The Impact of Implementing E-Government, the Government Internal Control System (SPIP), the Capability of the Government Internal Control Apparatus (KAPIP) on Corruption Prevention in Provincial Governments in Indonesia

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Abstract. This study aims to determine the effect of E-Goverment implementation, government internal control system (SPIP) and Government Internal Control Apparatus (APIP) on corruption in Indonesia. The dependent variable is corruption as measured by the number of corruption cases derived from the KPK annual report. The independent variables are the implementation of E-Government as measured by the results of the Indonesian e-government ranking (PeGI), the Local Government Internal Control System (SPIP) as measured by the SPIP maturity score and the APIP Variavel as measured by the level of APIP capability level issued by BPKP. The theory in this study is Agency Theory. The research population is all provincial governments in Indonesia, the research sample is the provincial government in Indonesia which has implemented EGoverment in 2021-2022. The results showed that the implementation of E-Goverment had no effect, the government internal control system had a significant effect, while the APIP variable had no effect on corruption in Indonesia.

Keywords: E-Goverment Implementation, Government Internal Control System (SPIP), Capability of Government Internal Control Apparatus (APIP), Corruption.

1 Introduction

A study by institutional failure and the inability to control large groups of people through the use of legal, political, social, and checks and balances frameworks lead to corruption, a significant problem in governance. [1]

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[1]Hardjaloka, Loura. "Study of the application of e-government in Indonesia and other countries as a solution to eradicating corruption in the public sector." Rechts Vinding Journal: National Legal Development Media 3.3 (2014): 435-452
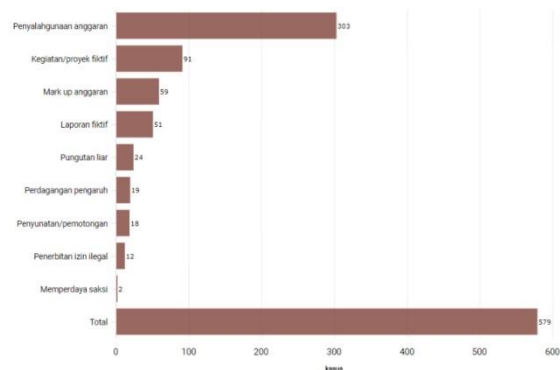
Figure 1 Number of Corruption Cases in Local Government in 2022
Source: Indonesia Corruption Watch 22

There were 149 suspects in corruption cases throughout 2022, based to the Corruption Eradication Commission (KPK). comparing the current number to the 111 suspects from the previous year, there has been an increase of 34.23%. Eight hand-catching operations (OTT) have also been executed by the KPK so far this year. Bekasi City, Penajam Paser Utara, Langkat, Surabaya, Bogor, Yogyakarta, Pemalang, Lampung, East Java, and Jakarta were among the locations where the operations took place. The corruption case toward Papua Governor Lukas Enembe is one case that has recently gotten attention. As a suspect in the alleged corruption case of receiving gratuities totaling Rp 1 billion for infrastructure development projects in Papua Province, Lukas has been officially detained by the KPK.

The number of problems that occur in government administration is an important issue that must be resolved. For this reason, transparent, accountable, and measurable governance is required as well as implementing the principles of good governance. -Technology is one of the tools that can reduce the use of discretion by public officials considering that technology will make the management process more transparent, and easy, and cannot be intervened by public officials,[2] In addition, one of the efforts to prevent Corruption Crime is the existence of Government Regulation Number 60 of 2008 concerning the Government Internal Control System (SPIP). The Government Internal Control System is an integrated process of actions and activities carried out continuously by the leadership and all employees to provide adequate guarantees for achieving organizational goals through effective and efficient activities, reliability of financial reporting, safeguarding state assets, and compliance with regulations. legislation. and regulations. The Government Internal Control System, hereafter abbreviated to SPIP, is an internal control system which is implemented comprehensively in the central government and regional governments.

In order to accelerate the improvement of the quality of state financial accountability through Presidential Instruction No. 4 of 2011 which is continued by Presidential Instruction No. 9 of

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[2] Charron, Nicholas, Victor Lapuente, and Bo Rothstein. "Quality of government and corruption from a European perspective: A comparative study of good government in EU regions." *Quality of Government and Corruption from a European Perspective*. Edward Elgar Publishing, 2013.

2014 mandates to accelerate the improvement of the quality of state financial accountability by carrying out effective, efficient, transparent, accountable state financial management, through intensification and effectiveness of the role of APIP and the implementation of SPIP and coordination between agencies in its efforts to prevent corruption. To carry out its function and role, APIP must have good capabilities to improve the performance of local governments, especially in the process of accountability of financial statements. Perka BPKP-1633/K/JF/2011, Improving APIP capability is an effort to further strengthen and improve the institutional structure, management and business implementation processes as well as improving APIP human resources to be able to carry out the role and function of APIP effectively.

Suhartono's[3] shows the results that SPIP Maturity and APIP Capability affect the Corruption Perception Index. The same results were also stated by Nofianti[4] by finding the results that the professionalism of the internal supervisory apparatus has a significant positive effect on the implementation of Good Governance. Capable, it allows the realization of reliable supervision so that the corruption perception index is lower. This research is expected to be data that can be used as a reference in an effort to examine and examine the effect of E-Government, the Government Internal Control System and the Capability of the Government Internal Supervisory Apparatus on financial cases, which in this case are related to Corruption, so that it becomes a concern for Central, Provincial and regional government agencies so that in the future Corruption cases can be minimized properly in order to make Indonesia clean Corruption.

2 Literature Review

Agency Theory

Agency Theory or what is usually called Agency Theory is a collection of thoughts regarding organizational control which is based on the belief that the separation of ownership from management creates the potential for ignoring the wishes of the owner.[5]. Agency problems related to the asymmetric information of the compiler (agent) and budget users (Principal) and the public as information users. Accounting information systems are created in order to produce useful accounting information for the planning, accountability and decision-making processes related to the need and allocation of resources and are able to minimize information asymmetry between the principal, in this case the public, and the agent, in this case the local government as the one who has the power to use the budget. Here the principal is assumed to be the public who represents the interests of the public at large, while the agent is a civil servant / state official or politician who has a tendency to behave defiantly.

Corruption

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[3] Suhartono, Raden. "The Influence of the Maturity of the Government Internal Control System (SPIP) and the Capability of the Government Internal Monitoring Apparatus (APIP) on the Indonesian Corruption Perception Index." MAXIMUM UNTIL 6.2

[4] Nofianti, Leny. "Professionalism of Government Internal Supervisory Officials in Realizing Good Government Governance." AL-IQTISHAD JOURNAL 9.1 (2013): 96-102.

[5] Pearce, Robinson MGH. Strategic Management 1 (ed. 10) Newspaper. Salemba Publishers, 2008.

Corruption at the local government level takes the form of revenues, extorting bribes, providing protection, stealing public goods for personal gain. Meanwhile, according to de Asis, the type of corruption is political corruption, for example fraudulent behavior (money politics) in the election of legislative members or executive officials, illegal funds for campaign financing, resolution of parliamentary conflicts through illegal means and distorted lobbying techniques). The last type of corruption is clienteles. Corruption is an act that is clearly contrary to the values of society because it causes many material and moral losses, such as the destruction of the reputation of a government institution, the loss of government institutions, the loss of state finances, the damage to the morale of officials and staff and other negative impacts.

Implementation of E-Government

E-Government is the abbreviation for electronic government. Government is commonly known as E-Gov, digital government, online government or transformation government. E-Government is concerned with the development of online government services to citizens and the business world, such as e-tax, e-transportation, e-procurement, and e-participant.[6]

Corruption is generally regarded as one of the most significant obstacles to economic development. The public sector's use of the Internet and other digital tools to provide services, information, and democracy itself. One mechanism to reduce corruption is to reduce direct contact between government officials and the public.[7] Information and communication technology is an appropriate tool in this strategy.[8] By expanding the dissemination of information, simplifying procedures, making it easier to search for data, increasing transparency and suppressing irregularities. So it is concluded that the use of information and communication technology has an impact on reducing corruption in local governments in Indonesia.

H[1] : Implementation of E-Goverment has a negative effect on indications of Corruption

System for Government Internal Control (SPIP)

Internal control (internal control) as a means created by and for the benefit of the organization is in line with the definition put forward by the Committee on Auditing Procedure of the American Institute of Certified Public Accountants (AICPA)[9] as follows:

> *"Internal Control comprises the plan of organization on and all of coordinate methods and measures adopted within a business to safeguard its assets, check the*

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[6] Gupta, K. P., Singh, S., & Bhaskar, P. (2016). Citizen adoption of e-government: a literature review and conceptual framework. Electronic Government, an International Journal, 12(2), 160. https://doi.org/10.1504/EG.2016.076134

[7] Klitgaard, Robert. Eradicating corruption. Indonesian Torch Foundation, 1998

[8] Elbahnasawy, Nasr G. (2014). E-Government, Internet Adoption, and Corruption: An Empirical Investigation.World Development 57:114–26.

[9] Sawyer. Lawrence B, Dittenhofer Mortimer A, dan Scheiner James H, 2006. Internal Auditing. Edisi 5. Jakarta: Salemba Empat.

accuracy and reliability of its accounting data, promote operasional efficiency, and encourage to prescribed managerial policies."

According to PP number 60 of 2008 concerning the Government Internal Control System, the Internal Control System is an integrated process of actions and activities carried out continuously by the leadership and all employees to provide adequate guarantees for achieving organizational goals through effective and efficient activities, reliability financial reporting, safeguarding state assets, and compliance with statutory regulations.

The results of research conducted by Sari concluded that internal control has an effect on the transparency of financial reports. Transparency in regional financial reporting will be the initial basis for good governance, especially in the area of financial accountability sourced from public funds, to increase public trust in the government and financial management. To increase the transparency of local government financial reports, it is necessary to implement internal controls to avoid fraud. With good internal control, it is hoped that regional transparency regarding government financial reports can be realized. Thus, the higher the implementation of Internal Control, the more transparent the Financial Reports will be, or conversely, if Internal Control is not implemented, the Financial Reports will be less transparent. The lack of transparency in financial reports results in a weak internal control system, thereby allowing corruption to occur in the government sector.

> H^2: The Government Internal Control System has a Negative Effect on indications of Corruption

Capability of Government Internal Control Apparatus

APIP is a government institution formed with the task of carrying out internal supervision of the central government and/or regional governments, which consists of the Financial and Development Supervisory Agency (BPKP), Departmental Inspectorate Generals, Inspectorates/internal supervision units at the government level. State Ministries, Main Inspectorates/Non-Departmental Government Institution Inspectorates, Inspectorates/internal supervision units at the Secretariat of State Universities and State Institutions, Provincial/Regency/City Inspectorates, and internal supervision units at other Government Legal Entities in accordance with statutory regulations.[10]

The APIP capability level shows that the higher the level owned by the regional inspectorate, the better the capability and quality. In addition, Rohman[11] argues that the higher the value achieved by the Inspectorate will show a higher ability in public sector supervision and guidance activities that affect local government performance. Research conducted by Aikins[12]

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[10] Presidential Decree No. 60 of 2008, Perka BPKP Number 211 of 2010, SAAIPI of 2014

[11] Rohman, W., N. 2017. Performance of Government Internal Supervisory Apparatus (APIP) in Supervising Regional Work Units (SKPD) in the Bandar Lampung City Government. Thesis. Faculty of Social and Political Sciences, University of Lampung, Bandar Lampung.

[12] Aikins, Stephen. "Performance management in government internal audits: critical success factors." *Journal of Public Administration and Governance* 5.3 (2015)

shows that the performance of internal auditors affects local government performance both directly and indirectly through improving internal control and efficiency.

H[3] : Capability of Government Internal Control Apparatus Negatively Affects Indication of Corruption

3 Research Method

This research is quantitative research. The population in this study is the Provincial Government in Indonesia, which implemented E-Government for the period 2021 - 2022. The research sample is the 68 provincial governments in Indonesia during the 2021-2022 period. The sampling technique in this study used a purposive sampling method, namely, using several specific criteria that must be met by the local government to be sampled. The purpose of this method is so that the sample selected is in accordance with the objectives of the research problem, thereby minimizing errors in the data selection process. In addition, it is also due to considerations regarding the completeness of the data and the availability of data to be collected.

The dependent variable in this study is an indication of corruption as measured by the number of corruption cases that occurred in the Provincial Government derived from the publication of reports that have reached Inkracht Van Gewijsde, which means that the decision has permanent legal force for the period 2012-2022. Independent variables in this study are E-Goverment Implementation, which is measured using the Indonesian Egoverment Ranking (PeGi), the Government Internal Control System (SPIP) which is measured by the Manuritas level of the BPKP Report on the BPKP's official website for the 2021-2022 period and the Capability of the Government Internal Supervisory Apparatus (APIP) from the BPKP Report on the BPKP's official website for the 2021-2022 period.

The dependent variable in this study is an indication of corruption as measured by the number of corruption cases that occurred in the Provincial Government derived from the publication of reports that have reached Inkracht Van Gewijsde, which means that the decision has permanent legal force for the period 2012-2022. Independent variables in this study are Government Implementation, which is measured using the Indonesian Government Ranking (PeGi), the Government Internal Control System (SPIP) which is measured by the Manuritas level of the BPKP Report on the BPKP's official website for the 2021-2022 period and the Capability of the Government Internal Supervisory Apparatus (APIP) from the BPKP Report on the BPKP's official website for the 2021-2022 period. The data analysis method is carried out by statistical tests using multiple linear regression. Before using the multiple linear regression model in testing the hypothesis, descriptive statistical analysis was first carried out with several steps are using analytical tools. This research was conducted with an analytical tool using the help of the SPSS program, 29.

4 Results and Discussion

Descriptive Statistical Analysis

Table 1
Results of Descriptive Statistical Analysis

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
PeG	68	1	3	2.47	.559
SPIP	68	1	3	2.84	.409
APIP	68	2	3	2.81	.396
KORUPSI	68	0	9	1.84	1.825
Valid N (listwise)	68				

Source: data processed by SPSS, 29.

Based on a table 1, the amount of data in this study is 68 (N). The smallest value of the corruption variable is 0, namely in Naggore Aceh Darussalam Province, West Nusa Tenggara Province, East Nusa Tenggara, which means there are no corruption cases, while the largest value is 9 cases, namely in South Sumatra Province. These results illustrate that most of the Provincial Governments in this study still have a lot of corruption that occurs in Indonesia, as evidenced by the high value of the largest corruption variable, there are problems in corruption cases in Indonesia.

Classical Assumption Test
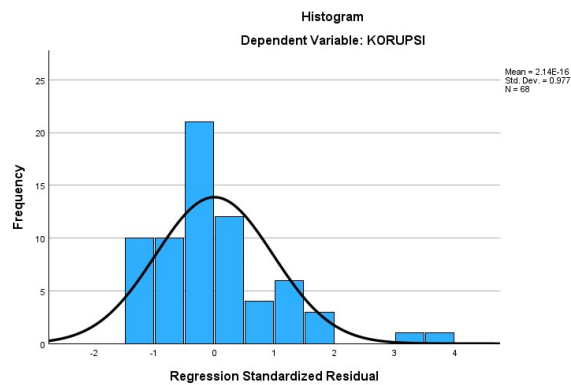## Normality Test

Figure 2 Historgram of Normality
Source: Data processed with SPSS 29, 2023

Based on the histogram graph in Figure 4.1, it can be seen that the data is normally distributed and symmetrically shaped, not skewing (skewness) to the right or left, it can be said that the regression model fulfills the assumption of normality.

Multicollinearity Test

Model	Unstandardized BCoefficients		Std. Error		Standardized CoefficientsBeta	t	Sig. Tolerance Collinearity Statistics	VIF
1 (Constant)	-.617		2.128	-.290	.773			
PeG	.219	.393	.067	.557	.579	.994	1.006	
SPIP	1.231	.556	.276	2.214	.030	.929	1.077	
APIP	-.562	.576	-.122	-.977	.332	.924	1.083	a.

Dependent Variable: KORUPSI

Tabel 2 : Multikolinearity Result Test
Source: Data processed with SPSS 29, 2023

Based on table 2 of the multicollinearity test results above, it can be seen that the results of the Variance Inflation Factor (VIF) value of the PeG variable (X1), namely 1.006, the SPIP variable (X2) of 1.077 and the APIP variable (X3) of 1.083 are smaller than 10. so it can be concluded that the three independent variables do not occur multicollinearity problems and it can be said that the independent variables used are reliable and objective.
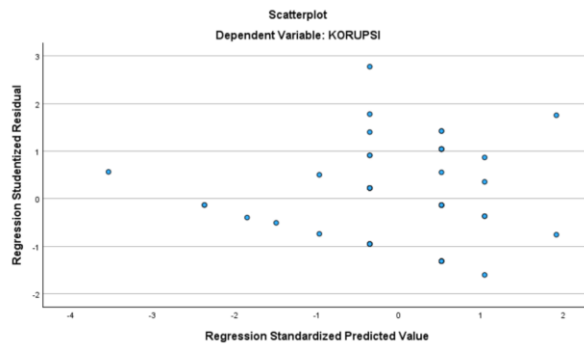
Heteroscedasticity Test

Figure 3 Heteroscedasticity Test Results
Source: Data processed with SPSS 29, 2023

Based on Figure 3 above, it can be concluded that the value of the dots spreads randomly and is spread both above and below the number 0 on the Y axis. The dots do not collect only above or below, the distribution of the dots does not form a wavy pattern widening then narrowing and widening again and the distribution of the dots is not patterned. It can be concluded that there is no hetereroscedasticity in the regression model.

Autocorrelation Test

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.277[a]	.077	.034	1.794	1.594

a. Predictors: (Constant), APIP, PeG, SPIP
b. Dependent Variable: KORUPSI

Tabel 3 Autocorrelation Test Result
Source: Data processed with SPSS 29, 2023

Based on the tests that have been carried out, it can be obtained that the Durbin Watson Test value is 1.549. Then the value is compared with the test criteria that have been set. Based on the testing criteria and the Durbin Watson test value, it is known that 1.549 is between -2 and +2 so it can be concluded that the regression model in the study does not have autocorrelation.

Hypothesis Testing F Statistical Test

Table 4 Test Results

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.043	3	1.014	2.815	.049[b]
	Residual	17.658	49	.360		
	Total	20.701	52			

a. Dependent Variable: KORUPSI
b. Predictors: (Constant), APIP,PeG, SPIP

Based on table 4 , the Fcount value is 2.815 and significant 0.049 or smaller than 0.05. The Fcount value is greater than Ftable 2.009 (2.815> 2. 009) and the significant probability is smaller than 0.05, which means that the regression model can thus be used to explain the effect of the relationship between the independent variables of the application of E-Goverment (PeG), the Government internal control system (SPIP) and the Government Internal Control Apparatus (APIP) on the dependent variable of corruption (K), in other words, the application of EGoverment (PeG), the Government internal control system (SPIP) and the Government Internal Control Apparatus (APIP) together have a significant effect on corruption (K).

Statistical Test of t

Table 5
Passive test (t test)

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	-.203	.669		-.303	.763
	PeG	.521	.355	.195	1.468	.149
	SPIP	1.201	.471	.359	2.549	-.014
	APIP	-.835	.558	-.212	-1.497	.141

Based on the results of SPSS output, the explanation of table 4.9 above is as follows:

1. The variable E-Government Implementation ratio (X1) has a tcount of 1.468 and a ttable of 2.0095 (1.468 < 2.0095) or in other words, the tcount is smaller than the ttable, meaning that the variable value of EGovernment Implementation does not have a significant effect on Corruption (Y). In other words, H1 is rejected.

2. The SPIP variable (X2) has a tcount of 2.468 and a ttable of 2.0095 (2.468> 2.0095) or in other words the tcount is greater than the ttable, meaning that the SPIP variable has an effect and is significant on Corruption (Y). In other words, H1 is accepted

3. The APIP variable (X3) has a tcount of -1.497 and a ttable of 2.0095 (-1.497 < 2.0095) or in other words the tcount is smaller than the ttable, meaning that the E-Government Implementation variable does not have a negative and significant effect on Corruption (Y). In other words, H1 is rejected.

Conclusion

This study aims to examine the effect of E-Government Implementation, Government Internal Control System (SPIP) and Government Internal Control Apparatus (APIP) on corruption in Indonesia. Of the three independent variables tested, there is one variable that has a significant effect on corruption in Indonesia. Independent variables that have a significant and insignificant effect in this study are as follows:

1. E-Government implementation has no effect on corruption in Indonesia. This shows that the higher the level of E-Government implementation, the corruption in Indonesia will have no effect.
2. The government internal control system (SPIP) has a negative and significant effect on corruption in Indonesia. This shows that the higher the internal control system implemented in Indonesia, the corruption in Indonesia will decrease.
3. The Internal Control Apparatus Capability variable has no effect on corruption in Indonesia. This proves that the role of an effective Government Internal Supervisory

Apparatus by carrying out its duties and functions as an internal government auditor has no effect on preventing corruption.

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