

PUBLIC SECTOR ACCOUNTING CYCLE: PROCUREMENT OF GOODS/SERVICES IN THE GOODS/SERVICES PROCUREMENT WORK UNIT GARUT REGENCY

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Abstract

The goods/services procurement style is one of the public sector accounting cycles that requires transparency and accountability for more effective budget absorption. This procurement mechanism in the Garut Regional Government need to comply with Presidential Regulation Number 12 of 2021 concerning Government Goods and Services Procurement. Therefore, this research aims to analyze procurement cycle, optimal implementation, inhibiting factors, and auction failures of procurement of goods/services in Garut Regency. Data were collected from all employees of the Garut Regency Goods/Services Procurement Work Unit through observation, interviews and supporting documents. The results showed that implementation of goods/services procurement in 2023 at the UKPBJ (Goods/Services Procurement Work Unit) Garut Regency described the right procurement cycle in accordance with Presidential Regulation Number 12 of 2021. Procurement process is optimal and more efficient in terms of budget ceiling and estimated price. In conclusion, the inhibiting factors namely the ignorance of procurement actors, and inadequate functional resources led to the failure of six auction packages and inappropriate work quality.

Keywords: Procurement Implementation, Optimization, Obstacles, Failed Auction.

1. Introduction

The main problem faced by the government in procurement of goods and services is corruption. Based on the national KPK (Corruption Eradication Commission) data, it is the second most corrupt industry. Sulistyo and Salam (2023), stated that the current government procurement system is characterized by certain weaknesses, leading to allegations of corruption. For example, the alleged bribery case for procurement of goods and services project at Basarnas (National Search and Rescue Agency) in 2021-2023. Additionally, data from the Indonesia Corruption Watch acquired within 2016 to 2020 proved similar incident, approximately 49.1% of the 2,227 cases caused state losses of IDR 5.3 trillion (Juliantari and Topan, 2022). Kuncoro, (2013), stated that approximately 40% of the total budget spent through the government procurement process, greatly affected public spending and performance. Improper procurement of goods and services impacted the low quality of public services, thereby resulting in state losses. The budget needs to be supported by data transparency, enabling the community to supervise the entire process. Furthermore, the community strongly supported the reformation of procurement mechanism carried out by the government through Presidential Regulation Number 12 of 2021 concerning Government Procurement of Goods/Services. The policy regulates changes to several provisions in Presidential Regulation Number 16 of 2018. This included Article 65 which regulates ministries, institutions, and regional

governments required to allocate budgets for small businesses and cooperatives. Additionally, Article 66 which regulated the use of domestic products, was also amended. In 2023, Garut Regency was recognized as the highest-performing fiscal recipient in Indonesia, viewed from four superior performances including efforts to eradicate extreme poverty, reduce stunting, use of domestic products, and escalate regional spending (Prima, 2023). A superior performance that received an award was the use of domestic products included in the goods and services procurement cycle. Therefore, this research focused on the Goods and Services Procurement Work Unit (UKPBJ) in the Garut Regency.

Based on the research by Tadelis (2012), the public sector needs to learn from the private which is more efficient in designing procurement of goods and services. There is also need to adopt the often-detrimental rules, and rigid application costs. The research conducted by Sompia (2019), showed that the local government in Banjarbaru City had generally adopted a transparent, accountable, efficient, and effective procurement scheme. Several obstacles associated with human resources, such as dependence on information technology, lack of budget needed to ensure network quality and internet security, including incomplete procurement documents, were encountered. Therefore, this research aimed to analyze procurement mechanism for goods and services in the Garut Regency.

2. Theoretical Background

2.1 Public Sector Accounting Cycle

As a foundation for understanding the scope of public financial management, this study adopts the framework of public sector accounting elements proposed by Bastian (2010). These elements are not isolated; they form an integrated and continuous cycle (Bastian, 2010):

- 1) Planning
This is the foundational phase where fiscal objectives and government programs are established. Strategic and realistic planning is a key determinant of the effectiveness of the entire budget cycle.
- 2) Budgeting
This process translates strategic plans into concrete fiscal spending authorizations. The budget functions as a tool for resource allocation, economic policy, and a political instrument.
- 3) Budget Realization
This is the execution stage, where the budget is implemented through revenue collection and expenditure. The efficiency and effectiveness of this stage are crucial for achieving the planned objectives.
- 4) Procurement of Goods and Services
As an integral part of budget execution, transparent, competitive, and efficient procurement is essential to ensure value for money and prevent malfeasance.
- 5) Financial Reporting
This phase fulfills the principle of accountability by producing financial statements (such as the Statement of Operations, Balance Sheet, and Cash Flow Statement) that present information on the entity's financial position and performance.
- 6) Audit
The audit process, conducted by external supreme audit institutions or internal government auditors, provides independent assurance on the fairness of financial

reporting and compliance with regulations. Audit findings provide vital feedback for improving future cycles.

7) Public Accountability

This is the overarching principle that underpins the entire cycle. It represents the government's obligation to be accountable for the management of public resources and its performance to the citizenry and their representatives.

2.2 Procurement of Goods and Services

Procurement of goods/services is an avenue for the government to purchase household needs, including the provision of public facilities, and amenities for the community (Kuncoro, 2013). The process was aimed to produce the appropriate goods and services for every expense made, measured from the aspects of quality, quantity, time, cost, location, and provider, as well as increased use of domestic products, participation of micro, small businesses, and cooperatives, and the role of national business actors. This also included supporting the research implementation, and use of goods/services, increased participation of the creative industry, realization of economic equality, provided expansion of business opportunities as well as improved sustainable procurement (Presidential Regulation Number 12 of 2021).

2.3 Procurement Cycle of Goods and Services

According to Bastian (2010), procurement cycle of goods and services in public sector organizations consists of several stages, namely:

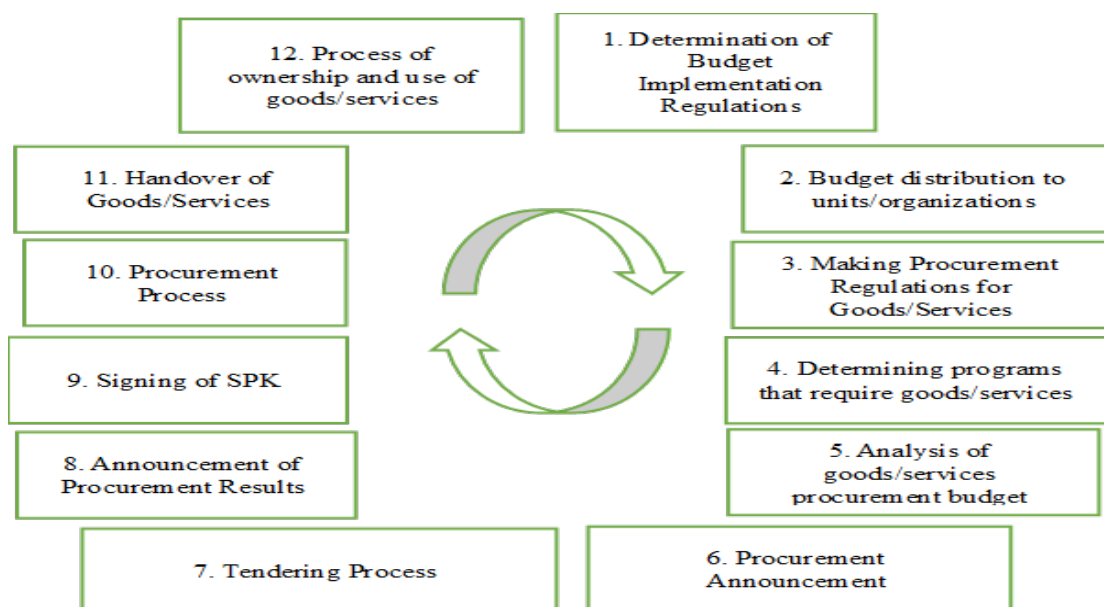


Figure 1. Procurement Cycle for Goods and Services

3. Methods

In accordance with the research objectives, a qualitative descriptive method was adopted. The population consisted of 33 Civil Servants in the UKPBJ section of Garut Regency, and the sample was selected using purposive sampling based on the following criteria

- 1) Heads of Section and Sub-Section for Procurement of Goods and Services Management.

- 2) UKPBJ employees of procurement section.
- 3) UKPBJ employees who had at least passed the basic competency test for procurement of goods and services.

Data were collected using three methods, namely observation of UKPBJ, interviews with parties who meet the criteria, and gathering of documents related to procurement. The acquired information was processed descriptively enabling the results to provide an overview of various data characteristics in the research sample (Sujarweni, 2019). This was aimed to obtain an overview of the optimized factors hindering procurement process, as well as causes of failed auction.

4. Results And Discussion

Procurement of Goods and Services is a section in the Regional Secretariat of Garut Regency, led by a Section Head who reports to the Assistant for Economics and Development. This section has 34 employees, consisting of 33 Civil Servants and a Contract Worker.

Table 1. Description of Civil Servants in UKPBJ Garut Regency

Gender	Total	Education	Amount	Group	Total
Male	28 people	High School	1 person	I	1 person
Female	5 people	Diploma	1 person	II	29 people
Total	33 People	Bachelor	20 people	IV	3 people
		Master	11 people	Total	33 people
		Total	33 people		

Source: Interview Results

Based on the Government Regulation of Goods/Services Procurement Policy Agency Number 10 of 2021 concerning the Goods/Services Procurement Work Unit, the following duties and functions were executed

- 1) The UKPBJ was tasked with organizing support for procurement of Goods and Services at the Ministerial, Institutional, and Regional Government levels.
- 2) This section also focused on managing procurement of goods and services electronically, fostering human resources and related institutions, provided assistance, consultation, or technical guidance, including carrying out other tasks assigned by the minister, head of institution, or the region.

In accordance with these objectives, the research focused on analysing procurement process in Garut Regency. This included a description of implementation, procurement cycle, optimal execution, factors that can hinder performance, and auction failures.

4.1 Overview of implementation of Goods and Services Procurement in Garut Regency

An overview of procurement cycle at UKPBJ Garut Regency was obtained from interviews held with the Heads of Section, Sub-Section, and four staff who met the criteria, resulting in the following outcomes

- 1) The determination of budget implementation regulations.
 - a. Garut Regency Regional Regulation Number 3 of 2021 concerning Regional Financial Management.
 - b. Garut Regent Regulation Number 136 of 2021 concerning Regional Financial Management Systems and Procedures, recently amended to Garut Regent Regulation Number 148 of 2023 concerning the Second Amendment to Garut Regent Regulation Number 136 of 2021 concerning Regional Financial Management Systems and Procedures.

Annually, regulations were established regarding budget implementation related to the appointment of Regional Financial Management Officers, which consisted of

- a. Regional Financial Management Officers appointed by the Regent, including
 - Regional Secretary as Coordinator of Regional Financial Management,
 - Head of Regional Financial Management Work Unit as Regional Financial Management Officer,
 - Head of Regional Apparatus Work Unit as Budget User,
 - Authorized Budget User,
 - Expenditure and Receipt Treasurer,
 - Assistant Expenditure and Receipt Treasurer.
- b. Regional Financial Management Officer appointed by Budget User Authorization, namely the Technical Activity Implementation Officer, and
- c. Regional Financial Management Officer appointed by Budget User, namely the Financial Administration Officer.

Regulations on budget implementation were established to ensure the enactment of the state budget was executed in an orderly, efficient, effective, and responsible manner. These were also aimed to prepare and present government financial reports in respect to accounting principles.

- 2) The distribution of budget set for each unit.

This is an accumulation of budget needs in each Regional Apparatus, reviewed and verified based on the prioritized programs or activities of the Regional Government. The distribution process was carried out based on a request from the Budget User Authorization with a signed Payment Order (SPM) instrument to issue a Fund Disbursement Order (SP2D). These were in line with the Budget Implementation Document (DPA) and Fund Provision Letter (SPD). A properly distributed budget was proved by a bank statement issued by the Regional General Cash Account.

- 3) Making Procurement Regulations for Good/Services.

This was followed by implementation of Presidential Regulation Number 12 of 2021 concerning Amendments to Presidential Regulation Number 16 of 2018 concerning Government Procurement of Goods/Services, alongside the derivative policies. In a Regent Circular Letter concerning Guidelines for the implementation of Goods and Services Procurement, including a summary of all Central Government regulations in the related field, was issued annually to guide the relevant actors. The stipulation of the letter was carried out to provide convenience and guidance to all Procurement Actors in connection with the several regulations, starting from Presidential Regulations, and Instructions, Regulations of the Government Goods/Services Procurement Policy Agency (LKPP), Circular Letter from the Head of LKPP, and Decree by the Deputy of LKPP. The circular letter enabled actors to easily understand the applicable rules in procurement.

- 4) Determining programs that required procurement based on several perspectives, namely:

- a. Needs Analysis, where procurement of goods and services budgeted was dependent on the needs output.
- b. Cost and Benefit Analysis, where procurement of goods and services budgeted was determined by considering the available resources for the provision of the desired results (value) or benefits.

When viewed from the two perspectives, the Garut Regional Government adopted the New Public Management method by implementing Performance and Planning

Programming Budgeting System. The methods applied by the regional government to avoid overlapping programs include:

- a. Preparing a clear cascading in line with the vision or mission of the Regional Head and Development Priorities,
 - b. Determining clear stakeholders for each Main Performance Indicator based on the cascading that was made,
 - c. Ensuring that the Performance Indicators of each Regional Apparatus were prepared in a Top-Down manner in accordance with the cascading that was made, concerning the Regional Development Priorities,
 - d. Ensuring the budget team conducted a thorough verification of all programs or activities performed to prevent overlap.
- 5) After several programs had been determined, procurement budget was analyzed. The scope of the planning process included the identification of needs, determining the type of goods and services, procurement method, packaging and consolidation, usage time, and budget allotment. Therefore, needs must be considered, when determining the budget. Procurement budget analysis mechanism was carried out through tiered stages, namely
- a. Commitment Officer conducts procurement planning (starting from needs analysis to compiling the required procurement budget) along with the Work Budget Plan preparation process.
 - b. The Budget User analyzes procurement planning prepared by the Commitment Officer before approval.
 - c. The Regional Government Budget Team reviewed and verified procurement planning prepared by the Commitment Officer which had been submitted by all Regional Apparatus, whether appropriate or inappropriate.
- Procurement budget analysis aimed to ensure that the allocated fund was sufficient for the needs of goods and services based on the stipulated criteria and scope, as well as met the effectiveness and efficiency principles. Therefore, it is in line with procurement principle, by fulfilling the greatest possible benefit value (value for money).
- 6) Procurement announcement, based on the provisions of Article 22 paragraph (3) of Presidential Regulation Number 16 of 2018 in conjunction with Presidential Regulation Number 12 of 2021, concerning the Announcement of the General Procurement Plan (RUP) enacted through the General Procurement Plan Information System (SIRUP) application proved it transparent or open. SIRUP is an application specifically developed by LKPP to support transparency during the announcement of the General Procurement Plan in each Ministry, Institution, and Regional Government. The application enabled easy access to information without having to log into the site. Additionally, to ensure the transparency of the RUP announcement, the UKPBJ persuaded all Regional Apparatus to announce respective RUP in the SIRUP application. The UKPBJ monitored and evaluated the progress of the RUP announcement periodically to ensure all Regional Apparatus had completed the inputting process.
- 7) After procurement announcement was made, the following stages of the tendering process were continued:
- a. The commitment officer submits a tender or selection process application to UKPBJ
 - b. The Goods and Services Procurement Work Unit verifies the suitability and completeness of the tender or selection process application files received from the

commitment officer. The files were further processed, once the documents were declared complete and appropriate. In cases where the files are incomplete or inappropriate, it is returned to be either completed or adjusted

- c. The Head of UKPBJ determines the Selection Working Group for the work package
- d. The Selection Working Group carries out the tender or selection process, through the Electronic Procurement System application.

As a result, several criteria were used to select potential providers of goods and services:

- a. Administrative requirements, to assess the completeness and suitability of related documents, or legality of election participants
 - b. Qualification requirements, to assess the suitability of the elected participants qualifications with the required field of expertise
 - c. Technical requirements, to assess the suitability of the technical aspects offered by the elected participants with the related attributes,
 - d. Price/Cost to compare the charges offered by the elected participants.
- 8) The announcement of procurement results was carried out through an Electronic Procurement System (SPSE) application. Based on the provisions of Article 13 paragraph (1) letter c of Presidential Decree Number 16 of 2018 in conjunction with Presidential Decree Number 12 of 2021, the party responsible for determining the winner of the preferred providers through tender or selection is the Working Group.
- 9) When the tender winner has been selected, the *Work Agreement Letter (SPK)* is signed by the Contract Signing Officer represented by the commitment officer. In addition, the SPK offers the following benefits:
- a. For UKPBJ, it shows that procurement process was conducted with reference to the provisions of applicable laws and regulations. Additionally, the SPK served as a basis for decision-making and taking actions needed to control the contract, in the event of incidents that hinder the work implementation process.
 - b. For Vendors or Providers, the SPK provided certainty that the work to be carried out was real. It also ensured the required payment, when the Vendor or Provider had completed the obligations. The SPK contains provisions regarding the rights, obligations, and responsibilities of each concerned party, thereby serving as a reference for Vendors or Providers to carry out assigned tasks.

Based on the provisions of Article 11 paragraph (1) of Presidential Decree Number 16 of 2018 in conjunction with Presidential Decree Number 12 of 2021, the person responsible for determining the draft contract, including the SPK is the commitment officer assisted by a supporting team.

- 10) After the signing of the SPK, procurement process is supervised to ensure that the work was carried out in line with the contract. For construction work, the supervision task was carried out by the Supervising Consultant, or commitment officer (assisted by a team assigned to carry out supervision). Meanwhile, for certain work types, testing or verification was carried out, before the handover process (a typical example is the construction or rehabilitation of roads, bridges, and dams that require testing). The test requirements are optional, according to the needs and requirements stated in the contract document. This was carried out by the commitment officer assisted by the Supervising Consultant or a team of technical experts.
- 11) After the completion of the work, the goods and services were delivered. Based on the provisions of LKPP Regulation Number 12 of 2021 in conjunction with LKPP Regulation Number 4 of 2024, the handover process from procurement through the Provider was realized as follows:

- a. After the work had been completed in line with the provisions stated in the contract, the Provider submits a written request to the commitment officer for the handover of the work results.
- b. Prior to the handover, the commitment officer inspects the work results, assisted by the Supervising Consultant or a team of technical experts.
- c. The inspection was carried out based on the conformity of the work results with the criteria or specifications in the contract.
- d. Assuming the inspected work results does not comply with the provisions stated in the contract, then these are defective. The commitment officer orders the Provider to correct the deficiencies in the work.
- e. If the inspected work results are in line with the provisions stated in the contract, the commitment officer and Provider sign the Minutes of Handover.

Documentary evidence should be made at the time of handover, including:

- a) Letter of Request for Submission of Work Results from the Provider to the commitment officer.
- b) Minutes of Work Inspection Results.
- c) Minutes of Work Handover.

In the contract, provisions were set regarding the maintenance period for construction work or quality defect guarantee for other unrelated tasks. Therefore, after the handover process, the Provider was not immediately released from the obligations. In cases where there are discrepancies between the results handed over and the output agreed in the contract, the commitment officer can still submit a complaint to the Provider. This required referring to the provisions stated in the contract regarding the maintenance period or quality defect guarantee.

- 12) After the goods and services had been handed over by the Provider to the commitment officer, it becomes the property of the government. The goods and services from procurement legally become the property of the government, as evidenced by several documents, including:
 - a. Budget Implementation Document showing that the budget used for procurement was allocated by the government (APBD or Others)
 - b. Proof of Contract (SPK/Agreement Letter/Other forms of contract) showing that procurement process for goods and services had been conducted
 - c. Minutes of Handover (BAST) showing that the goods and services procured had been handed over by the Provider to the government (which in this case is represented by the commitment officer).

4.2 Goods and Services Procurement Cycle

This explanation described the goods and services procurement cycle that occurred at UKPBJ Garut Regency. Furthermore, the research analyzed implementation of goods and services procured in 2023. Procurement of Goods and Services Section of the Regional Secretariat of Garut Regency strived to achieve the set performance targets, as a form of accountability for the use of state budget by stakeholders. This can be viewed in implementation of the following activities:

- 1) Goods and Services Procurement Management Program
 - a. Realization of Tender and Selection Implementation
Implementation of tender and selection in Garut Regency conforms with the predetermined time target. However, several Regional Tax Determination Letters (SKPD) had not implemented the provisions related to the maximum deadline for

submitting applications for the selection of Providers. This certainly caused delays in implementation of contracts or completion of work thereby causing the budget not to be optimally absorbed or the cancellation of activities in the relevant SKPD. The achievement of the 2023 management program with the number of procurement indicators managed was evident in the total packages through tender and selection. This was carried out by the Goods and Services Procurement Section in 2023 where the realization of the achievement was 129%, in accordance with the following data:

Table 2. Realization of Goods/Services Management Activities

Indicator	Year	Target	Realization	Percentage
Percentage of Procurement of Goods/ Services managed	2022	200 packages	286 packages	143%
	2023	200 packages	258 packages	129%

Source: Interview Results

The work packages submitted to the Goods and Services Procurement Section in 2023 amounted to 258, with details of 253 and 5 for the 2023 and 2024 budget years, respectively carried out through the pre-DPA tender. The Total Budget Ceiling Value for 2023 was IDR 410,127,457,838. Based on Table 2, there was a decrease in the number of tender and selection package applications in 2023. This was due to the policy implemented by the Garut Regency UKPBJ which motivated SKPD to carry out the provider selection process through the E-Purchasing method. The process required the use of the Garut Regency Local Catalog display, including security, and cleaning services, as well as building rehabilitation centers, and road works. This is was intended to follow up on the Circular Letter of LKPP Number 3 of 2023 concerning Affirmation of Domestic Product Shopping and Micro, Small Business, and Cooperative Products through E-Purchasing, mandating Regional Heads to set the E-Purchasing transaction value to at least 30% of the total procurement spending value. The process was also useful for reducing the selection process time, enabling the contract implementation to be carried out immediately.

b. Online Store Implementation

The use of online stores is a selection method realized through e-purchasing. The Garut Regional Government had stipulated Garut Regent Regulation Number 241 of 2021 concerning Technical Instructions for Purchasing Through Online Stores in the Utilization of E-Marketplaces for Government Procurement of Goods and Services. During implementation process, the government used Mbizmarket as a PPMSE (Managers of Electronic Trading Organizations) for procurement. This was because Mbizmarket had a transaction system that conformed to the financial administration of the Garut Regional Government. In 2023, 82 Providers consisting of 33 Business and 49 non-business Entities from the regency registered with Mbizmarket. The value of e-purchasing transactions through online stores in 2023 was IDR 12,861,082,786 with a total transaction of 1,960 orders (PO). However, of the total SKPD in the Garut Regional Government, 26 had purchased goods and services through online stores.

c. Implementation of the Garut Regency Local Catalog

The use of local electronic catalogs as a selection method through e-purchasing, led to the stipulation of Circular Letter Number PA.03.04/3318/PBJ concerning the Acceleration of Achieving the Target of Increasing Domestic Products (P3DN)

and Local Electronic Catalog in procurement of Goods and Services. In 2023, the Local Electronic Catalog had 40 showed cases with as many as 19 and 21 incidents initiated by the Garut Regional Government and LKPP, respectively. The transaction value achievement was IDR 205,912,811,173 with a total of 6,398 packages. However, of the total transaction achievement of IDR 205,912,811,173, the value realized by the Garut Regional Government was IDR 171,492,614,292 with 5,742 packages, while the rest was from other Ministries, Institutions, and Regional Governments.

d. Implementation of P3DN

The Garut Regional Government formed the Garut Regency P3DN Team which was determined through Regent Decree Number 510/KEP.128-DP2ESDM/2023 concerning the establishment of a team to increase the use of domestic products. The Head of procurement Section acts as the Field Coordinator for Facilitating Differences in Interpretation of TKDN in the P3DN Team in question. Regarding the uploaded report of Garut Regency P3DN Realization data on the application system at <https://p3dn.sipd.kemendagri.go.id/>, the achievement of the 2023 P3DN Realization value was IDR 1,277,745,720,483.49 or 97.49% of the total commitment to use domestic products worth IDR 1,310,651,660,926, in 2023. This caused the regency to become a recipient of the largest Current Year Fiscal Incentive for 2023. The amount received was IDR. 25.4 billion with a value of IDR 6.07 billion for the category of Domestic Product Use Performance. Commitment in 2024 targeted the use of Domestic Products $\geq 95\%$.

2) Electronic Procurement Service Management Program

The achievement of this program was measured by:

- a. Realization of RUP Announcement Achievements. The achievement of Electronic Procurement Services Sub-activities, was evident in the total packages announced in the SIRUP for the 2023 Fiscal Year. When viewed from the maturity level of UKPBJ, the Electronic Procurement Services Sub-activity in 2023 was included in the proactive level when compared to 2022 at the initiation level. The Goods and Services Procurement Governance Index in the Electronic Procurement Services Sub-activity in 2023 obtained a score of 81.73 in the good category, while in 2021 and 2022, it was in the less (ITKP 25.54) and sufficient categories (ITKP 52.00), respectively.
- b. The progress of filling in SIRUP data per SKPD was frequently summarized in each SKPD, in 2023 until the progress reached 103.43%.
- c. Facilitation of the SPSE Provider Accounts with the West Java LPSE. In order to increase the number of Providers registered in the Garut Regency Local E-Catalog application, UKPBJ, a recognized Service Provider, collaborated with LPSE West Java to conduct socialization regarding SPSE account registration. The process was considered a major requirement during the registration of products in the E-catalog application. This activity was followed by conducting facilitation activities to create SPSE accounts for Providers together with LPSE West Java at the UKPBJ Garut Regency office for two days from October 19 to 20, 2023.
- d. Fulfillment of the Proactive UKPBJ Maturity Level (Level-3). In early 2023, UKPBJ Garut Regency signed a commitment to support evidence of the UKPBJ Proactive maturity. Throughout the year, UKPBJ engaged in activities associated with fulfilling the supporting evidence, including developing HR competencies and provider management. Furthermore, through the verification of supporting

evidence documents submitted to the UKPBJ Maturity Model Information System (SIMKU), the Garut Regional Government UKPBJ fulfilled the completeness of attributes in nine variables (9/9) to achieve Maturity Level 3 (Proactive).

3) Guidance and Advocacy for Procurement of Goods and Services included the following activities:

a. Implementation of Clearing House for Procurement of Goods and Services

In order to increase risks that may occur in procurement of goods and services, the Garut Regional Government formed a Clearing House Implementation Team determined through the Regent Decree of Garut Number 602.1/KEP-34.PBJ/2023 concerning Amendments to the Regent Decree of Garut Number 602.1/KEP-267-PBJ/2021 concerning the Establishment of a Clearing House Implementation Team for Procurement within the Regional Government. During implementation process, the Clearing House activity for procurement included Government Internal Supervisory and Law Enforcement Apparatus in the Garut Regency, as well as the Garut District Attorney Office and Resort Police. In addition, this activity was carried out routinely on a monthly basis.

b. Consultation on Procurement of Goods and Services.

Procurement Section provided opportunities for actors from both SKPD and Providers to consult regarding the process. This consultation can be performed directly at the UKPBJ office. Providing consultation to Procurement Actors from SKPD elements encountered issues related to obstacles faced during the process, in the planning stage, preparation, and implementation of the e-purchasing procedure. Meanwhile, providing consultation to the Provider included account registration (both on the Online Store platform and the Local Electronic Catalog), and technical e-purchasing transactions.

c. Mentoring for Procurement in the 2024 Fiscal Year was carried out by the relevant section to all SKPD in Garut Regency, with the division of event implementation adjusted to the location and span of control, such as:

1) Assistance in Procurement of Goods and Services, including:

- Procurement assistance to 75 SKPD within the Garut Regional Government.
- Procurement assistance to 68 community health centers within the scope of the Garut Regency Health Service.
- Procurement assistance to 21 Sub-districts in the Garut Regency Area.

2) Implementation of this goods and services procurement assistance activity focused on material related to the evaluation of the process for the 2023 Fiscal Year. This included the preparatory steps to quicken implementation of procurement for the 2024 Fiscal Year. Additionally, other materials related to the enactment of Central Government policies were also presented, namely implementation of P3DN, Online Stores, and Local Electronic Catalogs as well as the use of SPSE (completion of catalog packages, recording non-transactional packages, filling out e-contracts, and performance assessments). Implementation of this procurement assistance activity was held from October 24 to November 24, 2023.

3) Assistance and coordination of procurement process sourced from general allocation, provincial financial assistance, and special allocation fund. This mentoring activity focused on procurement preparation documents to ensure implementation process functioned according to the established timeline.

- d. Fulfillment of Functional Position of Goods and Services Procurement Manager (JF PPBJ) According to the Decree of the Minister of State Apparatus Empowerment and Bureaucratic Reform Number 1151 of 2021 concerning Determination of Transfer Needs from Other Positions in Functional Positions within the Garut Regional Government, and Letter from the Acting Deputy for Human Resource Development and Guidance of the Government Goods/Services Procurement Policy Agency Number 10165/D.3/05/2021 dated May 25, 2021 regarding Recommendations for JF PPBJ Needs amounted to 45 persons. Based on the provisions of Article 5 paragraph (2) of LKPP Regulation Number 6 of 2021 concerning Guidelines for the Preparation and Management of Action Plans for Fulfillment of Procurement Managers, it was stipulated that the fulfillment of JF PPBJ on December 31, 2023 reached at least 60% of the total determination of needs, realized by 27 communities. As of December 31, 2023, Garut Regency had 27 JF PPBJ, with 23 communities currently active, and the remaining four inactive due to the structural positions.
- e. Assessment of Functional Position Credit Points for Functional Officials Managing Procurement of Goods and Services. Procurement Section formed a Credit Point Assessment Team as stipulated in the Decree of the Regional Secretary of Garut Regency Number 800/2399-BPBJ/VII/2021 concerning the Credit Point Assessment Team for Functional Positions Managing Procurement in the Garut Regional Government. In line with the fact that Garut Regency does not have an appropriate JF PPBJ, the credit point assessment was assisted by two employees from the State Property Management Bureau of the Ministry of Law and Human Rights as members of the Assessment Team.

4.3 Optimization of Implementation

Implementation of tender or selections for procurement in the Garut Regional Government tend to be optimal. This was proven when the UKPBJ of Garut Regency efficiently participated in both the budget ceiling and Estimated Price, absorbing a budget of approximately 100%. The results of the implemented tender or selection completed by procurement Section in 2023 had remaining budget between the budget ceiling and the contract value. The remaining budget amounted to IDR 27,633,085,262.60 or 7.09% of the Budget Ceiling, as shown in Table 3 and 4.

Table 3. Efficiency against Budget Ceiling

Package Completed			Contract Value (IDR)	
Total	Budget Ceiling (IDR)	Contract Value (IDR)	Efficiency	(%)
247 packages	389,597,219,196	361,964,133,933.40	27,633,085,262.60	7.09

Source: Interview Results

Table 4. Efficiency against Estimated Price

Package Completed			Contract Value (IDR)	
Total	Estimated Price (IDR)	Contract Value (IDR)	Efficiency	(%)
247 packages	389,172,511,392.84	361,964,133,933.40	27,208,377,459.44	6.99

Source: Interview Results

Estimated Price refers to the calculated value of the entire volume of work multiplied by the unit price plus tax and profit burden. In addition, this value should be transparent, and not kept secret.

Table 5. Budget Realization in 2023

No.	Sub Activities	Budget (IDR)	Realization (IDR)	Percentage
1	Management of Procurement of Goods/Services	413,080,100	411,428,785	99.60%
2	Management of Electronic Procurement Services	7,285,000	7,110,000	97.60%
3	Guidance and Advocacy of Management of Procurement of Goods/Services	146,161,500	130,273,649	89.13%
Total		566,526,600	548,812,434	96.87%

Source: Interview Results

The achievement of budget absorption realization for procurement Section at the Garut Regency Regional Secretariat in 2023 was 96.87%.

4.4 Factors That Can Hinder Implementation

Factors that hindered implementation of Procurement in the Garut Regional Government in 2023 include

- 1) Lack of understanding of Procurement Actors in SKPD regarding related processes,
- 2) The availability of the number of Functional resources for Procurement Management at UKPBJ Garut Regency remained insufficient,
- 3) Concerns of Procurement Actors regarding inspections carried out by Law Enforcement Officers,
- 4) The quality of work results, specifically for construction tasks, where certain jobs do not meet expectations (timeliness work completion and quality).

4.5 Auction Failure

In 2023, a tender or selection process was declared a failure for six work packages. Several of those that failed were sourced from the Special Allocation Fund. The package was declared a failed tender and could not be re-tendered due to time constraints in carrying out the provider selection process again, considering that the maximum limit for contract input on the OM SPAN (Online Monitoring of the State Treasury and Budget System) application was July 31, 2023. OM SPAN refers to an application system used to monitor transactions in the State Treasury and Budget System (starting from the budgeting process, implementation, and reporting of state finances), as well as present transparent and accountable information according to needs.

5. Conclusion

This study set out to examine the implementation and effectiveness of the goods and services procurement process within the public sector, using UKPBJ Garut Regency as an empirical case. The findings demonstrate a successful alignment between practice and the theoretical public sector accounting cycle (Bastian, 2010), particularly in the procurement element. The research confirms that the institution operates an effective system that fulfills national policy objectives (Presidential Regulation No. 12 of 2021), as evidenced by a strong Procurement Governance Index, efficient budget absorption nearing 100%, and a positive trend in the use of domestic products. This provides

empirical validation for Bastian's framework, illustrating its relevance in assessing modern e-procurement governance. Theoretically, this study contributes by integrating a classic public financial management cycle with contemporary performance and maturity metrics, offering a robust model for evaluating procurement effectiveness in local governments.

The study offers clear, actionable implications for public sector managers and policymakers. For practice, the findings highlight that procedural efficiency, while crucial, is insufficient on its own. The primary impediments to optimal performance are not systemic but human and operational: a deficit in functional HR capacity, a lack of deep understanding among actors, and legal anxieties that can lead to risk-aversion rather than value-for-money outcomes. Therefore, we recommend that UKPBJ Garut Regency, and similar institutions, move beyond technical compliance and focus on:

- 1) **Capability Building:** Implementing regular, targeted technical guidance and workshops to transform basic understanding into strategic procurement competence.
- 2) **Strategic Human Resource Management:** Prioritizing the filling of the functional resource gap and fostering a culture of continuous professional development.
- 3) **Enhanced Supervision and Quality Assurance:** Shifting supervisory focus from mere process compliance to include rigorous quality control of work results, ensuring contractor accountability.
- 4) **Proactive Risk Management:** Implementing more realistic project scheduling and contract timeframes to create a buffer that reduces the risk and impact of auction failures.

While this study offers valuable insights, its focus on a single regency limits the generalizability of the findings. Future research could employ a comparative case study approach across multiple regions to identify contextual factors influencing procurement success. Furthermore, this study identified behavioral aspects—such as "concerns about legal repercussions"—as a significant barrier. A fruitful avenue for future inquiry would be to use a qualitative methodology to deeply explore the socio-psychological drivers of this risk aversion among procurement officials. Finally, longitudinal research tracking the impact of the recommended interventions on long-term procurement outcomes would be highly beneficial for both theory and practice.

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