117 more than 0.05 so that the internal control variables are not significant and the internal control variables do not increase or decrease the prevention of fraud in the procurement of goods and services. The coefficient of organizational commitment has a positive value of 0.107 more than 0.05 so that the organizational commitment variable is not significant and the internal control variable does not increase or decrease the prevention of fraud in the procurement of goods and services.

E. Hypothesis testing Uji F

Research is said to have a model that fits with the data it has if the probability value is <0.05 measured by the ANOVA test (Ghozali, 2018).

Table 5. F test

| ANOVA ^a | | | | | | |
|---|------------|----------------|----|-------------|-------|-------------------|
| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
| 1 | Regression | 2.853 | 3 | .951 | 7.523 | .000 ^b |
| | Residual | 8.851 | 70 | .126 | | |
| | Total | 11.704 | 73 | | | |
| a. Dependent Variable: Pencegahan <i>Fraud</i> Pengadaan Barang dan Jasa | | | | | | |
| b. Predictors: (Constant), Implementasi <i>E-Procurement</i> , Pengendalian Internal, Komitmen Organisasi | | | | | | |

Source: Primary data that has been processed by researchers (2021).

Based on the test results in Table 5, it shows that the significance value is 0.000 or in other words it is smaller than the alpha value of 0.05. Based on the results of the F test, it can be said that the regression equation model used in this study is fit and feasible to interpret.

F. Determination Coefficient Test (R²)

The coefficient of determination test is used to determine how far the model's ability to explain the variation in the dependent variable (R²). The value of the coefficient of determination is 0 to 1, this means that if = 0 it indicates that there is no influence between the independent variable and the dependent variable. If (R²) gets closer to 1, it shows the stronger the influence of the independent variable on the dependent variable (Ghozali, 2018).

Table 6. Coefficient of Determination

| Model Summary ^b | | | | |
|---|-------------------|----------|-------------------|----------------------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .494 ^a | .244 | .211 | .35558 |
| a. Predictors: (Constant), Implementasi <i>E-Procurement</i> , Pengendalian Internal, Komitmen Organisasi | | | | |
| b. Dependent Variable: Pencegahan <i>Fraud</i> Pengadaan Barang dan Jasa | | | | |

Source: Primary data that has been processed by researchers (2021).

Based on Table 6, it can be explained that the adjusted R square coefficient value generated by each independent variable is 0.211, which means that 21.1% of the variation in the dependent variable is influenced, namely the prevention of fraud in the procurement of goods and services, explained by the independent variable, namely the implementation of e-procurement, internal control and organizational commitment while the remaining 78.9% is explained by other variables outside the independent variables used. The correlation coefficient (R) value in the table is 0.494 indicating that the relationship between the independent variables and the dependent variable is strong because the correlation value is above 0.05.

G. Partial Significance Test (t)

The t statistical test is used to test the effect of each independent variable partially on the dependent variable. The results of the t statistical test can be seen in Table 7. If the sig value <0.05 then the hypothesis is supported, whereas if the sig value is >0.05 then the hypothesis is not supported (Ghozali, 2018).

E-Procurement Implementation, Internal Control, and Organizational Commitment to Fraud Prevention Procurement of Goods and Services in Device Organizations Area (DOA) City Yogyakarta

Table 7. Partial Significance Test

| Coefficients ^a | | | | | | |
|---------------------------|----------------------------|-----------------------------|------------|---------------------------|-------|------|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 1.874 | 0.593 | | 3.162 | .002 |
| | Implementasi E-Procurement | .308 | .143 | .346 | 2.155 | .035 |
| | Pengendalian Internal | .117 | .167 | .101 | .700 | .486 |
| | Komitmen Organisasi | .107 | .122 | .111 | .800 | .382 |

a. Dependent Variable: Pencegahan *Fraud* Pengadaan Barang dan Jasa

Source: Primary data that has been processed by researchers (2021).

Based on Table 7, the effect of each independent variable on the dependent variable can be described as follows:

Hypothesis Test Results 1: Implementation of E-Procurement Has a Positive Effect on Prevention of Goods and Services Procurement Fraud

The results showed that the e-procurement implementation variable (X1) had a significance value of 0.035 or less than 0.05. It can be said that the first hypothesis (H1) is supported so that it can be said that the implementation of e-procurement has an effect on preventing fraud in the procurement of goods and services.

Results of Hypothesis 2 Test: Internal Control Has a Positive Effect on the Prevention of Goods and Services Procurement Fraud

The results of this study indicate that the internal control variable (X2) has a significance value of 0.486 or more than 0.05. It can be said that the second hypothesis (H2) is not supported so that it can be said that internal control has no effect on preventing fraud in the procurement of goods and services.

Hypothesis 3 Test Results: Organizational Commitment Has a Positive Effect on the Prevention of Goods and Services Procurement Fraud

The results of this study indicate that the organizational commitment variable (X3) has a significance value of 0.382 or more than 0.05. It can be said that the third hypothesis (H3) is not supported so that it can be said that organizational commitment has no effect on preventing fraud in the procurement of goods and services.

IV. DISCUSSION

A. The Effect Of E-Procurement Implementation On The Prevention Of Goods And Services Procurement Fraud

The results of the tests that have been carried out explain that the e-procurement implementation variable has an effect on preventing fraud in the procurement of goods and services with a significance value of 0.035 which is positive. From the results of this test, the first hypothesis is supported, which means that the implementation of e-procurement has an effect on preventing fraud in the procurement of goods and services.

Based on an interview with one of the procurement committee employees that e-procurement is not one hundred percent able to prevent fraud, it is evident from the existence of several cases that have occurred that indeed e-procurement has not been proven to be certain in preventing fraud but with e-procurement goods procurement activities can be better monitored , easier to do, and better at preventing fraud than no e-procurement system at all.

This research is in line with research conducted by Artantri et al, (2016) which states that the implementation of e-procurement has an effect on preventing fraud in the procurement of goods and services. By changing a method that is systematic and transparent, it will help prevent fraud. With the existence of an e-procurement mechanism, the entire procurement process can be carried out and monitored in real time through the electronic procurement system (SPSE) thereby minimizing the occurrence of fraud. The implementation of e-procurement at the Yogyakarta City OPD is running effectively in accordance with Presidential Decree no 12 of 2021 concerning government procurement of goods and services. Good implementation of e-procurement carried out by each OPD can maximize the prevention of fraud in the procurement of goods and services in each OPD.

The results of this study indicate that the better the implementation of e-procurement that is implemented by each OPD, the higher the level of prevention of fraud in the procurement of goods and services that is carried out. Good implementation of e-procurement can reduce or even close opportunities for fraud to occur in an OPD. Effective implementation of e-procurement in

E-Procurement Implementation, Internal Control, and Organizational Commitment to Fraud Prevention Procurement of Goods and Services in Device Organizations Area (DOA) City Yogyakarta

an OPD is expected to minimize the occurrence of deviant actions that are not in accordance with existing rules or guidelines for personal gain. This is supported by the pentagon fraud theory explaining that there are five factors that underlie a person committing fraud, namely pressure, opportunity, rationalization, competence and arrogance. The implementation of e-procurement is expected to reduce unethical behavior and fraud.

The results of this study are inconsistent with the results of research conducted by Romaisah et al, (2017) the variable implementation of e-procurement has no effect on the prevention of fraud in the procurement of goods and services, stating that the effectiveness of the implementation of e-procurement in an organization will not guarantee an increase in the level of prevention of fraud in the procurement of goods and services.

B. The Effect Of Internal Control On The Prevention Of Goods And Services Procurement Fraud

The second hypothesis proposed is that the effect of internal control has no effect on preventing fraud in the procurement of goods and services with a significance value of 0.486 or greater than 0.05 so it does not support the second hypothesis (H2). This means that internal control cannot prevent fraud from occurring in the procurement of goods and services.

The results of this study are in line with research conducted by Cahyani, (2019) which states that internal control has no effect on preventing fraud in the procurement of goods and services. Fraudulent acts may be committed outside of internal control. So that the existence of good internal control is not an obstacle to commit fraud. Based on the results of this study, internal control does not affect fraud prevention in the procurement of goods and services at OPD Kota Yogyakarta. This is because the Yogyakarta city government has not fully implemented the proper separation of powers and duties or in another sense internal control in the OPD in the City of Yogyakarta has not been sufficient.

Based on an interview with an OPD employee who was once a goods procurement committee that the separation of powers and duties did not affect the occurrence of fraud or decreased performance at the agency itself, because employees were given authority and duties from superiors on the basis of having been certified in the goods procurement committee. However, according to the employee, the occurrence of fraud is the attitude of the individual or personal who is given authority and duties but is misused which will lead to fraud and harm the agency itself.

However, the results of this study are not in line with research conducted by Primastiwi et al, (2020) which determined that internal control has an effect on preventing fraud in the procurement of goods and services. They say that all types of fraud in the procurement of goods and services in an organization/government can be prevented through adequate internal controls.

C. The Effect Of Organizational Commitment On The Prevention Of Goods And Services Procurement Fraud

The results of this study indicate that organizational commitment has no effect on preventing fraud in the procurement of goods and services with a significance value of 0.382 or greater than 0.05. So it does not support the third hypothesis (H3). This means that organizational commitment does not affect a person's intention to commit acts of fraud in the procurement of goods and services. In this study, Yogyakarta City Regional Apparatus Organization (OPD) employees did not yet have a high awareness that commitment to agencies was something that should be done. The results of this study indicate that employees' commitment to the agency where they work does not prevent them from committing fraud.

Based on the results of an interview with one of the Yogyakarta City OPD employees that an attitude or behavior of a person towards an organization in the form of loyalty or in other words organizational commitment can prevent fraud as long as employees obey and obey the rules that have been set, but because the occurrence of fraud is caused by pressure or threats from other people or from their own superiors that oblige someone to commit fraud (fraud), and fraud occurs because there is an opportunity for someone to be able to do so, therefore the occurrence of fraud can be avoided depending on the individual himself.

The results of this study are in line with research conducted by Sularso et al, (2015) which stated that organizational commitment has no effect on preventing fraud in the procurement of goods and services. Even though employees are loyal to the institution where they work, when opportunities open up that allow them to commit fraud, as long as they benefit from this action and are not detected, they will continue to commit fraud. High organizational commitment to the agency where they work is not able to increase the prevention of fraud in the procurement of goods and services. Organizational commitment can increase the prevention of fraud in the procurement of goods and services if it is accompanied by internal control and compliance with the rules that apply in the institution, so that there is no intention or opportunity for employees to commit acts of fraud.

However, the results of this study are not in line with previous research by Sunarmo et al, (2020) which proved that the organizational commitment variable affects the prevention of fraud in the procurement of goods and services. Organizational commitment can significantly increase the level of fraud prevention in the procurement of goods and services, thus

E-Procurement Implementation, Internal Control, and Organizational Commitment to Fraud Prevention Procurement of Goods and Services in Device Organizations Area (DOA) City Yogyakarta

strengthening fraud prevention to manipulate and mistreat assets (goods/services) can be done by strengthening aspects of organizational commitment, namely employee loyalty to the organization.

V. CONCLUSIONS AND RECOMMENDATIONS

A. Conclusion

Based on the results of data analysis and discussion of the influence of e-procurement implementation, internal control, and organizational commitment, it can be concluded as follows:

1. The implementation of e-procurement has an effect on preventing fraud in the procurement of goods and services at OPD Kota Yogyakarta. This means that the implementation of good e-procurement has been carried out by each OPD to prevent fraud in the procurement of goods and services within the Regional Apparatus Organization, therefore the first hypothesis is supported.

2. Internal control has no effect on the prevention of fraud in the procurement of goods and services at OPD Kota Yogyakarta. This is because the Yogyakarta city government has not fully implemented the proper separation of powers and duties or in another sense the control at the OPD in Yogyakarta City has not been adequate and the occurrence of fraud in the procurement of goods and services persists, so the second hypothesis is supported.

3. Organizational commitment has no effect on preventing fraud in the procurement of goods and services at OPD Kota Yogyakarta. Even though employees are loyal to the institution where they work, when opportunities open up that allow them to commit fraud, during they benefit from these actions and are not detected, then they will continue to commit fraud. This means that high commitment to agencies does not guarantee a reduction in the occurrence of fraud, so the third hypothesis is not supported.

B. Research Limitations

This research has limitations, including:

This research was conducted during the Covid-19 pandemic so the distribution of the questionnaires was not optimal, due to the implementation of WFH or self-isolation.

C. Suggestion

Future research is expected to add to independent variables such as compensation, because compensation can apply a reward and punishment system and is always consistent in providing and increasing employee religiosity so as to prevent and reduce fraud in the procurement of goods and services.

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