



## ACCOUNTABILITY FOR PROCUREMENT OF GOODS AND SERVICES AT THE REGIONAL SECRETARIAT OF NORTH MINAHASA REGENCY

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### Abstract

This study aims to analyze the form of public accountability and its implementation track record at each stage of the goods and services procurement process, as well as to identify structural, regulatory, and cultural factors that influence the creation of substantive accountability in the Regional Secretariat of North Minahasa Regency. The study uses a descriptive qualitative approach with data collection techniques of in-depth interviews, observation, and documentation of eleven key informants, including the Commitment Making Officer (PPK), procurement staff, the Regional Secretary, and representatives of the service user community. The results of the study indicate that public accountability has been formally institutionalized through hierarchical, legal, professional, and political mechanisms, but its implementation is still dominated by the logic of procedural compliance that focuses on completeness of documentation and accuracy of budget absorption. Tracing the accountability track record at four stages of procurement (planning, preparation and selection of providers, contract implementation, to handover of results) reveals consistent substantive gaps, where outcome evaluation and material accountability have not been highly institutionalized. Structural factors are characterized by fragmented coordination and the absence of a post-procurement evaluation unit; regulatory factors by the complexity of procedures without a results-based accountability clause; and cultural factors due to the orientation towards "document security" as well as low literacy and public participation in supervision.

**Keyword:** *Public accountability, procurement of goods and services, governance*

### INTRODUCTION

Government procurement of goods and services in Indonesia is not merely a matter of bureaucratic technicalities; it reflects the integrity of public governance. Each year, approximately 40–65% of regional budgets are allocated through this mechanism [1]. This means that nearly two-thirds of public funds are "spent" through the procurement process. However, this is precisely where the risk of irregularities is highest: price markups, collusion between officials and suppliers, unclear technical specifications, and even fictitious projects. This phenomenon is not a theory but a reality repeatedly exposed by oversight bodies and the national media.

In 2024 alone, the Corruption Eradication Commission (KPK) handled 37 corruption cases in regional procurement, with state losses reaching more than IDR 1.2 trillion. [2] The findings of the Supreme Audit Agency (BPK) reinforce this picture. In its Semester I 2024 Audit Result Report, the BPK noted that 68% of regional governments still have systemic weaknesses in goods/services procurement, particularly in: incomplete documentation, unreasonable Self-Estimated Prices (HPS), the dominance of non-competitive methods such as direct appointment and self-management.[1]

Ironically, all of this is happening amidst an already highly advanced regulatory framework. Since the enactment of Government Regulation No. 46 of 2025, the principles of transparency, open competition, accountability, and efficiency have been explicitly regulated. Digital systems such as SPSE, e-catalogs, and e-purchasing have also been mandated to minimize human intervention. In fact, the National Public Service Agency (LKPP) has established 17 LPSE service standards that all regions must meet. However, the gap between regulations and practice remains wide. In many regions, including North Sulawesi, SPSE has become merely a "digital display." While auction processes are uploaded, participating providers are often conditioned, technical specifications are

limited, and public complaints are ignored. Prasojo calls this phenomenon "fake reform": all the documents are complete, but the substance of public accountability is absent [3]. This is where public accountability becomes key. As Bovens emphasized, accountability is not simply a report to a superior or an auditor, but rather a dynamic relationship between officials (actors) and public forums (the public, the Regional People's Representative Council, the Supreme Audit Agency), where every decision must be explained, questioned, and subject to consequences [4]. In the procurement context, this means: Can the decision to select a particular provider be rationally explained? Does the public have access to monitoring and correction? Are there concrete sanctions in the event of failure or abuse?

Unfortunately, in many Regional Secretariats, including North Minahasa Regency, such accountability mechanisms are not yet operational. Despite establishing an independent Procurement Service Unit (ULP) in 2019 and operating SPSE 4.3, the reality is that procurement is still dominated by bureaucratic-procedural logic, rather than substantive accountability. For example, a laptop procurement package for village operators may pass administratively, but if the device does not meet specifications or is never used, no official is held materially accountable. Research by Mangkey & Kawulur at the North Minahasa Regency Regional Secretariat found that officials' lack of understanding of material accountability resulted in late reporting of many procurement packages, hampering budget absorption in the fourth quarter. Even more concerning, average capital expenditure realization only reached 68–72% by year-end (Tumengkol, Runtu, & Lolowang, 2023), far below the national target of 90%. [5]

In fact, North Minahasa Regency is at the forefront of national development as part of the Likupang Special Economic Zone (KEK). Infrastructure, public services, and tourism support facilities are highly dependent on effective procurement. If this process continues to be problematic, the regional development vision will be hampered, and public funds will be wasted not because of a lack of regulations, but because public accountability is not realized in everyday practice. Philosophically, this situation reflects the tension between *Das Sein* (reality) and *Das Sollen* (what should be). On the one hand, *Das Sollen* is embodied in Presidential Regulation 16/2018, North Minahasa Regent Regulation No. 22/2022, and LPSE standards that emphasize accountability, transparency, and participation. On the other hand, *Das Sein* demonstrates reactive, non-strategic practices with minimal social oversight. Needs plans are often prepared after roads are damaged, rather than as part of a regular maintenance program. The HPS (Planning Price) is hastily prepared. Technical specifications are vague. And procurement through direct appointment dominates as a method most vulnerable to manipulation.

*Principal - agent* theory explains why this happens [6]. In this relationship, the government (*principal*) delegates procurement authority to officials (*agents*), but information asymmetry often occurs: the agent knows more than *the principal*. Without strong accountability mechanisms—whether hierarchical, legal, professional, or political—agents lack incentives to act in the public interest. As a result, procurement becomes an arena for the diversion of public value for private gain. Meanwhile, *good governance*, the foundation of post-1998 bureaucratic reform, demands more than just procedural compliance. According to the UNDP (2007), *good governance* encompasses participation, transparency, responsiveness, the rule of law, and accountability. In North Minahasa, despite consecutive unqualified opinions from the Supreme Audit Agency (BPK) since 2018, public participation in procurement oversight remains weak. Mechanisms such as complaints through the LPSE (Lembaga Pemeriksa Keuangan/LPSE) or live auction streaming have not been optimally utilized. Yet, as Ackerman emphasized, *social Accountability* is actually the most effective counterbalance to bureaucratic power [7].

Therefore, this study aims to answer the fundamental question: How is accountability for procurement of goods and services realized in the North Minahasa Regency Regional Secretariat? What structural, regulatory, and cultural factors hinder or support the creation of substantive accountability not only on paper but in actual practice? This research is important not only to enrich academic discussions on public accountability in the region, but also to provide concrete recommendations for the North Minahasa Regency Government in strengthening procurement governance that is truly accountable to the people. The focus of this research is the implementation of public accountability in the procurement process of goods and services at the Regional Secretariat of North Minahasa Regency. This research not only examines whether procedures have been followed, but also the extent to which officials can explain, be accountable for, and accept the consequences of their procurement decisions within the framework of hierarchical, legal, professional, and political accountability. Therefore, the purpose of this research is to describe and analyze public accountability in the procurement process of goods and services at the Regional Secretariat of North Minahasa Regency and to identify factors that influence the implementation of public accountability in such procurement.

## METHOD

This type of research is descriptive qualitative, this type was chosen because it aims to understand in depth the Accountability of Procurement of Goods and Services at the Regional Secretariat of North Minahasa Regency through interpretation of the meaning, context, and experiences of actors in the field.[8] The research location is the North Minahasa Regency Government, with a focus on work units directly involved in the procurement of goods/services and the implementation of regional spending. Specifically, the research was conducted at the Goods/Services Procurement Work Unit (UKPBJ)/Goods/Services Procurement Section of the North Minahasa Regency Regional Secretariat, as well as several Regional Apparatus Organizations (OPD) that play a role in procurement planning, contract implementation, and regional spending control.

Based on the background and problem formulation, this research is directed at three main focuses as follows:

1. The form of public accountability (hierarchical, legal, professional, and political/social) in the procurement process of goods and services at the Regional Secretariat of North Minahasa Regency.
2. Implementation and accountability track record at every stage of the goods and services procurement process, starting from planning, preparation and selection of suppliers, contract implementation, to handover of work results.
3. Structural, regulatory, and cultural factors that hinder or support the creation of substantive (outcome-based) accountability in procurement.

The informants in this study were employees in relevant departments and community service users. The researchers used interview, observation, and documentation techniques for data collection. Data analysis was conducted throughout the research process based on the Miles and Huberman analysis model, modified to suit the research needs, including procedures, data reduction, data presentation, and drawing conclusions or verification.

## RESULTS AND DISCUSSION

### Public Accountability in the Procurement Process of Goods and Services at the Regional Secretariat of North Minahasa Regency

Public accountability in the context of government procurement of goods and services cannot be separated from the essence of good governance as the foundation of post-1998 bureaucratic reform. In the theoretical framework put forward by Bovens, accountability is not merely an administrative obligation to prepare reports or attach documents, but rather a dynamic relationship between actors (officials/implementers) and forums (the community, DPRD, BPK, or superiors), where actors are obliged to explain their actions, forums have the right to question and assess, and actors must be ready to accept the consequences if there are deviations or failures [4]. In the context of the Regional Secretariat of North Minahasa Regency, this accountability relationship should be the backbone that ensures that almost half to two-thirds of the regional budget allocated through procurement mechanisms is truly managed transparently, competitively, and responsibly. However, the results of the synthesis of interviews with eleven key informants revealed that the form of accountability implemented in the field still shows significant tension between procedural compliance and substantive accountability. This discussion will describe in depth how the four dimensions of hierarchical, legal, professional, and political and social public accountability are realized in the procurement process, while also dialogued the field findings with the theoretical framework of Romzek and Dubnick (2014), Mardiasmo (2009), and Thai's *principal - agent theory* (2016) to answer the first research question comprehensively [6], [9].

### Hierarchical Accountability Mechanisms and Legal Compliance: Dominance of Administrative Compliance Logic and Weakening of Material Accountability

Structurally and regulatory, hierarchical and legal accountability within the North Minahasa Regency Regional Secretariat has been institutionalized through a clear division of tasks, standard operating procedures (SOPs), and compliance with national and regional legal frameworks. Informants who hold positions as Commitment Making Officers (PPK) and procurement staff, such as EH and DT, consistently emphasized that the accountability mechanism to superiors runs through a defined chain of command: the PPK prepares technical specifications and procurement documents, verifies administrative completeness, reports progress to the Head of General Affairs, and finally submits a final report to the Regional Secretary (SP) as administrative supervisor. All of these stages legally refer to PP Number 46 of 2025 concerning Government Procurement of Goods/Services [10]. FT and RW added that procurement documentation is no longer merely physical, but has been digitized through the Electronic Procurement System (SPSE) version 4.3 and is integrated with the General Procurement Planning Information System (SiRUP). This facilitates the internal verification process, audits by the Regional Inspectorate, and examinations by the North Sulawesi Representative of the Supreme Audit Agency (BPK), which from 2018 to 2024 has consecutively provided

Unqualified Opinions (WTP) on the Regional Government Financial Report (LKPD) of North Minahasa Regency. However, behind the completeness of the structure and regulatory compliance, field findings revealed a distortion of orientation that shifted the meaning of hierarchical and legal accountability from results-based accountability to merely administrative checks. EH and DT openly admitted that in practice, the main focus of verification is still heavily on the questions "are the documents complete?" and "was the budget absorbed on time?", rather than "do the goods/services procured truly meet needs and provide real benefits?". SP as the Regional Secretary also confirmed that internal control mechanisms are indeed designed to prevent audit findings, but the pressure of APBD absorption targets, especially in the third and fourth quarters, often forces the verification process to proceed more quickly so that the depth of substantive checks on physical realization and compliance with technical specifications tends to be neglected. This phenomenon is theoretically in line with Dwiyanto's criticism that found that in many district/city governments in Indonesia, accountability is still solely procedural, not based on results ( *outcomes* ), so that many BPK findings are repeated every year [11].

Furthermore, the material accountability authority expressly mandated by Article 7 paragraph (2) of Presidential Decree 16/2018 to the PPK, in its implementation in North Minahasa still faces obstacles in the form of incomplete documentation and delays in reporting package realization, especially in the self-management and direct appointment schemes. RW and FT noted that although SPSE has provided an automatic reporting feature, many staff still rely on manual input that is prone to delays and data inconsistencies. This reinforces the findings of Tumengkol et al. who identified that the low understanding of the apparatus regarding material accountability causes many procurement packages to be accounted for late, which in turn hinders the absorption of the APBD at the end of the fiscal year [5]. This imbalance between formal compliance and material accountability indicates that hierarchical and legal accountability in the North Minahasa Regency Regional Secretariat only stops at the compliance level, not yet penetrating the consequence layer which is the essence of the accountability relationship according to Bovens [4]. As long as the consequences of failed *outcomes* are unclear and administrative sanctions are more focused on the completeness of documents rather than the failure to achieve public benefits, hierarchical and legal accountability will remain a reactive control instrument, not a proactive one towards adding value to society.

The pressure to absorb the budget at the end of the year not only accelerates verification but also transforms the logic of procurement planning and implementation into mere administrative instruments. Informants noted that technical justifications for specifications and Self-Estimated Prices (HPS) are often prepared hastily, especially as the final quarter approaches. Pressure to ensure budget availability and expedite the selection process leads the PPK to use specification templates from the previous year without conducting an updated needs analysis or in-depth price survey. This shifts the meaning of planning accountability from an instrument guaranteeing best value to merely an administrative formality for expedited bidding. According to Romzek and Dubnick (2014), the professional accountability dimension at this stage is not fully functional, as technical decisions are driven more by adherence to budget deadlines than by substantive considerations regarding the quality of the output. Digitization through SPSE and SiRUP, which should be tools to enhance accuracy and transparency, in some packages remains incapable of correcting reactive planning practices because data input remains manual and is not fully integrated with the actual needs evaluation system in the field.

The implications of this dominant hierarchical-legal logic for procurement governance are profound. When the chain of command serves only as an administrative reporting channel rather than as an organizational learning mechanism, substantive errors or gaps in one procurement package tend to be repeated in subsequent packages without systemic improvement. The Supreme Audit Agency (BPK), which consistently issues unqualified opinions (WTP), has demonstrated compliance with accounting and financial administration standards, but these opinions do not necessarily reflect a procurement process free from systemic weaknesses in material accountability. As revealed by informants, many packages pass verification due to complete documentation, but in practice, the goods do not meet specifications or are not utilized as intended. This suggests that the internal oversight forum (supervisors and auditors) plays more of an administrative checker than a substantive evaluator. Within Mulgan's (2000) chain of accountability framework, the hierarchical chain is strong in the initial stages, but weakens when accountability must be translated into tangible consequences for the malfunctioning of the goods or services procured. Consequently, hierarchical and legal accountability in North Minahasa operates within a bureaucratic comfort zone: secure in terms of documentation, compliant in terms of regulations, but with minimal substantive impact on public service delivery. The transformation of hierarchical and legal accountability into a substantive form requires a paradigm shift from compliance-oriented to results-oriented. The existing reporting structure must be equipped with standardized benefit assessment instruments, not just administrative completeness checklists. Pre-payment verification, which has been the primary focus, must be balanced with an integrated post-implementation monitoring mechanism, so that the pressure of fourth-quarter absorption is no longer used as an excuse to neglect the depth of substantive checks.

Furthermore, consistent regulatory enforcement must be directed not only at procedural violations but also at failures to achieve performance indicators set out in procurement documents. Without this shift, hierarchical and legal accountability will continue to be a "false reform," as criticized by Prasojo and Kurniawan (2018), where all documents appear complete and procedures appear compliant, but the substance of public accountability is absent because no one is consistently accountable for the real impact of the procurement.

### **Transparency and Public Participation: The Gap between Information Disclosure and Participatory Social Oversight**

The second dimension of public accountability, transparency and public participation, serves as a bridge connecting the procurement process with broader public forums, including the Regional People's Representative Council (DPRD), the media, civil society organizations, and beneficiary citizens. Within the UNDP (2007) framework of good governance, accountability cannot stand alone without the support of transparency, participation, and responsiveness. In North Minahasa Regency, formal political and social accountability mechanisms are available through the announcement of the General Procurement Plan (RUP), the implementation of electronic auctions on the LPSE (Electricity and Service Provider Agency), live streaming of the selection process, and an online public complaints channel. FK, HS, and JR, as representatives of the community/service users, acknowledged that regulatory access to procurement information has been opened, but in practice, the information presented remains highly technical and uses administrative jargon that is difficult for laypeople to understand. Terms such as HPS (Plan of Purchase Orders), qualitative-quantitative evaluation criteria, selection method thresholds, or objection mechanisms are often not accompanied by contextual explanations regarding the impact of the package on public services. As a result, transparency, which should be a gateway for public participation, has instead become a "digital display" that does not trigger active social oversight.

Furthermore, public complaint mechanisms through the LPSE (Equity Procurement Agency) and official regional channels are still underutilized. HS and SL explained that although the public has the regulatory right to report suspected specification discrepancies, unfair direct appointment practices, or incompetent providers, many citizens are reluctant to use these facilities. The main reasons are cultural and structural: low public literacy regarding procurement mechanisms, unfamiliarity with proper complaint procedures, concerns about unresponsive officials, and the perception that reports will simply remain in archives without transparent follow-up. JR and RA added that, from the perspective of service users, political accountability should be measured by the extent to which procured goods/services actually improve access, quality, and sustainability of public services. When procurement has been administratively completed, handover minutes have been signed, and installment payments have been disbursed, but the equipment procured is not functioning optimally or is not being utilized as intended, officials are rarely held publicly accountable. This phenomenon confirms the findings of Runtu, Tumengkol, and Lontoh (2022) which show that even though a WTP opinion has been achieved, there are still recurring findings related to the procurement of goods/services, especially in packages that are not supported by complete material accountability documentation and structured outcome evaluation.

From a theoretical perspective, the limitations of political and social accountability in North Minahasa reinforce the concept of social accountability put forward by Ackerman (2005) and Santiso (2001), who emphasized that transparency is not merely the openness of information, but rather the creation of mechanisms that enable the public to monitor, correct, and hold the government accountable. Without adequate literacy, responsive complaint channels, and an organizational culture open to constructive criticism, public participation will remain symbolic. Tjandra and Wicaksono (2020) in their research in several districts demonstrated that regions with active procurement complaint mechanisms that are publicly followed up have lower levels of procurement corruption findings, as the existence of social oversight serves as a deterrent against unhealthy practices. In North Minahasa, the transformation from formal political accountability to substantive participation requires not only the availability of digital infrastructure, but also inclusive procurement socialization, regular dialogue forums between UKPBJ, PPK, and community representatives, and the publication of post-procurement evaluation results in easily understood language. Without these steps, political and social accountability will remain a lagging dimension compared to the dominance of bureaucratically established hierarchical and legal accountability. The gap between data openness and the readability of information for the general public reflects a functional failure of the transparency principle. While data uploaded to the LPSE (Lembaga Pelayanan dan Keamanan Indonesia/LPSE) does meet legal requirements and is accessible to anyone, accessibility is not merely a matter of technical availability but also the public's ability to interpret and utilize the information for oversight. When tender documents present only figures, technical specifications, and regulatory articles without the context of social benefits, transparency loses its transformative power. The public cannot raise substantive objections, cannot monitor whether the established specifications truly

address field needs, and cannot evaluate whether the winning provider has a credible track record. As a result, public participation is reduced to a passive form: being "informed" after a decision has been made, rather than "involved" in the process of formulating needs or evaluating outcomes. This symbolic participation not only undermines horizontal accountability but also reinforces the information asymmetry at the heart of Thai's (2016) principal-agent theory. When the public as principal does not have an effective instrument to monitor agents (PPK and providers), the space for substantive deviations or inefficiencies becomes wider, even though procedurally all stages have followed the rules.

Furthermore, the lack of responsiveness to public complaints exacerbates the cycle of citizen distrust in social accountability mechanisms. When reports are not followed up with clear feedback, or when the results are not published transparently, the public becomes increasingly convinced that social oversight has no influence on bureaucratic decisions. This perception then becomes a psychological and cultural barrier that leads citizens to choose not to engage at all. Yet, within the UNDP (2007) framework, good governance requires institutionalized responsiveness as an integral part of accountability. Local governments are not only required to disclose data but also to establish mechanisms to ensure that every input, criticism, or report from the public is processed, followed up, and the results communicated back to the public. Without a clear feedback loop mechanism, complaint channels become merely an administrative formality lacking corrective power. In North Minahasa, the absence of a public forum after the procurement handover is clear evidence that public participation is not yet considered an essential part of the accountability cycle. Citizens are not involved in verifying whether goods meet their needs, are not given the opportunity to share their experiences of use, and are not subject to long-term evaluations of their benefits. As a result, political accountability stops at the stage of submitting reports to superiors and oversight bodies, never truly reaching the final beneficiaries.

The transformation towards functional transparency and substantive participation requires a holistic and sustainable approach. First, the presentation of procurement information must be adapted into contextual and easy-to-understand language, accompanied by infographics or executive summaries explaining the package's objectives, allocated budget, key specifications, and expected success indicators. Second, the complaint mechanism must be integrated with a public reporting system that allows for real-time tracking of follow-up status, so that the public can see that their reports are not simply filed but actually processed. Third, community engagement must be institutionalized not only at the monitoring stage, but also at the needs planning and post-procurement evaluation stages. Regular dialogue forums between the UKPBJ, PPK, and representatives of beneficiary communities can provide a space for aligning technical specifications with field conditions and for collective reflection on the benefits of procurement outcomes. Fourth, regional leadership must consistently foster an organizational culture that is responsive to public input, rather than defensive or shying away from social correction. Only by aligning data transparency, public literacy, institutional responsiveness, and active citizen engagement can transparency and community participation transform from formal symbols into vibrant and impactful instruments of accountability.

### **Professional Accountability and Substantive Challenges: Fragmentation of Coordination, Capacity Gaps, and Broken Chains of Accountability Post-Handover**

The third dimension, professional accountability, emphasizes adherence to competency standards, professional ethics, and technical skills in making rational and objective decisions. In the modern procurement ecosystem, professional accountability is realized through a clear separation of functions between the Goods/Services Procurement Work Unit (UKPBJ) as the executor of supplier selection and the Commitment Making Officer (PPK) as the person responsible for planning, implementation, and handover of work results. TM, FT, and DT consistently assert that this structure has met the principle of checks and balances designed to prevent conflicts of interest and minimize bureaucratic intervention that can disrupt open competition. Normatively, UKPBJ is responsible for the neutrality of bid evaluation and adherence to selection methods, while PPK is responsible for the accuracy of technical specifications, the own estimated price (HPS), and contractual oversight. This separation should create synergy where procurement decisions are based on mature technical considerations, rather than on close relationships or administrative pressure alone.

However, interviews revealed that professional accountability in the field remains hampered by gaps in technical capacity and weak ongoing coordination among procurement actors. DT and TM acknowledged that although PPKs and procurement staff have attended regulatory socialization and basic training from the Government Goods/Services Procurement Policy Agency (LKPP), their in-depth understanding of *value-for-money principles*, fair price analysis, due diligence on supplier track records, and post-contract monitoring techniques remains limited. TM explained that in some procurement packages, technical specifications are often prepared based on previous year's templates without adjustments to technological developments or actual field conditions, resulting in the risk of

producing suboptimal or difficult-to-operate products. Furthermore, FT and RW noted that coordination between UKPBJ and PPKs often breaks down at the post-award award stage, where specification changes, schedule adjustments, or technical challenges in the field are not always documented in real time or formally communicated through authorized addenda. This information gap theoretically reinforces Thai's argument in *principal - agent* theory, where the information asymmetry between *the principal* (regional/community leaders) and *the agent* (PPK/provider) will widen if there is no integrated and transparent monitoring mechanism [6]. Without a synchronous flow of information, professional accountability becomes vulnerable to decision distortions that are not based on professional standards, but rather on procedural compliance alone.

On the other hand, professional accountability also requires the courage to maintain technical integrity amid bureaucratic pressures. EH and DT noted that in practice, there are sometimes implicit requests to “condition” specifications to suit specific providers, or the use of less justified direct appointment methods. While this may be legally justified under certain circumstances, such decisions must be supported by risk analysis, strong technical justification, and audit-ready documentation. TM emphasized that professional accountability will be stronger if there is a mechanism for ongoing technical assistance, a forum for sharing good practices between PPKs, and post-procurement independent evaluations that assess not only the administrative status of the package but also the quality of *outputs* and long-term benefits. This view aligns with the findings of Tumengkol, Runtu, and Lolowang, who noted that capital expenditure realization in North Minahasa Regency averaged only 68–72% by year-end, and that most delays were caused by strategically unmanaged procurement constraints, such as frequent mid-process specification changes or repeated failed tenders due to incompetent bidders [5]. When professional accountability is not balanced with strengthening technical capacity and a culture of collective reflection, the separation of functions between UKPBJ and PPK will only become a structural formality that is unable to prevent inefficiency or failure to achieve program *outcomes*.

Overall, this discussion confirms that public accountability in the procurement of goods and services at the North Minahasa Regency Secretariat has been formally implemented through hierarchical, legal, professional, political and social mechanisms. However, its implementation is still dominated by the logic of procedural compliance that focuses on completeness of documents, timely absorption, and prevention of audit findings. Substantive accountability oriented towards outcomes, public benefits, and material accountability is still hampered by weak post-procurement evaluations, technical capacity gaps, fragmented coordination, and minimal meaningful public participation. These findings emphasize that accountability is not simply an obligation to report, but rather a dynamic relationship that demands explanation, assessment, and consequences. In the context of North Minahasa, the transition from procedural to substantive accountability requires not only regulatory improvements but also strengthening of results-based monitoring systems, cross-unit data integration, and the creation of inclusive and responsive public participation spaces. Only by synergistically aligning these four dimensions of accountability can procurement of goods and services truly become an instrument of development that is accountable to the people, rather than merely an administrative routine that ends at the handover ceremony.

### **Structural, Regulatory, and Cultural Factors Influencing the Creation of Substantive Accountability in the Procurement of Goods and Services at the Regional Secretariat of North Minahasa Regency**

Substantive accountability in government procurement of goods and services does not arise in a vacuum, but rather is the product of a dynamic interaction between institutional design, legal frameworks, and the cultural ecosystem of organizations and communities. Unlike procedural accountability, which is simply measured by the completeness of documents, compliance with selection method thresholds, or the timeliness of budget absorption, substantive accountability demands accountability based on tangible results, public benefits, and the ability of officials to explain and accept the consequences of their decisions. In the context of the North Minahasa Regency Regional Secretariat, the results of field data synthesis reveal that three factors—structural, regulatory, and cultural—simultaneously shape the accountability landscape, which still experiences friction between ideal norms and operational practices. This discussion will examine in depth how each of these factors acts as an obstacle or supporter of the transformation towards substantive accountability, while also connecting empirical findings with the theoretical frameworks of Thai and Grindle, as well as the policy implementation theory proposed by Tumbel.[6], [12], [13]

#### 1) Structural Factors

Structurally, the North Minahasa Regency Regional Secretariat has established an independent Goods/Services Procurement Work Unit (UKPBJ) and assigned a Commitment Making Officer (PPK) to each work unit, as mandated by Presidential Decree No. 16 of 2018. This organizational design normatively meets the principle of separation of functions between planners, selection implementers, and those responsible for implementation, which should create a healthy checks and balances mechanism. However, field findings revealed that this formal structure has not been

fully balanced with a continuous and integrated coordination flow. Informants EH and TM explicitly stated that there are often information gaps between the UKPBJ and the PPK regarding changes to technical specifications, adjustments to work schedules, or obstacles in the field that are not documented in real time. This gap is not simply a matter of personal communication, but rather an indication of a work structure that is not yet equipped with a dedicated unit or team tasked with evaluating the benefits of procurement packages after the administrative handover is complete. SP, as the Regional Secretary, also confirmed that the distribution of tasks still tends to be heavy at the pre-payment document verification stage, while long-term outcome monitoring mechanisms have not been formally institutionalized.

The absence of a post-procurement evaluation structure creates an institutional gap that directly weakens substantive accountability. Within Mulgan's chain of accountability framework, public accountability must flow continuously from budget management officials to the community as the ultimate beneficiaries. If the chain is broken at the post-implementation stage, accountability will cease at the handover ceremony and disbursement of payment terms. In North Minahasa, this is evident in the lack of a regular evaluation forum that binds the PPK (Commissioner of Procurement), suppliers, and user units to discuss the suitability of procurement results with actual needs or program performance indicators. The current organizational structure is more oriented toward fulfilling administrative inputs and outputs, rather than measuring outcomes and impact. Consequently, when procured goods do not function optimally, are not utilized as intended, or become an unbudgeted maintenance burden, there is rarely a structural mechanism that automatically triggers material accountability.

Furthermore, the internal monitoring structure, which has not been fully digitized, is also a hindering factor. RW and FT noted that although the Electronic Procurement System (SPSE) version 4.3 has been operationalized and integrated with SiRUP, many physical verification processes, work progress reporting, and material accountability document archiving are still carried out manually or separately from the main system. This data fragmentation makes it difficult for regional leaders and internal supervisors to monitor procurement anomalies in real time, such as unreasonable specification changes, repeated delays in implementation, or discrepancies between the RUP and field realization. From Thai's perspective [6], an effective procurement structure must be able to reduce information asymmetry between the principal (regional leaders/communities) and the agent (PPK/provider) through a centralized, transparent, and easily traceable reporting system. Without an integrated monitoring infrastructure, the organizational structure will remain a static diagram that cannot encourage substantive accountability. This finding strengthens Tumbel's argument that successful governance is not determined by the completeness of the formal structure, but rather by the capacity of the bureaucratic system to translate normative designs into coordinated and measurable actions in the field.[12]

### 2) Regulatory Factors:

From a regulatory perspective, Indonesia's procurement legal framework has undergone significant evolution since the reform era. Presidential Regulation No. 16 of 2018 and its derivative, North Minahasa Regent Regulation No. 22 of 2022, explicitly emphasize the principles of efficiency, effectiveness, transparency, openness, competition, fairness, and accountability as the foundation for procurement implementation. RW and FT informants acknowledged that this regulatory framework has provided clear standards, forcing all procurement actors to adhere to standardized procedures, and providing space for process digitization through SPSE, e-catalogs, and e-purchasing. Normatively, regulation has advanced significantly compared to the previous decade, when procurement was still highly susceptible to manual intervention and secretive practices.

However, behind these regulatory advances lies a tension between procedural complexity and operational capacity at the regional level. SP and EH stated that highly detailed regulations, while intended to prevent irregularities, often become an administrative burden when faced with tight budget disbursement deadlines, particularly in the third and fourth quarters. Pressure to absorb the budget to avoid wastage drives the verification process to proceed more quickly, so that in-depth substantive checks on physical realization and compliance with technical specifications tend to be sacrificed for procedural compliance. This phenomenon confirms the national findings recorded by the Supreme Audit Agency (BPK RI) (2023), which found that 68% of regional governments still have systemic weaknesses in procurement, particularly incomplete documentation, unreasonable HPS (price price estimates), and the dominance of non-competitive methods. In North Minahasa, this is evident in the continued high use of direct appointment and self-management for packages that could actually be competitive, with often substantively weak administrative justification.

### 3) Cultural Factors:

This is the most difficult internal dimension to change, yet the most decisive in shaping the behavior of procurement actors. The synthesis of interviews with DT, TM, FK, HS, JR, SL, and RA consistently revealed that the bureaucratic work culture within the Regional Secretariat remains deeply tied to the logic of budget absorption

and “administrative security.” DT openly admitted that the primary orientation of procurement officials is often “what percentage of the APBD is absorbed on time,” rather than “how much benefit the goods/services provide to the community.” This pressure is not personal, but systemic: regional performance indicators, evaluations of SKPD leaders, and even perceptions of program success are often still measured by the level of budget realization, rather than by development outcomes. As a result, procurement tends to be run with the logic of “complete the files to avoid being held up by audit” rather than “ensure the goods/services truly solve public problems.”

This “document-safe” culture is exacerbated by the lack of safe spaces for critical reflection and acknowledging failed outcomes. TM and JR note that in practice, officials rarely dare to openly evaluate when a procurement package turns out to be under-benefit or even an operational burden. Admitting this is often seen as an admission of incompetence or even considered an audit finding, making it safer to close the package administration and shift attention to the next one. However, substantive accountability demands the courage to acknowledge gaps, make policy corrections, and take continuous improvement steps. Tumbel (2023) emphatically reminds us that policy implementation often fails not because of poor design, but because of an organizational culture that is resistant to feedback and a lack of viable horizontal accountability mechanisms. In North Minahasa, this hierarchical-procedural culture makes accountability more top-down (reporting to superiors) than bottom-up (accountability to the community).

Externally, cultural factors are also evident in the low level of public literacy and social participation in procurement oversight. FK, HS, SL, and RA stated that although complaint mechanisms through the LPSE (Regional Government Service Agency) and official regional channels are available, the public remains reluctant to utilize them due to lack of procedural knowledge, the perception that reports will not be followed up, and the overly technical and non-contextual language of procurement information. Social participation remains low not because channels are lacking, but because the ecosystem needed to foster social accountability has not yet been established. Ackerman emphasized that transparency is not merely about data transparency, but rather the creation of mechanisms that enable the public to monitor, correct, and hold the government accountable [7].

The three factors—structural, regulatory, and cultural—interact dynamically to shape the procurement accountability ecosystem at the North Minahasa Regency Secretariat. The fragmented structure makes it difficult to consistently implement advanced regulations, as there is no unit specifically tasked with monitoring outcomes. Complex regulations without outcome-based clauses reinforce a work culture that only pursues procedural compliance and “document security,” as there are no regulatory incentives that reward the achievement of public benefits. An absorption-oriented and risk-averse culture then encourages the structure to prioritize administrative verification over substantive evaluation, thus creating a mutually reinforcing cycle of accountability stagnation. From Romzek and Dubnick's (2014) perspective, hierarchical and legal accountability are indeed formally strong, but the professional and political dimensions remain weak due to the lack of support from an integrated monitoring structure, results-oriented regulations, and an organizational culture responsive to constructive criticism.

This interaction can also be understood through the lens of Thai principal-agent theory. [6]The government, as the principal, has delegated procurement authority to the PPK and UKPBJ as agents, but the existing control mechanisms still rely more on ex-ante administrative control (document verification) than ex-post monitoring (outcome evaluation). Without a system capable of reducing information asymmetry, providing results-based incentives, and imposing consequences for failure to benefit the public, agents lack a strong incentive to act in the long-term public interest. As a result, procurement tends to run as a bureaucratic routine that meets compliance requirements, but does not always align with the value for money principle put forward by Mardiasmo, namely the balance between economy, efficiency, and effectiveness.[9], [14]

However, this interaction also holds opportunities. If all three factors are holistically aligned, substantive accountability can become a real foundation for responsible procurement governance. From a structural perspective, the establishment of a post-procurement evaluation unit integrated with the Regional Development Planning Agency (BPKAD) and the Inspectorate can break the chain of accountability that has been interrupted at the handover stage. From a regulatory perspective, simplifying procedures for certain packages must be balanced with strengthening results-based clauses, integrating procurement performance indicators with Regional Government Work Unit (SKPD) KPIs, and implementing transparent and proportional sanction and reward mechanisms. From a cultural perspective, regional leadership must consistently encourage a mindset shift from “quick absorption” to “real impact,” through case-based training, collective reflection forums between PPKs, and procurement literacy campaigns that directly reach the community. Grindle and Andrews emphasize that successful governance reform focuses on solving concrete problems incrementally (problem-driven iterative adaptation), rather than pursuing an overly ambitious list of ideal principles [15]. In the context of North Minahasa, which is at the forefront of Likupang Special Economic Zone development, this approach is highly relevant: substantive accountability does not have to start with major regulatory

changes, but rather with adjustments to monitoring structures, improvements to outcome-based SOPs, and the creation of inclusive participation spaces. Based on the analysis of the interaction of these three factors, the transition to substantive accountability at the North Minahasa Regency Secretariat requires an integrated and sustainable approach. Structurally, a workflow arrangement is needed that clearly separates pre-payment administrative verification and post-procurement outcome evaluation, accompanied by the integration of SPSE, SiRUP, and SKPD performance monitoring systems into a single dashboard accessible to regional leaders and internal supervisors. Regulatory-wise, procedural simplification must be balanced with strengthening material accountability clauses that bind PPK to the achievement of benefits, as well as a public complaints mechanism that is followed up in a measurable manner and the results are published. Culturally, the transformation requires leadership that consistently rewards results-based performance, while enforcing transparent administrative sanctions if procurement fails to deliver tangible benefits, accompanied by strengthening public literacy through contextual procurement socialization and regular dialogue forums between organizers, providers, and service users.

Overall, structural, regulatory, and cultural factors simultaneously shape the accountability ecosystem in the procurement of goods and services at the North Minahasa Regency Secretariat. Structurally, fragmented coordination and the absence of post-procurement evaluation mechanisms break the chain of accountability at the outcome stage. Regulatory-wise, procedural complexity and the absence of results-based clauses encourage procedural compliance without incentives to evaluate benefits. Culturally, an orientation toward budget absorption, a "document-safe" culture, and low public literacy hinder the growth of responsive and participatory accountability. The dynamic interaction of these three creates conditions in which substantive accountability remains trapped at the normative level, having not yet fully penetrated the practical level. However, by harmonizing integrated structural arrangements, refining results-oriented regulations, and transforming organizational culture and public literacy, substantive accountability can be realized not as a reform slogan, but as a daily practice that ensures that every rupiah of the regional budget spent through procurement is truly accountable, transparent, and has a real impact on the development of North Minahasa Regency.

## CONCLUSION

Based on the research results and discussions that have been described, three main conclusions can be drawn which directly answer the three research focuses as follows:

1. Public accountability in the procurement of goods and services at the Regional Secretariat of North Minahasa Regency has been formally institutionalized, but its implementation shows substantive gaps in the three indicators, namely hierarchical, legal, professional, and political and social mechanisms. Accountability in the first focus is still dominated by the logic of procedural and administrative compliance, has not been transformed into accountability that measures outcomes, public benefits, and material consequences.
2. Structural, regulatory, and cultural factors simultaneously form an ecosystem that continues to hamper the transformation towards substantive accountability. Structurally, fragmented cross-unit coordination and the absence of a dedicated post-procurement evaluation team break the accountability cycle at the outcome stage. Regulatory-wise, the procedural complexity of Presidential Regulation 16/2018 and Regent Regulation 22/2022 has not been balanced with binding, results-based clauses and proportional reward-sanction mechanisms, making regulations more effective as administrative checklists. Culturally, the bureaucracy's orientation towards budget absorption and a "document-safe" culture are exacerbated by low literacy and minimal public participation in oversight, so horizontal accountability remains symbolic and has not become an effective counterbalance to the dominance of vertical accountability.

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