

THE GOVERNANCE OF E-PROCUREMENT IN PREVENTING FRAUD TRENDS OF GOODS / SERVICES PROCUREMENT: A PHENOMENOLOGICAL STUDY

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Abstract

This research is motivated by many findings of corruption on goods / services procurement, the findings by BPK-RI on the procurement of goods / services at Mataram University which is the first and largest public university in West Nusa Tenggara Province which has implemented e-procurement since In 2011 with a budget posture for goods / services spending large enough so that the opportunity for fraud is large enough. This is interesting because the Mataram University as an educational institution should be an example of how to manage e-procurement that can prevent the tendency of fraud so as to increase public confidence in educational institutions.

This research uses qualitative method with phenomenology study approach and focus to explore information related to understanding, interpretation and experience from Working Group (Pokja ULP) related to governance of e-procurement towards phenomenon of fraud or fraud tendency in procurement of goods / services of government viewed from perspective Fraud diamond theory at the Mataram University so it is known the cause of fraud trends and how to overcome them. This research supports the relevant theories of agency theory, theory of authority delegation and fraud diamond theory. The results of this study indicate that the implementation of e-procurement at the Mataram University is in conformity with the applicable regulations (Perpres 54 of 2010 and its changes), the findings by BPK-RI more due to less mature the planning process, less carefully and firmly Official / Working Recipient Committee (PPHP). While in terms of fraud diamond theory only lack of supervision that affect the tendency of fraud so that expected role and involvement of internal supervision more intensive. This study has limitations because it examines the e-procurement process only from internal parties without involving the provider of goods / services as an external party. The next researcher's suggestion is to examine the causes of fraud e-procurement by involving external parties.

Keywords: E-procurement, Fraud, Working Group (Pokja ULP), Perpres 54 of 2010

1. Introduction

The noble ideals of the founders of the Indonesian nation as embodied in the preamble of the 1945 Constitution of paragraph-4 of them are promoting public welfare and realizing social justice for all Indonesian people. But in reality, these ideals are still regarded as a mere rhetoric because there are still many acts of corruption, collusion and nepotism that bind the general welfare and silence the sense of justice for the people of Indonesia. These unethical acts constitute a form of fraud that occurs almost in all instances, from the central government level to the local government and even the government at the lowest level though and there is continuous relentlessness like running water even though various attempts have been made to contain it.

Cheating includes various irregularities and illegal acts characterized by intentional fraud (Matthew et al., 2013). Jatiningtyas et al., (2011) defines fraud as a series of irregularities concerning illegal acts, committed intentionally for a particular purpose, such as giving a misleading image of the other by the people From within or outside the organization to gain either personal or group benefits and directly or indirectly harm others. One of the fraud that causes the most leakage and loss of state finance is fraud in the procurement of government goods / services. According to research conducted by Buehler (2012) on government procurement system reforms and referring to Indonesia Procurement Watch (IPW) data shows that 70% of corruption practices stem from government procurement systems (quoted from www.ti.or.id). Based on data from Indonesia Corruption Watch (ICW), during the first semester of 2013 there are 560 corruption cases with state losses of Rp. 7.3 trillion rupiahs, 42% were cases related to corruption of procurement of goods / services with 1,191 suspects.

Factors that make the procurement of goods / services a fertile field of corruption practices, among them are the amount of money in circulation, the close contact between the service provider and the auction committee and the number of auction procedures to be followed. To overcome these problems, it is necessary to do an open process in the procurement of goods / services. This transparent process will provide equal opportunity to the provider of goods / services and in its implementation will get supervision from the community (Jasin et al., 2007). In general, cases of fraud in the frequent procurement of goods / services are bribery, price games, unfair selection of goods / services providers and violations of the standard of goods / services provided (Matthew et al., 2013).

In order to create a conducive, healthy business climate, improve the efficiency of state expenditure and accelerate the implementation of the APBN / APBD, Presidential Regulation 54 of 2010 on Government Procurement of Goods / Services contains rules, systems, methods and procedures more simple, open, effective and Efficient with due regard to good governance such as e-announcement, e-procurement, e-purchasing, e-catalog and so on.

The Government has made every effort to create an effective, efficient, open, compete, accountable and other procurement of goods and services to save the state's finances from any fraud that may cause financial losses to the state. One of the efforts is to apply the procurement of goods / services electronically or e-procurement. As mandated by Presidential Regulation No. 54/2010 on Procurement of Government Goods / Services, Mataram University as the first and largest university in West Nusa Tenggara has been procuring electronic goods / services or e-procurement since 2011 through Electronic Procurement Service (LPSE) West Nusa Tenggara provincial government (lpse.ntbprov.go.id). Then in 2015, Mataram University has its own Electronic Procurement Service (LPSE) and e-procurement independently through the lpse.unram.ac.id page. Within 6 years of procurement of goods / services of Mataram University through e-procurement, there are still indications of fraud, this is confirmed by the findings by the Supreme Audit Agency (BPK) RI.

From the point of view of fraud theory, the background of fraud is the fraud triangle first coined by Cressey (1953), including pressure, opportunity and rationalization. In subsequent developments, Wolfe and Hermanson (2004) found one additional factor that encourages a person to commit acts of cheating, namely capability. These four factors are known as fraud diamond theory. Fraud diamond theory is a fraud phenomenon as a form of development of fraud triangle theory. Fraud in this research will be viewed from the perspective of fraud diamond theory that is incentive / interpreted into compensation suitability, opportunity / interpreted into internal control, rationalization / interpreted to be ethics and capability / ability interpreted to the quality of Human Resources (HR) in the procurement of goods / services performed electronically (e-procurement) in an effort to reduce the occurrence of state financial losses.

This research is motivated by many findings of corruption in goods / services procurement, the findings by BPK-RI on the procurement of goods / services at Mataram University which is the first

and largest public university in West Nusa Tenggara Province which has implemented e-procurement since In 2011 with a budget posture for goods / services spending large enough so that the opportunity for the occurrence of fraud is large enough. This is interesting because the University of Mataram as an educational institution should be an example of how to manage e-procurement that can prevent the tendency of fraud so as to increase public confidence in educational institutions.

The main purpose of this study is to explore and comprehensively understand and deepen the experience of a person based on a real event and experienced consciously and interpreted in accordance with the perceptions of people who experience about internal and external factors causing fraud trends in the implementation of e-procurement at the Mataram University and solutions to be taken to streamline the role of e-procurement governance in overcoming the proliferation of goods / services procurement at the Mataram University. This research is expected to expand the understanding of the factors that can cause the tendency of fraud to be avoided in order to create good / effective goods and service procurement so that the resultant output can improve the quality of Tri Dharma Perguruan Tinggi at Mataram University.

2. Past Research and Platform Theory

Procurement of goods / services is a source of state financial leak caused by the practice of fraud. Fraud in this research is viewed from the perspective of fraud diamond theory that is incentive / interpreted to be compensation suitability, opportunity / interpreted become internal control, rationalization is defined as ethics and capability / ability to be interpreted as quality of human resources in procurement of goods / services which is done electronically (e-procurement) in an effort to reduce the occurrence of state financial losses . There have been many studies on the fraud of procurement of goods / services done but mostly still using quantitative methods while using qualitative methods is still relatively limited.

Incentives that are interpreted as compensation suitability can be interpreted as rewards or rewards given by the organization to a job done, in this case is the procurement of goods / services made by the committee procurement of goods / services. Some researchers who examined the relationship between compensation suitability and fraud of goods / services procurement include Wilopo (2006), Thoyibatun (2009), Zulkarnain et al., (2013), Simanjuntak (2014), Delfi et al., (2014) and Arifianti Et

al., (2015) found that there was no effect on the compensation suitability that led to fraud on procurement of goods / services. This is caused because the compensation given is not in accordance with the wishes of management, and there is no clear compensation system that regulates rights and obligations as well as measures of achievement and failure.

However, studies conducted by Thoyibatun (2009), Zulkarnain et al., (2013), Simanjuntak (2014), Delfi et al., (2014), found that the higher the compensation it provides the greater the cheating can be reduced. Compensation appropriateness needs to be given to provide employee satisfaction and motivation in the work, thus encouraging them to provide the best for the company (Gibson, 1997 in Delfi et al., 2014). While (Musafir, 2013) financial and non financial compensation affect the improvement of employee performance.

Opportunity meaning that become an internal control within an organization plays an important role to the happening of fraud. Research conducted by Akbar et al., (2012), Simanjuntak (2014), Purwitasari (2014) and Arifianti et al. (2015) found that internal control significantly influenced the procurement of goods / services. While Wilopo (2006), Thoyibatun (2009), Najahningrum (2013), Zulkarnain et al., (2013) and Delfi et al., (2014) found that internal controls significantly negatively affect the procurement fraud. However, Sari (2013) found the opposite that internal control positively affect the prevention fraud procurement of goods / services.

Rationalization that is understood to be the ethics of procurement of goods / services as found by Jatiningtyas et al., (2011) in his research has a significant effect on the fraud of goods / services procurement. Thoyibatun (2009) and Zulkarnain et al., (2013) found that unethical behavior had a positive effect on the tendency toward fraud. While Nurharjanti (2013) did not find any influence between the ethics of procurement of goods / services with fraud procurement of goods / services. Meanwhile, according to Wilopo (2006), unethical behavior in the procurement of goods / services can be derived by increasing the effectiveness of internal control.

A number of studies that analyze the determinants of fraudulent procurement of goods / services with capability that is interpreted as the quality of Human Resources (HR) procurement committee electronically as variables such as Jatiningtyas et al., (2011), Arifianti et al. 2015) found that the quality of human resources (HR) procurement committee of goods / services have a significant effect on fraud

procurement of goods / services. While the study conducted by Nurharjanti (2013) found that the quality of Human Resources (HR) committee has a significant influence with the negative relationship to fraud procurement of goods / services. This means that the capabilities possessed by the procurement committee does not always have a positive effect if not managed well and not accompanied by good procurement ethics because it can be the trigger of fraud.

2.1. Agency Theory

The agency theory arises because of a mutualistic relationship between one or more persons as a principal with one or more persons employed to perform a job in exchange for a given fee and be given the authority to adopt a strategic policy for the principal's interest. However, due to various motivations based on human nature that tend to be selfish, there is a conflict of interest (conflict of interest) between principal and agent in the agency relationship.

According to Meisser et al., (2006: 7) this agency relationship resulted in two problems, namely:

1. The occurrence of asymmetric information (asymmetry information), where management generally has more information about the actual financial position and position of the entity's operations than the owner.
2. Occurrence of conflict of interest due to inequality of purpose, where management does not always act in accordance with the interests of the owner.

According to Scott (2000) there are two kinds of information asymmetry, namely:

1. Adverse Selection

Adverse Selection occurs because managers or some people in the company know more about the circumstances and prospects of the company than outside investors. Management selects the information to be shared with investors. Can by choosing important information company and or accelerate the information submitted to certain investors who have a special relationship.

2. Moral Hazard

Moral Hazard occurs because the activities undertaken by a manager are not entirely known to shareholders or lenders, so managers can take action outside the knowledge of shareholders who violate the contract and in fact ethically or otherwise may not be feasible.

2.2. Delegation of Authority Theory

The more of the organization grows, the more complex and complex the activities, problems and problems are faced. In such circumstances the tasks of the leadership are more and more complex as well, consequently in dealing with all the tasks that become the burden becomes less effective and efficient. For this reason, the issue of delegation of authority must begin to be considered (Nitisemito: 1982). Delegation of authority is the delegation of formal authority and responsibility to a subordinate to complete certain activities, Stoner (2000: 434). Thus, the boss needs to delegate authority so that they can run the management operation properly. This is done because a leader has limited time, knowledge, ability and attention in carrying out all the tasks that exist in the organization he leads.

2.3. Fraud Theory

From the point of view of the fraud theory, the background of fraud is the fraud triangle (fraudtriangle) first coined by Cressey (1953), including pressure, opportunity and rationalization. In subsequent developments, Wolfe and Hermanson (2004) found one additional factor that encourages a person to commit acts of cheating, namely capability. These four factors are known as fraud diamond theory. Fraud diamond theory is a fraud phenomenon as a form of development of fraud triangle theory.

2.4. Procurement of Government Goods / Services

Presidential Regulation No. 70/2012 concerning the second amendment to Presidential Regulation No. 54/2010, in Article 1 provides an understanding on the procurement of government goods / services as follows:

"Procurement of goods / services, hereinafter referred to as procurement of goods / services, is an activity to obtain goods / services by the Ministry / Institution / Work Unit of Regional Devices / Institutions whose process starts from the planning of needs until the completion of all activities to obtain goods / services".

The procurement process of goods / services in the government sector is different from the procurement process of goods / services in the private sector. Procurement of goods / services in the

government sector is very concerned and regulates the process and documentation of the procurement activities of goods / services, as well as the moral hazard and adverse selection.

Principles of procurement of goods / services as regulated in Presidential Decree no. 80 of 2003 shall be: 1) Efficient, 2) Effective, 3) Open and Competitive, 4) Transparent, 5) Fair and non-discriminatory, and 6) Accountable. By applying the principles of efficient, effective, transparent, openness, compete, fair / non-discriminatory and accountable will increase public confidence in the process of Procurement of Goods / Services. Therefore, the results can be accounted to the community in terms of administration, technical and financial.

2.5. Procurement of Electronic Government Goods / Services (E-Procurement)

Article 1 of Presidential Regulation no. 54 of 2010 concerning Procurement of Government Goods / Services concerning terms and conditions, which is meant by electronic procurement or e-procurement is the procurement of goods / services implemented by using information technology and electronic transactions in accordance with the provisions of legislation. The instrument explains that the procurement process of government goods / services is done electronically, primarily web-based or internet, including electronic public tenders organized by Electronic Procurement Services (LPSE).

Implementation of E-Procurement as a system of procurement of goods / services has several principles as mentioned in Presidential Regulation No. 54 of 2010, the principles are:

1. Efficient means that the procurement of goods / services should be cultivated using the minimum funds and resources to achieve quality and objectives within the stipulated time or using the funds already set to achieve results and objectives with maximum quality.
2. Effective, means the procurement of goods / services must be in accordance with the needs and targets that have been set and provide maximum benefits.
3. Transparent, means that all provisions and information on procurement of goods / services is clear and can be widely known by the providers of goods / services interested and by the community at large.
4. Open, means the procurement of goods / services can be followed by all providers of goods / services that meet certain requirements / criteria based on clear rules and procedures.

5. Competing means that the procurement of goods / services must be done through fair competition among as many suppliers of goods / services as equivalent and fulfilling the requirements, so that the goods / services can be obtained competitively and there is no intervention that disturb the creation of market mechanism in procurement goods / services.
6. Fair / non-discriminatory means equal treatment for all prospective providers of goods / services and does not lead to member profits to certain parties, with due regard to national interests.
7. Accountable, means must be in accordance with the rules and provisions related to the procurement of goods / services so it can be accounted for.

According to Presidential Regulation No. 54 of 2010, government procurement of goods / services electronically aims to: 1) Achieve Good Governance which is the task of government, 2) Improve transparency and accountability, 3) Enhance market access and fair business competition, 4) Efficiency of the procurement process, 5) Supporting the monitoring and auditing process, and 6) Meet the need for real time information access.

With e-procurement, it is expected that the potential for fraud in the procurement process of government goods / services can be minimized. E-procurement can improve the efficiency and effectiveness of public procurement, reduce costs, increase competition, to ensure equal opportunity and treatment. In general, the goal is to ensure integrity, public trust and transparency in public procurement procedures (Ermal Et al., 2011). So e-procurement can be used as a control tool in a procurement process of goods / services.

2.6. Fraud

The definition of fraud according to Tuanakotta (2013: 28) is:

Any illegal act characterized by deceit, concealment, or violation of trust. These acts are not dependent upon the threat of violence or physical force. Frauds are perpetrated by parties and organizations to obtain money, property, or services; to avoid payment or loss of services; or to secure personal or business advantage.

The statement explains that fraud is any illegal act characterized by deception, concealment or breach of trust. This action does not depend on the application of threats of violence or physical strength. Fraud committed by individuals, and organizations to earn money, wealth or services; To avoid payment or

loss of services; Or to secure personal business profits. The definition of fraud according to BPK RI (2007) is as a kind of unlawful act done deliberately to obtain something by cheating.

According to the Association of Certified Fraud Examiners (ACFE) in Jatiningtyas and Kiswara (2011) divide fraud into three (3) action typologies:

1. Asset Missappropriation

This missappropriation asset includes the misuse or theft of a company's assets or other party. This is the most easily detectable form of fraud because it is tangible or can be measured / calculated (defined value).

2. Fraudulent Misstatement

Fraudulent Misstatement involves the actions taken by an officer or executive of a company or government agency to cover the actual financial condition by performing financial engineering in preparing its financial statements for profit and earning attractive profit (window dressings).

3. Corruption

Corruption is the fraud most difficult to detect because corruption is not usually done by one person alone but already involving other parties (collusion). Such cooperation may include abuse of authority / conflict of interest, bribery, gratuities and economic extortion.

The latest cheating typology is cyber crime or crime through cyberspace that can only be done by people who have certain expertise, especially the field of information technology. Hamzah (1989) defines cyber crime as a criminal activity with a computer or computer network into a tool, target or place of crime. These include online auction fraud, check fraud, credit card fraud (carding), confidence fraud, identity fraud, child pornography, and so on.

3. Research Methods

In accordance with the main objective of this research is to fully understand and comprehensively the fraud phenomenon in electronic procurement of goods / services of government or e-procurement using qualitative research method with phenomenology research approach. The consideration of using qualitative approach is to understand the phenomenon in its natural setting and context (not in the laboratory) where the researcher does not attempt to manipulate the phenomenon itself (Patton, 2002). Cresswell (2016: 4-5) argues that qualitative research is a method of exploring and

understanding the meaning that by some individuals or groups of people ascribed to social and humanitarian problems. Furthermore, qualitative research according to Moleong (2007: 6) is a study that intends to understand the phenomenon of what is experienced by research subjects such as behavior, perception, motivation, action, and others holistically, and by way of description in the form of words and Language, in a special, natural context and by utilizing various natural methods.

While phenomenology can be interpreted as an attempt to study the knowledge arising from a sense of awareness to know. The object of knowledge in the form of phenomena or events is understood by conscious experience (conscious experience). Adian (2010: 145) adds that phenomenology is a study of phenomena or anything that appears. Sumiyadi (2005: 22) also said that phenomenology is the science of the visible in society. Phenomenology apart from being part of the branch of philosophy, is also part of qualitative research methods. So it can be said that phenomenology is an experience of someone who is based on a real event and experienced consciously and interpreted in accordance with the perceptions of people who experience.

There are two types of data used in this research that is primary data and secondary data. Primary data in this study is data obtained from interviews and observations conducted by researchers at the Working Group (Pokja) Procurement Services Unit (ULP) University of Mataram is directly related to e-procurement, while secondary data in this study is data obtained from The results of the researcher's review of the related documents, whether in the form of soft copy or hard copy related to e-procurement.

In qualitative research, informants and the presence of researchers is very important. The position of the researcher becomes very complicated because the researchers as well as planners, data collectors, data analysts, data interpreters and eventually become reporting research results. Researchers become instruments because researchers become everything in the whole process of research (Moleong, 2009: 168). Selection of informants in this study based on criteria (criterion based selection method) where informants carefully selected based on certain criteria and considerations (generally based on capacity and competence) that will be able to provide sufficient and detailed information (Patilima, 2010). In order for researchers to gain a deep and comprehensive understanding, the selection of informants in addition to using the method based on the criteria (criterion based selection method) or

purposive sampling also uses the method of snowball sampling is the technique of determining the initial sample of small amount, then this sample was told to choose his friends to Made a sample (Sugiyono, 2001: 61). This is done to obtain in depth and comprehensive information to the point of saturation where no more information can be extracted from the informant or all informants give the same answer to the question posed.

Data collection procedure is very important in supporting the success of a research. The data collection procedure is done with 3 (three) approaches, namely interview, observation and documentation. In technique of examination of data validity, researcher use triangulation technique with theory. Where in the sense triangulation is a technique of checking the validity of data that utilize something else in comparing the results of interviews against the object of research (Moleong, 2004: 330). In this study, data analysis is done by combining interactive data model analysis procedure (Miles et al., 1992: 16-20) which includes the following steps: data reduction, data presentation, inference and verification. Sugiyono, 2010: 246 argued that the activity in qualitative data analysis is done interactively and lasted continuously until complete, so the data is saturated.

4. Results and Discussion

E-procurement is a system that utilizes information technology that includes values of transparency, efficiency, and openness. E-procurement is one of the best approaches in preventing the misuse of duties and responsibilities in the procurement of government goods / services even though in practice there are still many problems such as the existence of fraud practices. Due to the many opportunities of deviation in the implementation of goods / services in government agencies, the implementation of e-procurement system is expected to be the right solution to the problems that occur in the procurement process of government goods / services. With e-procurement, direct contact between suppliers and service providers becomes lower, so the procurement process can be more transparent, time-saving and cost-free, and easy to account for. Therefore, it is necessary to build e-procurement governance mechanism that can minimize the tendency of fraud. The above is in line with the explanation given by informant 1, namely:

"Implementation of procurement of goods / services through e-procurement is more easily accountable because all the history of the implementation of e-proc is stored on LPSE Unram server so it is easier to be audited".

Meanwhile informant 2 said that:

1. "E-procurement are more transparent and open, the public including journalists and LSM can access all stages and schedule of procurement implementation, even to know if there is a change of schedule without having to be a tender participant first. In fact, for the announcement of the winner, e-procurement presents all participants who register and who fall at the evaluation stage and the reasons for their deaths ".
2. "Able to minimize the misuse of tenders by storing master files in the form of .rhs on servers accessible to the parties after the auction including auditors. This may cause the files accessed by the ULP Working Group / Procurement Committee to be the same as those accessed by PPK or auditors, so that if there is any misuse by post bidding it will be found quickly ".
3. "Increase efficiency by reducing document cost doubling, transportation costs of auction participants and other costs".

While informant 3 said that:

"With the e-procurement of the auction more transparent, the price that we can be more competitive and competitive. The general public can also access all stages of the auction process and as for any change of schedule we can change it anywhere ".

The results of research on the advantages of e-procurement reinforce the purpose of e-procurement as stated in Presidential Regulation No. 54 of 2010, namely: 1) Realizing Good Governance which is the task of government, 2) Improving transparency and accountability, 3) Improving market access and Fair business competition, 4) Improve the efficiency of the procurement process, 5) Support the monitoring and auditing process, and 6) Meet the real-time information access needs and support the research undertaken by Ermal et al. 2011, e-procurement can improve Efficiency and effectiveness on procurement of general goods and services, reducing costs, raising competition, to ensure equal opportunity and treatment. And in line with the research of Teo & Lai, 2009 which divides the advantages of e-procurement into 2 ie directly perceived benefits (increasing the prevalence of data, improving efficiency in the procurement process, faster application process, reduced operational and administrative costs) (E-procurement makes procurement more competitive, improves customer service, and improves relationships with co-workers).

However, in addition to the above advantages there are still limitations in the application of e-procurement as explained by informant 1, namely:

"The selection of providers is only determined through the examination of electronic documents, sometimes this way is not sufficient to determine the provider is qualified or not".

Meanwhile informant 2 said that:

1. "Not all ULP / Pokja ULP members understand the technical use of SPSE applications. This condition causes some ULP / Pokja ULP to submit technical operation of the application to one party or even other parties outside ULP membership. This causes the access control of auction data / information to be weak and allows misuse by unauthorized parties ".
2. "The results of the evaluation by the ULP Working Group uploaded to the SPSE application can not be verified accurately by other participants because the offer document can only be opened by the participants concerned or by the ULP Working Group".
3. "The difficulty of uploading bidding files into the SPSE application may be caused by the limited capacity of the Internet network owned, the server is often down or even not closed the possibility of the intent of a particular party to limit the submission of the file offer, after the offer of a particular partner is accepted by LPSE server ".

Statement of informants 1 and 2 mentioned above in accordance with research conducted by Gunasekaran et al., 2009 which says that e-procurement still has weaknesses and obstacles in the implementation process such as lack of financial support, there are several agencies and providers more comfortable with the previous system (conventional procurement), lack of support from top management, lack of skills and knowledge of e-procurement as well as system security guarantees.

During the implementation of procurement of goods / services at the University of Mataram using e-procurement since 2011 still found indications that lead to the tendency of fraud, this is corroborated by the findings by the Supreme Audit Agency (BPK RI). In accordance with the focus of research, fraud trends in this study will be reviewed from the perspective of fraud diamond theory. The 1st element (first) is the incentive / pressure that is interpreted by the compensation suitability. Informant 1 says that:

"The honorarium is regulated in the Minister of Finance Regulation and it is appropriate because the amount is considered sufficient".

The same thing was also expressed by informants 2 and 3 as follows:

"The amount of honorarium is regulated in Regulation of the Minister of Finance no. 33 years 2016 ".

"If the honorarium already has the standard".

The informant's statements above are in line with several studies that examine the relationship between compensation suitability and fraud of goods / services procurement such as Wilopo (2006), Thoyibatun (2009), Zulkarnain et al. (2013), Simanjuntak (2014), Delfi Et al., (2014) and Arifianti et al., (2015) found that there is no effect on the compensation suitability that leads to fraud in the

procurement of goods / services. This is caused because the compensation given is not in accordance with the wishes of management, but there is already a standard that regulates the amount of compensation given to the Working Group ULP / committee procurement of goods / services.

Next is the 2nd element of fraud diamond theory that is Opportunity / meaning that become internal control in an organization that plays an important role to the happening of fraud. At the University of Mataram there is an Internal Supervisory Unit (SPI) which according to informant 1 has a role:

"Conducting an evaluation and monitoring of activities that will, are and have been implemented".

Informant 2 says that the role of SPI is:

"Conducting evaluation and monitoring".

In line with informants 1 and 2, informant 3 says that the role of SPI is:

"Evaluate the work to be done or done".

Nevertheless, although it is said that the role of SPI is to conduct evaluation and monitoring but there are still findings related to procurement of goods / services by BPK RI, this is because still weak evaluation and monitoring conducted by SPI. This fact is justified by informant 1 as follows:

"Improving the role and involvement of SPI more adequately".

In line with informant 1, informant 2 also said:

"SPI as the supervisor needs to be improved, so that the implementation of PBJ (Procurement of Services, Pen) becomes more effective and transparent".

Therefore the role of SPI must be improved in order to prevent the tendency of fraud on the procurement of goods / services as the result of Sari research (2013) which finds that internal control has a positive effect on the prevention of goods / service procurement fraud. Wilopo (2006) explains that unethical behavior and the tendency of accounting fraud can be reduced by increasing the effectiveness of internal control. Pramudita (2013), found that the effectiveness of SPI has a negative effect on the occurrence of fraud in the government sector.

The 3rd element of fraud diamond theory is Rationalization which is defined as the ethics of procurement of goods / services. Fraud behavior generally occurs due to lack of compliance of parties

related to the procurement of goods / services to the rules. Fundamental issues that need attention in overcoming the problem This fraud is a matter of ethics. According to Baucus (1994) in Puspasari, (2012), generally illegal behavior is part of unethical behavior, therefore there is a law that must be enforced as part of the effort to uphold moral standards. At the University of Mataram, procurement of goods / services has been carried out in accordance with the applicable regulations as compactly stated by informants 1, 2 and 3 that:

"The implementation of e-procurement at the University of Mataram is in accordance with the applicable rules".

However, although e-procurement has been implemented in accordance with the applicable rules, there are internal and external factors that contribute to the successful implementation of e-procurement that can trigger the emergence of the tendency of fraud. Internal factors that often occur is the lack of planning so that it will affect the process and the end result of e-procurement itself as disclosed by the following informant 1:

"Incomplete planning documents, suggestions from incomplete units / faculty".

Informant 2 also delivered the same thing:

"Initial planning documents that are still incomplete and sometimes non-existent, faculty / unit proposals still do not fit both the budget and the type of goods / procurement so that the procurement time becomes slow because of the revision of the budget".

Likewise with informant 3 who said that the less good planning as follows:

"Less complete data supporting the proposal from the user (faculty / unit) or planning less detailed".

In addition to unfavorable planning, internal factors affecting other e-procurement are the inaccuracy of KDP (Committing Officer, Pen) in making technical specifications of goods / services to be auctioned and inaccurate / unambiguous Officials / Working Committee (PPHP) Upon receipt of goods / services not in accordance with the technical specifications requested. Such matters can be an indication of fraud as mentioned by (Nurharjanti, 2013) that there are several types of fraud in the procurement of goods / services are: 1) Non-conformity between goods / services contracted with the needs of agencies and / or society, Of the type, quality or quantity of goods / services; 2) Non-conformity between technical specifications of goods / services that have been completed by the provider of goods / services with technical specifications established in the agreement / contract; 3)

Non-conformity between the volume and the amount that should be in accordance with the agreement / contract; 4) Unfair price of goods / services agreed in contract / agreement. For example, the procurement of computer equipment far above the price of similar equipment on the market because it contains elements mark-up; 5) Delay in completion of work by the counterparts of the time schedule specified in the agreement / contract.

In addition to the internal factors above, other internal factors that can trigger fraud incidence are the procurement of goods / services near the end of the year that can reduce the prudence of the procurement of goods / services in evaluating, verifying and clarifying. Informant 2 reveals:

"The timing of the procurement is nearing the end of the year, so the evaluation of the auction becomes less cautious or even many things that have not been verified and clarified".

In addition to internal factors, there are also external factors that can affect the tendency of fraud in the procurement of goods / services such as less competent providers of goods / services or provision of goods / services that exist outside the region. Informant 1 says:

"Providers who do not have the capabilities as required in the bidding documents, providers located outside the city / province so that if there is a problem it is often too late or unwilling to cooperate".

In addition, especially procurement through e-purchasing is often the goods sought are not there or the goods are out of stock and to confirm the availability of goods takes a long time.

"With regard to e-purchasing, the items in the e-catalog are sometimes unavailable alias sold out and information about its availability is also a long time", said informant 2.

The same is said by informants 3.

"The items we look for in e-catalogs are often gone or sold out".

Then the fourth element of fraud diamond theory is the capability / ability to be interpreted into the quality of human resources in the procurement of goods / services made electronically (e-procurement). The quality of human resources of the goods / service procurement committee or Pokja ULP can affect the success of e-procurement, as revealed by informant 1 as follows:

"Position, knowledge and skills can influence the results of implementation in terms of successful execution of planning documents".

The same thing was also expressed by informant 3, namely:

"Yes, therefore (position, knowledge and skill, pen) will determine the final outcome of procurement".

More specifically, informant 2 mentions that much knowledge is also crucial when preparing auction documents, especially construction work.

"Related to the procurement of procurement documents many rules that must be known, especially the procurement of construction there is no single legal basis so that information that does not update this cause problems in the future".

Thus, the position, knowledge and skills of Pokja ULP will greatly affect the success of e-procurement because e-procurement does require special knowledge and skills. However, the position, knowledge and skills of Pokja ULP can sometimes affect the fraud of procurement of goods / services if not properly managed and Pokja ULP does not have integrity and ethics of procurement of goods / services is good. This explanation is in accordance with the research (Nurharjanti, 2013) who found that the quality of human resources of the committee has a significant influence with the negative relationship to the procurement of goods / services. That is, the ability of the procurement committee is not always positive if it is not managed well and not accompanied by Ethics of good procurement because it can be the trigger of fraud.

Given the factors causing the fraud tendencies mentioned above, there must be a solution or an exit to detect, prevent and avoid these fraud tendencies to create better and more accountable procurement of goods / services. One solution that must be done is with more Enhance the role of SPI.

"The solution to be taken is to increase the role and involvement of SPI more adequately", firmly informant 1.

The same thing was also expressed by informants 2, namely:

".... SPI as a supervisor needs to be improved so that PBJ implementation becomes more effective and transparent".

Besides increasing the role of SPI, the improvement of knowledge, skills and prosperity of human resources for procurement of goods / services also needs to be improved.

"Procurement with electronic systems is already good and accountable, just back to the man behind the system. So I think the better solution is to continuously improve human resources, insight, knowledge, skills and prosperity of PBJ actors, especially KDP, Pokja and PPHP" , Clearly informant 2.

The same solution was also expressed by informant 3 as follows:

"The solution is that people involved in procurement in Unram are given the opportunity to increase their knowledge and skills in procurement".

The explanation of the informants mentioned above is in line with the research conducted by Thooyibatun (2009) in Arifianti et al., (2015) stated that the internal control compliance negatively affects accounting fraud tendency which finds that the higher level of compliance to internal control will increasingly Low levels of fraud. The better the internal control system of the organization will be the lower the level of fraud in the government sector, and the higher the compliance of the internal control system will be the lower the level of fraud in the government sector.

5. Conclusions, Implications and Limitations

5.1. Conclusion

Based on the above descriptions it can be concluded that:

1. The cause of the tendency of fraud procurement of goods / services at the University of Mataram can be seen from two factors:
 - a. Internal factors: 1) lack of complete initial planning of procurement of goods / services from the faculty or unit so that most likely the process and the end result will be problematic; 2) Still lack of PPK knowledge in determining technical specifications of goods / services to be auctioned; 3) Lack of knowledge of the ULP Working Group on legal regulation, especially related to the preparation of construction work procurement documents so that the potential to become all reviewers; 4) Often the procurement of goods / services is approaching the end of the year so that the ULP Working Group becomes less careful in evaluating, verifying and clarifying which may result in errors in the determination of the winning bidder; 5) The weak role of SPI in procurement of goods / services.
 - b. External factors: 1) A less qualified provider is caused because the Pokja ULP only assesses administrative documents without knowing the conditions in the field so that the provider can not complete the contract properly; 2) Providers located outside the area so that work completion is often delayed and in the event of difficulty to be contacted; 3) Limitations of goods in e-catalog and difficulties in communication so that e-purchasing is not running smoothly.
2. Solutions to be taken to avoid the tendency for fraud to procure goods / services are:

- a. Improve the role of SPI in conducting monitoring and evaluation;
- b. Provide opportunities and opportunities to human resources related to procurement of goods / services to continuously improve insight, knowledge and skills;
- c. Improve the welfare of PBJ actors.

5.2. Implications

The implication of this research is that the Working Group of ULP can know the factors that can be an indication of the tendency of fraud in the procurement of goods / services to be avoided so as to create the procurement of goods / services effectively, efficiently and accountable. PPK as responsible for goods / services activities can take action Prevention of factors causing fraud inclination by giving opportunity and creating opportunity to Pokja ULP to increase knowledge and skill in procurement of goods / service and pay more attention to their welfare so that will grow ethics and integrity value to leadership and institution which finally can prevent The occurrence of fraud. The Rector as the highest leader in Mataram University should also be able to increase the role of SPI in evaluating and monitoring the implementation of goods / services procurement activities before, in the process and after the implementation of the activity in order to close the gap of fraud inclination and create effective / efficient procurement of goods / services And accountable.

5.3. Limitations of Research

The limitation felt by the researcher is that the informant seemed to refrain from providing information related to the fraud of procurement of goods / services and this research is limited only to internal parties only ie Pokja ULP. Meanwhile, the tendency of fraud in the procurement of goods / services can come from internal parties and external parties. Therefore, the suggestions for the next researcher are expected to be more diligent in exploring the information of factors causing the fraud tendency from both internal and external parties so that the information obtained is more comprehensive and open.

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