

**Procurement Ethics And Performance Accountability Report Quality: An Analysis Of  
LKjIP Kecamatan Medan Johor 2025**

**Petrus Anandra Hutahean<sup>1)</sup>, Hapipah Zahra Sirait<sup>2)</sup>, Galih Supraja<sup>3)</sup>**  
<sup>1,2,3)</sup> Department of Accounting, Universitas Pembangunan Panca Budi

\*Corresponding Author

Email : [galih@dosen.pancabudi.ac.id](mailto:galih@dosen.pancabudi.ac.id)

**Abstract**

*This study examines the relationship between procurement ethics and the quality of the Government Institution Performance Accountability Report (LKjIP) at Kecamatan Medan Johor for Fiscal Year 2025. Employing a qualitative descriptive approach through document analysis of LKjIP data, procurement documents, and secondary sources from e-procurement systems, the study evaluates five dimensions of procurement ethics: transparency, efficiency, integrity, healthy competition, and accountability. The findings demonstrate that consistent implementation of e-procurement, with an average budget efficiency rate of 13.2%, alongside zero deviation findings in procurement audits, has positively contributed to a high average performance achievement of 100.39%. The Community Satisfaction Index (IKM/CSI) reached 87.80, surpassing the target of 83.30 by 105.14%, and the SAKIP score improved to 67.50 (Good category). These results indicate that procurement ethics function as a structural pillar underpinning the substantive quality of LKjIP.*

**Keywords:** *Procurement Ethics, LKjIP quality, E-Procurement, SAKIP, Community Satisfaction Index*

**INTRODUCTION**

Public procurement is one of the most strategic instruments of state financial management, absorbing a significant portion of the state budget allocated for public goods and services. In the Indonesian governance context, procurement encompasses a multi-dimensional process covering not only administrative and technical aspects, but also ethical dimensions that reflect the integrity and accountability of the government administration.

Procurement ethics encompasses principles that guide procurement actors to act transparently, efficiently, accountably, and with integrity throughout the entire procurement process. Violations of procurement ethics whether in the form of price mark-ups, fictitious procurement, or non-competitive procurement not only cause direct state financial losses but also erode public trust in governmental institutions.

The Government Institution Performance Accountability Report (LKjIP) is the primary formal instrument through which local government organizations demonstrate their performance accountability to the public and to supervising authorities. The quality of LKjIP is reflected in the accuracy of performance measurement, reliability of data, and consistency between planning and realization. Theoretically, high-quality procurement ethics should strengthen the quality of LKjIP, as the procurement process is a major vehicle for realizing planned programs and activities.

Studies previously generally study ethics procurement from perspective prevention corruption and compliance regulation (Erdianto & Yusuf, 2022; Prabowo et al., 2021), or analyze quality of LKjIP from corner view capacity apparatus and systems planning (Mulyadi & Sari, 2023; Wahyuningsih, 2022). However , research that is specifically explicit connect

implementation ethics procurement goods and services with quality of LKjIP at government level subdistrict still very limited.

Kecamatan Medan Johor, as one of the sub-district government units under the City of Medan, has consistently implemented electronic procurement (e-procurement) through the LPSE Medan platform. In FY 2025, the sub-district recorded 11 procurement packages with a total budget ceiling of Rp 25.98 billion and achieved budget efficiency of Rp 3.43 billion (13.2%), with no deviation findings recorded in any internal or external audit. Against this backdrop, this study is motivated by the academic question: how do procurement ethics operationalized through the five dimensions of transparency, efficiency, integrity, healthy competition, and accountability contribute to the quality of LKjIP at Kecamatan Medan Johor.

## RESEARCH METHODS

This study employs a qualitative descriptive approach with document analysis as the primary research method. The research object is Kecamatan Medan Johor, focusing on procurement activities and performance accountability reporting for Fiscal Year 2025.

Data sources include: (1) Primary sources LKjIP Kecamatan Medan Johor FY 2025, procurement documents from LPSE Medan (RKS, HPS, contracts, work completion reports), SAKIP evaluation documents, and Community Satisfaction Survey (SKM) results; (2) Secondary sources academic literature on procurement ethics and LKjIP quality, regulatory documents, and audit reports.

Data analysis was conducted through systematic document review, triangulation across multiple data sources, and analytical synthesis linking procurement ethics dimensions to LKjIP quality indicators (Miles et al., 2020). The study evaluates the five dimensions of procurement ethics against four LKjIP quality indicators: performance achievement rate, Community Satisfaction Index (IKM), SAKIP score, and budget efficiency ratio.

## RESULTS AND DISCUSSION

### Overview of Procurement Transparency Through E-Procurement

Medan Johor district conducted all procurement activities for FY 2025 through the LPSE Medan e-procurement platform, implementing mandatory e-purchasing for goods/services with standardized specifications and e-tendering for non-standardized procurement packages. This approach yielded significant transparency outcomes: all 11 procurement packages were documented with complete digital audit trails accessible to authorized auditors and the public. Table 1 presents the procurement performance summary for FY 2025:

**Table 1**

No.	Procurement Package	Budget Ceiling (IDR)	Contract Value (IDR)	Efficiency (IDR)	Eff. (%)
1	IT Equipment (Laptop & Printer)	85,000,000	74,250,000	10,750,000	12.60%

2	Office Furniture (27 units)	162,000,000	138,400,000	23,600,000	14.60%
3	Official Vehicle Maintenance (5 units)	95,500,000	84,200,000	11,300,000	11.80%
4	Office Stationery & Supplies	48,000,000	41,500,000	6,500,000	13.50%
5	Community Social Assistance Activities	120,000,000	103,800,000	16,200,000	13.50%
...	(and 6 additional packages)	...	...	...	...
<b>TOTAL (11 packages)</b>				<b>Rp 3.43 billion</b>	<b>13.20%</b>

The e-procurement mechanism ensured that all procurement documents from specifications (RKS), owner's estimates (HPS), tender announcements, bid evaluations, contract awards, to work completion reports—were systematically recorded and digitally accessible. This digital audit trail constitutes a critical transparency asset that directly facilitates the preparation of accurate and verifiable LKjIP.

The consistency between planned activities in the Regional Work Plan and Budget (DPA) and realized outputs as reported in LKjIP with no significant output deviations detected demonstrates that e-procurement transparency directly supports the accountability dimension of LKjIP quality. This finding aligns with Proposition 1 of this study: transparency drives accountability reporting.

**Performance Achievement Analysis**

The performance achievement analysis of Kecamatan Medan Johor for FY 2025 reveals that the sub-district attained an average performance achievement rate of 100.39%, categorized as "Very High." Table 2 presents the detailed performance achievement across all four strategic objectives:

**Table 2**

No.	Strategic Objective	Performance Indicator	2023 Realization	2024 Realization	2025 Target	2025 Realization
1	Improved Performance Accountability (SAKIP)	SAKIP Evaluation Score	58.2	61.6	70	67.5
2	Improved Service Quality (IKM)	Community Satisfaction Index	83.5	83.6	83.3	87.8
3	Improved Community Welfare	% of Social Programs Realized	100%	100%	100%	100%

No.	Strategic Objective	Performance Indicator	2023 Realization	2024 Realization	2025 Target	2025 Realization
4	Maintained Public Order & Security	% of Disturbances Handled	100%	100%	100%	100%
<b>Average Performance Achievement</b>						<b>100.39%</b>

Of particular analytical significance is the Community Satisfaction Index (IKM), which achieved 87.80 against a target of 83.30 a 105.14% achievement rate, categorized as "Very High." This exceptional performance in service quality is directly linked to transparent and accountable procurement of office facilities, including the procurement of 27 units of office furniture and maintenance of 5 official vehicles conducted openly through the e-purchasing mechanism. These improvements in physical office infrastructure directly contributed to service comfort experienced by community members in the IKM survey.

Conversely, the SAKIP score of 67.50 fell short of the target of 70.00, yielding a 96.42% achievement rate—the only indicator that failed to reach its full target. Detailed analysis reveals that weaker performance planning components, relative to stronger performance measurement and reporting components, created an "accountability-driven execution gap" (Ramadhani and Utama, 2023): execution and reporting are consistently stronger than planning, as accountability pressures at the implementation stage are more immediate.

### Budget Efficiency Analysis as a Proxy for Procurement Ethics

Budget efficiency is a robust proxy for measuring procurement ethics quality, particularly its efficiency and integrity dimensions. Budget that is not fully absorbed yet still achieves 100% output targets indicates that procurement was conducted competitively and free from price mark-ups. Conversely, low budget absorption accompanied by low output achievement may indicate procurement inefficiency or process bottlenecks.

The analysis of budget efficiency by strategic objective reveals the following distribution:

**Table 3**

No.	Strategic Objective	Budget Ceiling (IDR M)	Realization (IDR M)	Efficiency (IDR M)	Efficiency (%)
1	Performance Accountability	20,300	18,900	1,400	6.90%
2	Service Quality	5,200	4,850	350	6.70%
3	Community Welfare	420	287	133	31.70%
4	Public Order & Security	60	51	9	15.00%
<b>TOTAL</b>		<b>25,980</b>	<b>24,088</b>	<b>1,892</b>	<b>13.20%</b>

The efficiency contribution distribution shows that the Community Welfare objective contributed the highest efficiency ratio (31.4% of total efficiency savings), followed by Public Order and Security (13.4%), Performance Accountability (5.2%), and Service Quality (2.8%). The high efficiency in the Community Welfare category reflects the procurement of community

social assistance through competitive mechanisms, yielding significant savings without compromising output quality.

The overall 13.2% efficiency rate indicates that the sub-district government successfully optimized procurement value through healthy price competition. The savings realized from efficient procurement were partially reallocated to fund additional priority activities, thereby enhancing performance achievement above target levels a direct illustration of Proposition 2 of this study.

### **The Role of Procurement Transparency in Supporting IKM Quality**

The Community Satisfaction Index (IKM) of 87.80 exceeding the target of 83.30 with a 105.14% achievement rate is a direct reflection of public service quality, which is partly underpinned by the transparent and accountable procurement of office facilities and infrastructure. The procurement of office furniture (27 units) and official vehicle maintenance (5 units) conducted openly through the e-purchasing mechanism contributed to improvements in service facility comfort experienced by community members in the IKM survey.

The IKM survey was conducted with 100 respondents using nine assessment dimensions. The upward trend in IKM from 2022 to 2025 demonstrates a consistent growth trajectory, indicating that cumulative improvements in procurement ethics (particularly transparency and efficiency) have incrementally enhanced the quality of public services as reported in LKjIP.

This finding is consistent with Erdianto and Yusuf (2022), who demonstrated that consistent e-procurement adoption significantly increases public trust in regional governments, ultimately translating into higher community satisfaction. In the context of Kecamatan Medan Johor, this manifested through improvements in sub-district office facilities that support community comfort in accessing administrative services.

### **Procurement Integrity and SAKIP Score**

The SAKIP score of Kecamatan Medan Johor at 67.50 (Good category) reflects the overall quality of performance accountability system implementation. This score represents an improvement from 61.60 in 2024, indicating systematic progress. However, achievement against the target (70.00) stood at only 96.42%, making it the sole indicator that did not achieve its full target.

Document analysis reveals that performance measurement and reporting components which are closely related to procurement processes performed better than performance planning components. This indicates that integrity in procurement execution (reflected in the absence of deviation findings) was more successful in strengthening performance measurement and reporting quality than in enhancing planning quality. Ramadhani and Utama (2023) describe this phenomenon as an "accountability-driven execution gap": execution and reporting outperform planning because accountability pressures at the implementation stage are stronger.

### **Integrative Discussion: Procurement Ethics as a Pillar of LKjIP Quality**

Based on the analysis of five procurement ethics dimensions and four LKjIP quality indicators, this study identifies a pattern of relationships that can be summarized in the following propositions:

Proposition 1, Transparency drives accountability reporting. The consistent use of e-procurement at Kecamatan Medan Johor creates digital audit trails (audit trails) that facilitate the preparation of accurate and verifiable performance reports. This is reflected in the consistency

between planned activities in DPA and realized outputs as reported in LKjIP with no significant output deviations detected between planning and execution.

Proposition 2, Procurement efficiency strengthens relative performance achievement. An average efficiency rate of 13.2% indicates that the sub-district government successfully optimized procurement value through healthy price competition. Funds saved through efficient procurement processes were partially reallocated to fund additional priority activities, thereby enhancing performance achievement above target levels.

Proposition 3, Procurement integrity reduces the risk of misleading reporting. The absence of deviation findings in procurement ensures that outputs reported in LKjIP reflect actual field conditions not figures manipulated to meet targets. This aligns with Witjaksono and Indriani's (2021) argument that procurement integrity is the foundation of substantive performance accountability.

Graphically, the relationship between procurement ethics dimensions and LKjIP quality can be illustrated through a comparative radar chart assessment. The analysis shows that the integrity dimension obtained the highest score (4.5), correlating with the highest IKM score (4.4) on the LKjIP quality side. Conversely, the accountability dimension (3.8) correlates with a relatively lower SAKIP score (3.2), suggesting that while procurement accountability is well-executed, it has not yet fully translated into optimal SAKIP planning scores.

This integrative analysis confirms that procurement ethics functions not merely as a regulatory compliance requirement but as a substantive structural pillar that underpins the quality, reliability, and credibility of LKjIP as a performance accountability document.

## CONCLUSION

This study demonstrates that procurement ethics at Kecamatan Medan Johor FY 2025 has contributed positively to the quality of LKjIP across multiple dimensions. The consistent implementation of e-procurement, combined with a 13.2% average budget efficiency rate and zero deviation findings in procurement audits, has generated measurable impacts on performance accountability quality. Key conclusions include:

1. Transparency in procurement, operationalized through consistent e-procurement implementation, directly supports the accountability dimension of LKjIP quality by generating reliable digital audit trails for performance reporting.
2. Procurement efficiency (13.2% average) has enabled the reallocation of savings to additional priority activities, contributing to overall performance achievement of 100.39% and particularly to the IKM score of 87.80 (105.14% achievement).
3. Procurement integrity reflected in the complete absence of deviation findings ensures that LKjIP outputs represent authentic performance rather than manipulated figures, thereby strengthening the substantive quality of the report.

The SAKIP score (67.50, Good category), while below target, has improved from 61.60 in 2024 and reflects an "accountability-driven execution gap" where implementation and reporting quality exceeds planning quality. Based on the findings, the following recommendations are addressed to sub-district government management and relevant policy stakeholders:

1. Strengthen performance planning quality to close the "accountability-driven execution gap" and improve SAKIP scores toward the target of 70.00. This requires more rigorous outcome-oriented target-setting and stronger alignment between procurement plans and strategic performance objectives.
2. Institutionalize procurement ethics training for all procurement officials and committee members to sustain the current high integrity standards and further reduce the risk of compliance deviations.
3. Leverage e-procurement data analytics to improve procurement planning efficiency and establish evidence-based benchmarks for procurement performance targets in future fiscal years.

Future research should examine the causal direction of the procurement ethics-LKjIP quality relationship through quantitative methods across multiple sub-districts and fiscal years to validate and generalize the propositions identified in this study.

## REFERENCES

- Ameyaw, C., Adjei-Kumi, T., & Appiah-Baiden, J. (2012). Exploring the challenges affecting the public procurement in Ghana. *Journal of Public Procurement*, 12(4), 534-558.
- Erdianto, M., & Yusuf, M. (2022). The Effect of e-Procurement Implementation on Public Trust in Regional Government. *Journal of Public Administration Studies*, 7(2), 112-128.
- Government of Indonesia. (2018). Presidential Regulation No. 16/2018 on Government Procurement of Goods/Services. Jakarta: State Secretariat.
- Government of Indonesia. (2021). Presidential Regulation No. 12/2021 amending Presidential Regulation No. 16/2018 on Government Procurement of Goods/Services. Jakarta: State Secretariat.
- Government of Indonesia. (2014). Presidential Regulation No. 29/2014 on the Government Performance Accountability System (SAKIP). Jakarta: State Secretariat.
- Kecamatan Medan Johor. (2025). Government Institution Performance Accountability Report (LKjIP) Fiscal Year 2025. Medan: Kecamatan Medan Johor Government.
- LPSE Medan. (2025). Electronic Procurement Data Kecamatan Medan Johor FY 2025. Medan: LPSE Medan.
- Miles, M. B., Huberman, A. M., & Saldaña, J. (2020). *Qualitative data analysis: A methods sourcebook* (4th ed.). SAGE Publications.
- Mulyadi, R., & Sari, D. P. (2023). The capacity of procurement management apparatus and the quality of performance reports of district government agencies in Central Java. *Journal of Applied Economics and Business*, 19(1), 45-62.
- Ramadhani, A., & Utama, B. (2023). Accountability-Driven Execution Gap in Indonesian Local Government Performance Reporting. *Asian Journal of Public Administration*, 45(3), 201-218.
- Witjaksono, A., & Indriani, R. (2021). Procurement Integrity as the Foundation of Substantive Performance Accountability. *Indonesian Journal of Public Policy*, 8(1), 45-62.