

The Effectiveness of Contract Control for the Procurement of Goods and Services at the Secretariat General of the Constitutional Court

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Keywords

Contract Control;
Procurement of Goods and
Services;
Effectiveness;
Secretariat General of the
Constitutional Court;
Governance.

ABSTRACT

Contract control in government procurement is a critical determinant of the quality of public expenditure. However, recurring audit findings related to volume shortages, overpayments, and non-compliance indicate persistent weaknesses in contract control across Indonesian public institutions. This study aims to analyze the effectiveness of contract control in the procurement of goods and services at the Secretariat General of the Constitutional Court. Contract control is essential for ensuring that procurement activities are conducted in accordance with applicable regulations while meeting requirements related to time, quality, cost, and organizational objectives. In practice, effective contract control extends beyond administrative compliance to include monitoring contract implementation, verifying compliance with technical specifications, mitigating risks, and addressing issues that arise during contract execution. This study employed a qualitative descriptive approach, with data collected through observation, interviews, and document analysis. The analysis examined the effectiveness of contract control throughout the procurement process, including the planning, implementation, monitoring, evaluation, and contract completion stages. The findings indicate that effective contract control is strongly influenced by comprehensive planning, competent human resources, effective inter-unit coordination, regulatory compliance, and the use of a structured monitoring system. Well-implemented contract control minimizes project delays, non-compliance with technical specifications, contractual disputes, and the risk of financial losses to the state. Therefore, contract control within the procurement of goods and services at the Secretariat General of the Constitutional Court should be implemented consistently, transparently, and accountably to support the principles of good governance.

INTRODUCTION

Government Procurement of Goods and Services (Pengadaan Barang/Jasa [PBJ]) is a strategic instrument for implementing public programs and delivering public services, encompassing activities from needs identification to the final handover of completed work (Presidential Regulation No. 16 of 2018 jo. Presidential Regulation No. 46 of 2025). From a value-for-money perspective, procurement quality is assessed not only by the effectiveness of the supplier selection process but also by an organization's ability to manage and control contracts until the work is completed, accepted, and paid according to contractual performance (Mardiasmo, 2021). Globally, public procurement expenditure in OECD countries averaged 12.9% of GDP in 2021, underscoring the need to strengthen procurement governance through effective contract implementation, accountability, and the optimization of public spending

outcomes (OECD, 2023). Although digitalization has improved transparency and competition, e-procurement systems used during the supplier selection stage do not eliminate the need for effective contract control after contract award, as procurement outcomes continue to depend on both regulatory frameworks and implementation practices (Bosio et al., 2022; Lewis-Faupel et al., 2016).

In Indonesia, PBJ requires robust contract control because it involves the management of public resources, relationships with suppliers, administrative discretion, and the risk of information asymmetry. Without effective internal controls, opportunities for fraud, inefficiency, and waste in public expenditure may increase substantially (Bandiera et al., 2009; Falcón-Cortés et al., 2022; Maria et al., 2019; Rustiarini et al., 2019a, 2019b). The contract implementation phase is particularly critical because it is during this stage that compliance with technical specifications, work volume, quality standards, implementation schedules, and payment amounts is verified. Effective contract management therefore requires integrated control of work performance, contract administration, and payment processes, as unclear contract scopes or inadequate documentation of work acceptance may increase transaction costs and reduce contractor accountability (Brown et al., 2010; OECD/SIGMA, 2011; Rendon & Rendon, 2016; Tadelis, 2012).

Weaknesses in internal control during contract implementation are reflected in the Audit Reports (Laporan Hasil Pemeriksaan [LHP]) of the Audit Board of the Republic of Indonesia on the Central Government Financial Statements (Laporan Keuangan Pemerintah Pusat [LKPP]). A review of the LHP LKPP for the 2019–2023 period indicates that non-compliance during contract implementation has recurred consistently, particularly in the form of under-delivered work volumes and overpayments. This recurring pattern suggests that contract control should be strengthened, particularly in the areas of implementation monitoring, inspection of completed work, documentation of work acceptance, and payment verification (Audit Board of the Republic of Indonesia [BPK RI], 2020–2024).

Table 1. List of LKPP LHP Findings

No.	Year	List of Findings in the LKPP Audit Report Regarding Procurement of Goods and Services
1	2019	There was an overpayment for goods and capital expenditures in 51 ministries/agencies amounting to Rp. 45.15 billion.
2	2020	There was a volume shortfall in 21 ministries/agencies worth Rp 10.50 billion and an overpayment in 42 ministries/agencies worth Rp 43.26 billion.
3	2021	A volume shortfall of Rp 18.34 billion was found in 29 ministries/institutions and an overpayment of Rp 42.16 billion in 45 ministries/institutions.
4	2022	Problems were found with work and/or goods shortages in 35 ministries/agencies worth Rp. 26.62 billion, as well as overpayments in 60 ministries/agencies worth Rp. 54.54 billion.
5	2023	There is an overpayment of Rp. 111.30 billion for goods and capital expenditures that has not been accounted for.

Source: Processed by researchers based on the Audit Report of the Republic of Indonesia Audit Board (BPK RI) on the 2019–2023 LKPP (BPK RI, 2020–2024).

These broader governance challenges are also reflected in procurement practices within the Secretariat General of the Constitutional Court (Mahkamah Konstitusi [MK]). As an

institution exercising judicial authority, the Constitutional Court is required to implement accountable and integrated governance (Thohir et al. 2024). Administratively, the Court has consistently received an Unqualified Opinion (Wajar Tanpa Pengecualian [WTP]) on its financial statements. Nevertheless, a review of the Audit Reports (Laporan Hasil Pemeriksaan [LHP]) on the Court's financial statements for fiscal years 2020–2024 indicates that opportunities remain to strengthen operational controls, particularly during the contract implementation and post-award contract control phases (BPK RI, 2021–2025).

The findings presented in the LHP for the 2020–2023 period reveal recurring and increasingly diverse weaknesses in contract control, as summarized in Table 2. The 2020 and 2021 audit reports identified recurring overpayments resulting from deficiencies in completed work volumes within construction contracts, indicating inadequate supervision by the Budget User Authority (Kuasa Pengguna Anggaran [KPA]) and the Commitment-Making Officer (Pejabat Pembuat Komitmen [PPK]) during contract implementation. By 2022, these issues had expanded beyond construction projects to include unnecessary expenditures for idle internet rental services at the MK ICT Center, reflecting weaknesses not only in contract implementation but also in procurement planning and contract management (BPK RI, 2021–2025).

The 2023 LHP further concluded that the underlying causes included weak performance measurement provisions within contract documents. Audit findings identified overpayments for elevator and chiller maintenance services that continued to be billed monthly despite prolonged periods of non-operation, as well as contract-splitting practices used to circumvent competitive procurement procedures. These recurring findings indicate that the PPK and the Committee for the Acceptance of Work Results (Panitia/Pejabat Penerima Hasil Pekerjaan [PPHP]) did not consistently perform adequate substantive verification before approving the disbursement of public funds (BPK RI, 2021–2025).

In 2024, the Audit Board of the Republic of Indonesia (BPK RI) identified deficiencies in completed work volumes across six construction contracts, including building renovation and workspace reconfiguration projects, as well as inefficiencies resulting from inconsistent unit pricing within the same procurement packages. The audit attributed these findings primarily to the PPK's failure to prepare an adequate Work Unit Price Analysis (Analisis Harga Satuan Pekerjaan [AHSP]) and to negotiations with suppliers that focused on the overall contract value rather than the unit prices of individual work items (BPK RI, 2021–2025).

Table 2. List of MK LHP Findings

No.	Year	Findings Related to Procurement of Goods and Services
1	2020	Overpayments were found on six work packages.
2	2021	Overpayment for underpayment of work volume on seven work packages
3	2022	Shortage of Work Volume in Three Work Packages
4	2023	Excess payment for rental work that is not carried out according to the contract
5	2024	Excess Payment for Shortfall in Physical Work Volume on six work packages

Source: Processed by researchers based on the Audit Report of the Republic of Indonesia Audit Board (BPK RI) on the financial report of the Constitutional Court for the 2020–2024 Fiscal Year (BPK RI, 2021–2025).

Several previous studies have examined procurement control and its effectiveness in the Indonesian public sector. Rustiarini et al. (2019a, 2019b) identified that fraud in public procurement is driven by pressure, opportunity, and rationalization, with weaknesses in internal control serving as a major enabling factor. Francesco and Hastuti (2022) found that e-procurement systems and effective internal controls significantly contribute to fraud prevention in government procurement. Hakim and Prasetyono (2021) analyzed recurring audit findings in local government procurement and concluded that systemic weaknesses in contract monitoring contributed to repeated audit observations. Shidqi and Arfiansyah (2025) demonstrated that good governance and strong internal controls play a critical role in reducing corruption within local governments. Rohma (2023) emphasized the importance of effective information and communication systems in mitigating procurement fraud, while Wuryandini et al. (2023) highlighted that fraud prevention mechanisms should be integrated into the broader internal control system to achieve effective oversight.

Despite these contributions, several important research gaps remain. First, although previous studies have examined procurement fraud and internal control at a general level, relatively little research has specifically investigated the effectiveness of contract control during the post-award phase within judicial institutions such as the Constitutional Court, which operates under distinctive governance and accountability requirements. Second, most existing studies have focused on procurement practices in local governments or executive agencies, leaving contract control in judicial institutions largely unexplored. Third, prior research has predominantly employed quantitative methods to assess procurement performance, whereas qualitative studies examining the underlying causes of recurring contract control failures from the perspectives of key stakeholders—including the Commitment-Making Officer (Pejabat Pembuat Komitmen [PPK]), the Technical Team, the Signing Officer for Payment Orders (Pejabat Penandatanganan Surat Perintah Membayar [PPSPM]), and the Government Internal Supervisory Apparatus (Aparat Pengawasan Intern Pemerintah [APIP])—remain limited. Fourth, although the Government Internal Control System (Sistem Pengendalian Intern Pemerintah [SPIP]) provides a comprehensive framework for internal control, limited empirical evidence exists regarding its practical implementation and the reasons why control deficiencies continue to occur. Finally, few studies have examined the entire contract control process—from procurement preparation and supplier selection through contract implementation, monitoring, inspection, payment, and follow-up—as an integrated control system rather than as separate procedural stages.

To address these gaps, this study employs a qualitative case study approach to analyze the effectiveness of contract control at the Secretariat General of the Constitutional Court. Specifically, the study aims to identify recurring contract control deficiencies based on Audit Reports (Laporan Hasil Pemeriksaan [LHP]) issued by the Audit Board of the Republic of Indonesia (BPK RI) for the 2020–2024 period, analyze their underlying causes from the perspectives of key stakeholders, and formulate strategic recommendations for strengthening contract control. Theoretically, the study extends the literature on procurement control by examining its application within judicial institutions and exploring why control deficiencies persist despite the existence of formal procedures. Practically, it provides the Constitutional Court with a systematic diagnostic assessment and actionable recommendations to improve contract control. From a policy perspective, the findings contribute to the development of risk-

based contract control mechanisms applicable to judicial institutions and other public-sector organizations.

METHOD

Research Methods

This study employed a qualitative approach using a case study design. A qualitative approach was selected to obtain an in-depth understanding of recurring findings related to the procurement of goods and services (Pengadaan Barang/Jasa [PBJ]) and the effectiveness of contract control within the Secretariat General of the Constitutional Court (Creswell & Creswell, 2018; Moleong, 2018). A case study design was adopted because the research focused on a single institutional setting and sought to explain how and why recurring contract control issues occurred within their real-world context (Yin, 2018).

This was an applied study with two primary objectives: (1) to diagnose the underlying causes of ineffective contract control and (2) to formulate strategic recommendations for strengthening contract control in public procurement.

The study was conducted at the Secretariat General of the Constitutional Court. The research focused on contract control in the procurement of goods and services, particularly issues identified in the Audit Reports (Laporan Hasil Pemeriksaan [LHP]) of the Audit Board of the Republic of Indonesia (BPK RI), including overpayments, deficiencies in completed work volumes, non-compliance with contract specifications, inefficient expenditures, and weaknesses in payment verification and contract administration. The unit of analysis covered the contract implementation process, including contract execution, monitoring, inspection of completed work, payment verification, work acceptance, and follow-up on audit findings.

Informants were selected using purposive sampling (Sugiyono, 2019) to ensure representation from key stakeholders involved in the contract control process.

Table 3. Research Key Informants

No.	Informant	Amount	Reason for Selection	Code
1	Official Maker Commitment (PPK)	2 persons	Playing a role direct in control implementation contract, assess performance work, and sign document contractual.	IK1– IK2
2	Working Group Election of /UKPBJ/ Officials Procurement	1 person	Representing the preparation and selection process providers, including emerging risks since stage election.	IK3
3	Technical Team/ Supervisor Field / User Unit	2 persons	Represent function technical in volume, quality, specification and conformity checks results work.	IK4– IK5
4	PPSPM/ Official Finance	1 person	Playing a role in testing completeness document payment before disbursement done.	IK6

5	Inspectorate / APIP	1 person	Represent function internal supervision, review and monitoring action carry on BPK recommendations.	IK7
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Source : Processed researcher , 2026.

Amount the ideal informant is seven people. If there is limitations access, data will strengthened through review documents and confirmation other informants. Interviews stopped if has achieved data saturation.

Data Collection Techniques

Data collection was carried out through three technique:

1. Interview

Semi- structured interviews used For dig primary information from all key informants. Each group informant interviewed in accordance role: related PPK control and change contract; Working Group /UKPBJ related to the selection process provider; related technical team inspection physical and verification; related PPSPM testing document bills; and related APIP internal supervision and action carry on BPK findings. Identity informant kept secret with code IK1–IK7.

2. Review Document

Review document used For obtaining secondary data and validating information Interview (Sugiyono, 2019; Moleong, 2018). Documents reviewed covering document inspection, procurement, contracts, payments, and supervision.

3. Observation Limited

Observation limited done For get understanding addition about management document contracts, inspections, and payments in practice, throughout can accessible researcher.

Data Processing and Analysis Techniques

1. Data Processing

Data processing includes four stage : (1) editing— checking completeness and relevance of data; (2) classification — grouping data based on sources and themes; (3) coding— giving code thematic (TB: findings repeat ; EP: effectiveness procurement; PK: control contract ; VK: verification quality /volume; PP: control payment; IT: action continue; SP: strengthening strategy); and (4) verification — comparing data between source For ensure reliability analysis.

2. Data Analysis

Analysis use analysis thematic (Braun & Clarke, 2006, 2021) through three flow: (1) data condensation — selecting relevant data with focus research; (2) presentation of data — in form narrative, tables, and matrices analysis; and (3) withdrawal as well as verification conclusion — through triangulation sources and techniques (Miles, Huberman, & Saldaña, 2014)

Instruments Study

Instrument main study This is researchers Alone as a *human instrument* (Sugiyono , 2019), which is supported guidelines interviews and guidelines review document. Guidelines interview covers eight focus probing questions findings recurring PBJ, effectiveness procurement, stage election provider, control implementation contracts, volume and quality verification work, control payments, internal controls and actions carry on BPK recommendations, as well as strengthening strategies control — with informant includes PPK,

APIP, Technical Team, Working Group / UKPBJ, PPSPM / Officials Finance, and Inspectorate. Meanwhile that, guidelines review document arranged on five aspects, namely identification pattern findings repetitive through the 2020–2024 BPK MK LHP, the assessment clarity clause contract based on SPK, SSKK, SSUK, specifications technical, and RAB, study adequacy inspection implementation work through report progress, physical BAP, and BAST, evaluation suitability payment with performance work through bills, SPP, SPM, and SP2D, as well as review action carry on recommendation inspection through TLHP documents, plans actions, and APIP notes.

RESULTS AND DISCUSSION

Overview of the Research Location

This study was conducted at the Secretariat General of the Constitutional Court (Mahkamah Konstitusi, MK), located at Jalan Medan Merdeka Barat No. 6, Jakarta. The MK is the judicial institution holding four constitutional authorities. The Secretariat General is responsible for technical and administrative support functions, including planning and budgeting, court proceeding facilities, state-owned asset (BMN) management, procurement (PBJ) services, ICT management, and internal oversight. Procurement activities at the MK Secretariat General are centered in two units: the General Bureau (physical works, maintenance, and operational goods) and the ICT Center (infrastructure, applications, network services, and cybersecurity) — each with a distinct risk profile.

In fiscal year 2025, the budget ceiling was recorded at Rp661.81 billion, with a realization rate of 99.91%. The ITKP (Procurement Performance Index) score increased from 64.93 in 2023 to 87.59 in 2025, and the Constitutional Court received the UKPBJ Level 3 (Proactive) maturity award from LKPP in 2024. The institution's Integrated SPIP (Government Internal Control System) maturity score stands at 3.33 (Defined Level). These institutional achievements reflect an increasingly solid governance foundation. However, the BPK's (Audit Board of Indonesia) recurring audit findings during 2020–2024 indicate that these aggregate achievements have not yet been fully reflected in consistent control at the operational contract level. The contract control structure involves five interrelated functions: the Commitment-Making Officer (PPK), the Procurement Working Group/UKPBJ, the Technical Team, the Treasury Payment Officer (PPSPM), and the Inspectorate/APIP.

Recurring Findings Pattern in Procurement (PBJ), 2020–2024

A review of BPK RI's audit reports (LHP) on the MK's financial statements for 2020–2024 identifies a recurring pattern of findings, which serves as the basis for this analysis.

Table 4. Recapitulation of Recurring PBJ Findings, 2020–2024

Year	Dominant Finding	Finding Value (Rp)	Implication for Contract Control
2020	Overpayment due to volume shortfall in six work packages	197,239,150	Volume checks and physical verification prior to payment are inadequate
2021	Overpayment due to volume shortfall in seven work packages	65,639,990	Recurrence of the same issue shows that audit follow-up (TLHP) has not closed the control gap
2022	Volume shortfall in three maintenance packages; waste from idle internet rental	20,047,362 + 4,387,122,716	Control of maintenance work and SLA-based service contracts is not yet optimal

2023	Overpayment for elevator maintenance; package-splitting practice (33 receipts)	15,256,861		Unclear service contract parameters; avoidance of formal procurement processes
2024	Physical volume shortfall in six packages; unequal unit pricing	141,834,467 + 72,631,904		Risk originates from HPS (cost estimate) preparation, unit price evaluation, and physical inspection

Source: Processed by the researcher, 2026

Two key conclusions emerge from this pattern: first, the recurrence of volume-deficiency findings every year indicates that audit follow-up (TLHP) has not yet produced systemic improvement; second, from 2022 onward new variants of findings appear — waste and mispriced unit costs — indicating that risk originates as early as the document preparation and price evaluation stages, not solely from contract implementation.

Key Informant Interview Results

Interview results were analyzed by informant code and cross-checked against documentary data and other informants' responses. Each informant represents a distinct perspective within the contract control cycle.

Table 5. Summary Matrix of Interview Results by Informant

Code	Position	Interview Findings	Analytical Interpretation
IK1	PPK, General Bureau	Control is based on the principles of quality, quantity, time, and cost accuracy; supported by pre-award meetings, kick-off meetings, tiered progress reports, spot checks, Show Cause Meetings (SCM), QA/QC, PHO/FHO, digitized monitoring, and probity audits	Formal procedures are fairly detailed; effectiveness depends on consistent implementation, technical evidence, and preventive oversight
IK2	PPK, ICT Center	ICT contracts require SLAs, User Acceptance Tests (UAT), source code, credentials, cybersecurity provisions, manuals, and network topologies; intangible outputs are prone to assessment bias	ICT contracts require control instruments distinct from those used for physical work
IK3	Working Group/UKPBJ	Contract risk can arise from brand-specific or discriminatory specifications (KAK), HPS prepared without market surveys, and unequal pricing	Contract control must begin at the preparation and supplier-selection stage
IK4	Technical Team, General Bureau	Physical inspection relies on drawing calculations, BoQ/BQ working papers, and photo documentation; risks include differing measurement methods and sampling on multi-item work; Technical Team appointments need to be formalized	Technical inspection is a critical control point requiring measurement protocols, full inspection of critical items, and clearly assigned Technical Team responsibility
IK5	Technical Team, ICT Center	Examination covers RAB/BoQ, datasheets, certificates, functional tests, and integration tests; administrative findings often stem from imprecise wording or technical terminology in contract documents	ICT control must assess both technical substance and the accuracy of editorial content, scope, and technical terms
IK6	PPSPM / Finance Officer	Tests the formal and material completeness of contracts, physical	Payment control is administratively strong but

		BAP (minutes of examination), BAST (handover minutes), invoices, tax receipts, guarantees, and penalties; does not conduct direct physical inspection and relies on statements from technical officials	vulnerable if technical evidence from earlier stages is weak
IK7	Inspectorate/APIP	Its role has shifted from watchdog to quality assurance and consulting, through risk assessment, probity advice, thematic audits, and dashboard-based TLHP monitoring	Oversight must become more preventive and risk-based so that findings do not recur

Source: Processed by the researcher, 2026.

None of the informants claimed that contract control is entirely absent — on the contrary, each actor described existing procedures, documents, meetings, and testing mechanisms. However, the recurring findings show that the existence of procedures is not equivalent to control effectiveness. The causal pattern is systemic and cross-actor in nature, rather than attributable to individuals.

Data Presentation Based on the Contract Control Cycle

Interview and document review data are presented according to the eight stages of the contract control cycle.

1. Preparation and Supplier Selection IK3 emphasizes that reviewing the Procurement Preparation Document (DPP) is a decisive starting point for control. Documents frequently requiring correction include technical specifications (KAK), HPS prepared without up-to-date market survey data, discriminatory qualification requirements, and incomplete operational contract drafts. The mispriced-unit-cost findings of 2024 confirm that waste-related risk can originate as early as HPS preparation. Fair-price evaluation — particularly for bids below 80% of the HPS — is an important preventive mechanism.
2. Contract Preparation IK1 emphasizes the importance of the pre-award meeting for reviewing the draft contract, implementation guarantees, and the readiness of personnel, materials, and schedules. IK2 adds the importance of SLA clauses, cybersecurity, post-implementation warranties, and technological relevance. IK5 notes that in ICT packages, imprecise technical terminology can generate administrative findings even when the work substantively meets requirements:

"The findings were administrative in nature, including editorial deficiencies or wording/sentence adjustments in the contract documents. Substantively, all work met requirements." (IK5)

This indicates the need for technical and editorial peer review prior to contract signing, particularly for ICT and other complex packages.

3. Contract Implementation and Monitoring IK1 explains the mechanisms of daily, weekly, and monthly progress reporting, surprise inspections, periodic evaluation meetings, and Show Cause Meetings when negative deviations occur. IK2 describes ICT monitoring through system logs, sprints, and UAT. IK4 notes that monitoring is conducted periodically according to work-performance percentages. All informants

highlight the accumulation of work at year-end as a structural factor that weakens inspection accuracy.

4. Volume and Quality Inspection IK4 explains that volume checks rely on physical inspection and drawing-based calculations, using BoQ/BQ working papers and photo documentation, and identifies two key risk factors:

"Differences in opinion between the Technical Team and the PPK and the inspection team regarding measuring area, as well as negligence in measurements, especially for construction work with many items, where inspections are sometimes carried out by sampling." (IK4)

For ICT, IK2 notes that functional testing, stress testing, security vulnerability testing, bandwidth verification, UAT, and source code submission are required — conventional physical BAP alone is insufficient for ICT work.

5. Performance Payment IK6 explains that PPSPM tests both formal and material aspects of documentation: contracts/SPK, physical BAP, BAST, invoices, receipts, tax bills, guarantees, ceiling limits, and penalty deductions. However, there are fundamental limits to this authority:

"The PPSPM verifies the accuracy of the documents presented. If the Technical Team and the PPK have issued and signed the physical BAP and BAST stating that the work is 100% in accordance with the contract, the PPSPM is obliged to trust the technical officials' statements." (IK6)

Recurring overpayments show that payment control cannot be the sole responsibility of PPSPM, but depends on the quality of the entire control chain preceding it.

6. Contract Change and Addendum IK1 explains that addenda can only be made with technical justification, negotiation of new item prices, minutes of negotiation results, and signatures from all parties, without exceeding statutory limits. IK2 adds that in ICT, specification changes may occur due to the dynamics of software and technology development. Undocumented contract changes can lead to administrative findings, delays, or waste.
7. Handover of Work Results IK1 explains that construction work, or work with a maintenance period, goes through comprehensive individual PHO (provisional handover) and FHO (final handover) processes. IK2 states that ICT handover must cover more than just equipment:

"IT handover isn't just about the goods; it must also include the handover of source code, access rights or administrator credentials, manuals, and comprehensive network topology documents." (IK2)

BAST is not merely a formal document — it represents an assertion that all outputs conform to the contract. A signed BAST without adequate inspection becomes a weak foundation for payment.

8. Internal Monitoring and Follow-up IK7 explains that APIP's role has shifted from a mere watchdog function to quality assurance and consulting, operating preventively through early-warning systems, reviews, probity advice, and TLHP monitoring:

"The role of the Inspectorate/APIP in overseeing PBJ and controlling contracts has shifted from mere watchdog to quality assurance and consulting." (IK7)

IK7 emphasizes that TLHP must not stop at the recovery of state financial losses; it requires SOP improvement, risk registers, coaching, and continuous action dashboards so that root causes are not repeated.

Table 6. Data Triangulation Based on the Contract Control Cycle

Stage	Document Data	Interview Data	Triangulation Conclusion
Preparation and selection	Findings of unequal unit prices and weaknesses in initial documents	IK3: risks arise from KAK, HPS, uneven prices, and provider evaluation	The selection stage affects overall contract effectiveness; DPP review needs strengthening
Contract preparation	Contracts are not always a strong basis for measurement	IK1, IK2: review of contracts, SLAs, and TORs; IK5: accuracy of editorial and technical terms	Contracts need to be more operational, clearly worded, and suited to the package's character
Monitoring	Deviations are not always detected prior to audit	IK1, IK4: progress reports, spot checks, SCM; all informants: year-end expenditure surge	Monitoring should function as an early-warning system with documented corrective action
Physical/technical examination	Recurring volume-shortage findings, 2020–2024	IK4: BoQ/BQ, photos, measurement discrepancies, sampling; IK5: functional testing, integration, documentation	Technical inspection is a critical point that must be differentiated by package character
Payment	Recurring overpayments	IK6: strong document testing but no direct physical inspection	Payment quality is highly dependent on the BAP/BAST from the preceding technical stage
Supervision/TLHP	Recurring findings indicate that TLHP is not yet systemic	IK7: risk register, probity advice, thematic audit, dashboard	Supervision should be more preventive and risk-based

Source: Processed by the researcher, 2026.

Analysis of the Effectiveness of PBJ Contract Control

Following the effectiveness theory used in Chapter II, contract control effectiveness is measured by its success in achieving the following goals: accurate volume, accurate quality, timeliness, correct payment, orderly administration, and prevention of recurring findings. Assessment is conducted through three approaches.

From the goal approach, effectiveness is not yet optimal, as the objectives of preventing overpayment and volume shortfalls were not achieved during 2020–2024. From the process approach, each stage already has its own procedures, but these procedures have not yet produced strong control — deviations are newly detected by external auditors rather than by internal control. From the system approach, failure cascades from one stage to the next: a weak HPS affects the contract; an unclear contract complicates monitoring; inadequate inspection affects payment accuracy; and a non-systemic TLHP causes findings to recur.

Table 7. Effectiveness Assessment by Dimension

Dimension	Indicator	Factual Condition	Evaluation
Accurate volume	Work volume per contract/RAB proven through measurement	Recurring volume deficits over several years of examination	Not yet optimal
Correct quality	Specifications and functional/quality tests are met	Functional testing has been performed; documentation and technical competency need strengthening	Adequate, needs strengthening
On time	Work completed on schedule; deviations monitored	Backlog of work and end-of-year disbursement are recurring occurrences	Not optimal at year-end
Timely payment	Payment matches work performance and technical evidence	PPSPM tests documents but relies on BAP/BAST from the technical stage	Administratively sufficient, materially vulnerable
Good administration	Contracts, BAP, BAST, bills, and penalties are complete and reliable	Documents are available; editorial accuracy of ICT contracts is not always strong	Adequate, initial review needs strengthening
Prevention of recurring findings	Similar findings do not reappear after TLHP	Similar findings recurred continuously, 2020–2024	Not yet effective

Source: Processed by the researcher, 2026.

Factors Causing Ineffective Contract Control

Thematic analysis of interview and document data identified seven interrelated causal factors.

1. Control is not yet risk-based.

IK7 notes that risk evaluation at the work-unit level remains a weak point, as not all PPKs map risk before signing a contract. Without a risk register, control follows a generic approach that does not differentiate by package character. High-risk packages require additional control measures such as probity advice and technical review, but without upfront risk identification, control remains reactive.

2. Technical inspection is not standardized

IK4 highlights the need for consistent BoQ/BQ working papers, photo documentation, and comparable measurement methods, as well as the risks of sampling on multi-item work and the need for formally appointed Technical Teams. IK2 adds the need for UAT checklists, security testing, source code, credentials, and technical manuals for ICT packages. Without a standardized checklist, inspection quality depends entirely on individual officers' experience.

3. End-of-fiscal-year pressure

Nearly all informants describe year-end as a vulnerable period. The PPK cites time pressure, the Technical Team cites a backlog of inspections, and the PPSPM cites an accumulation of payment requests (SPP) in November–December. This three-directional pressure — providers rushing to complete work, the PPK pursuing handover, and finance rushing disbursement — weakens accuracy and constitutes a structural rather than merely momentary technical constraint.

4. Limits of authority between actors create control gaps

IK6 confirms that payment testing is document-based; the PPSPM does not conduct direct physical inspection and relies on the PPK's and Technical Team's statements in the BAP and BAST. This means weaknesses in earlier-stage technical inspection are carried through to the payment stage. Control cannot be improved by tightening a single function alone — a systemic approach is required.

5. Technical competence is unevenly distributed

IK2 notes that intangible software outputs are prone to assessment bias. IK7 mentions limitations in auditor skills related to civil engineering or IT forensics. IK4 cites the need for technical guidance in reading RAB documents and complex contracts. In ICT contracts, auditors need to understand technical standards, performance parameters, security systems, and digital evidence — matters that cannot be substituted by attendance lists or conventional BAST.

6. Follow-up has not yet resulted in systemic improvement

IK7 states that TLHP must not stop at the recovery of state losses but must include SOP improvement, coaching, and preventive control. The recurring nature of the findings demonstrates that financial recovery alone does not prevent the same issue from reappearing. Effective TLHP must be linked to risk register updates, SOPs, Technical Team training, and monitoring dashboards.

7. Editorial accuracy of technical documents is inconsistent

IK5 explains that findings encountered are often administrative in nature — editorial deficiencies or wording adjustments in contract documents — even though the work is substantively compliant. In complex ICT contracts, a single imprecise technical term can cause differing interpretations, complicate testing, or weaken the organization's position in a dispute. Substantive and editorial peer review is required before a contract is finalized.

Table 8. Factors Causing Ineffective Contract Control

No.	Causal Factor	Interview/Document Evidence	Impact on Effectiveness
1	Control is not yet risk-based	IK7: risk registers not yet prepared by all PPKs before contracting	Controls are not tailored to package character and risk
2	Technical inspection is not standardized	IK4: BoQ/BQ requirements, photos, measurement protocols; IK2: UAT checklist, testing, security	Inspection quality depends on individual experience
3	End-of-year budget pressure	IK1, IK4, IK6: November–December work/billing backlog	Reduced accuracy in inspection and payment
4	Limits of authority between actors	IK6: PPSPM relies on BAP/BAST from the PPK and Technical Team	Prior-stage technical weaknesses carried into payment
5	Uneven technical competence	IK2: intangible ICT output; IK7: limited specialized skills	Complex outputs are difficult to verify adequately
6	TLHP is not yet systemic	Recurring findings; IK7: need for SOP, risk register, dashboard	Root causes not fully addressed by TLHP
7	Inconsistent technical document editing	IK5: wording/terminology deficiencies in ICT contracts	Administrative findings and control ambiguity

Source: Processed by the researcher, 2026.

Recommendations for Improving PBJ Contract Control

Recommendations are directed at strengthening a differentiated, integrated system spanning the entire contract cycle, from upstream to downstream — not merely repairing individual functions in isolation.

Table 9. Recommendations for Improving PBJ Contract Control

No.	Recommendation	Main Responsible Parties	Improvement Objective
1	Require procurement risk registers for strategic and high-risk packages	PPK, Technical Team, APIP	Identify risks early and set controls appropriate to package character
2	Develop a contract control checklist per procurement type (physical, ICT, services)	PPK, Technical Team, UKPBJ	Standardize inspection of volume, quality, documents, SLA, UAT, and technical evidence
3	Strengthen the technical attachments to BAP/BAST (BoQ/BQ, photos, UAT, SLA reports)	Technical Team, PPK	Improve the reliability of payment basis and work handover
4	Involve APIP through probity advice/preventive review for risky packages	APIP, PPK, UKPBJ	Detect issues before payment or handover
5	Improve the competency of the Technical Team and PPK according to package character	Secretary General/KPA, HR Bureau, APIP	Improve ability to read contracts, RAB/BoQ, volume, and technical evidence
6	Implement a risk-based payment checklist	PPSPM, PPK, APIP	Prevent payment based on materially weak documents
7	Build a dashboard for tracking findings follow-up and system repair status	APIP, related units	Ensure TLHP results in SOP changes, not just financial recovery
8	Manage procurement schedules to avoid year-end pileup	KPA, PPK, UKPBJ	Reduce time pressure that weakens inspection accuracy
9	Implement technical and editorial peer review for ICT/complex packages	PPK, Technical Team, UKPBJ	Ensure compliance with scope, technical terms, and test parameters per contract

Source: Processed by the researcher, 2026.

Recommendation Implementation Plan

Table 10. Recommendation Implementation Plan

Time Horizon	Priority Activities	Responsible Party	Output
Short term (0–3 months)	Prepare a risk register template, checklist per package type (physical, ICT, service), minimum BAP/BAST evidence requirements, contract peer review form, and list of risky packages	KPA, PPK, Technical Team, PPSPM, APIP, UKPBJ	Standard instruments ready for immediate use on active packages
Medium term (3–12 months)	APIP preventive review/probity advice for risky packages; thematic technical guidance for physical and ICT inspections; strengthening Technical Team governance; development of the TLHP dashboard	HR Bureau, APIP, PPK, Technical Team	Evenly distributed competency; improved BAP/BAST quality; traceable TLHP

Long term (>12 months)	Integration of risk register data, dashboards, contracts, payments, and provider performance into a risk-based procurement ecosystem	UKPBJ, APIP, ICT Center	Data-driven procurement system with early warning of recurring patterns
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Source: Processed by the researcher, 2026.

Synthesis of Research Results

Contract control for PBJ at the MK Secretariat General has operated procedurally but has not yet been fully effective in preventing recurring findings. The core problem is not the absence of procedures, but rather implementation quality, documentation, standardization, risk assessment, and follow-up actions that have not yet become systemic. Weaknesses form a chain: unclear upstream documents complicate inspection; insufficiently detailed inspection produces weak BAP/BAST; weak technical documentation limits PPSPM's testing; and non-systemic TLHP allows root causes to persist.

Table 11. Synthesis of Answers to the Research Questions

Research Question	Key Findings	Synthesized Answer
What factors cause PBJ contract control to be ineffective?	Seven factors: weak risk assessment; non-standardized inspection; year-end pressure; authority gaps between actors; uneven competence; non-systemic TLHP; imprecise ICT contract wording	Control is ineffective not due to a lack of procedures, but because procedures have not become a documented, differentiated, and consistent risk-based prevention system at the package level
What strategies can strengthen PBJ contract control?	Checklists, risk registers, probity advice, competency strengthening, technical evidence, payment cross-checks, TLHP dashboard, editorial peer review	The reinforcement strategy must be integrated across the entire contract cycle, from selection preparation to follow-up, with controls differentiated by package character

Source: Processed by the researcher, 2026.

Synthesis and Gap Analysis

The gap analysis confirms that the expected conditions — operational risk registers for all strategic packages, contracts that are substantively and editorially clear, measurement-protocol-based physical inspection, minimum technical evidence for ICT, traceable payment documentation, TLHP that drives system change, and actor competencies matched to package risk — still require concrete corrective action in each dimension.

Differentiated Control Mechanisms by Package Type

The research confirms that strengthening contract control requires more than adding documents in general; control must be differentiated by package character. Physical/maintenance work carries dominant risks of volume shortfall and measurement-method discrepancies, requiring minimum evidence such as RAB/BoQ and photos, with control points at spot checks and PHO/FHO. Operational goods carry risks around quantity/type/function conformity, verified at goods receipt. ICT hardware carries risks around configuration, licensing, and security, controlled at installation and technical sign-off. Applications/systems carry risks of unclear scope and failed integration, controlled through contract editorial review and UAT. Network services/SLAs carry risks around downtime and service quality, controlled through regular performance monitoring. High-risk packages require selective preventive oversight by APIP based on the risk register.

CONCLUSION

Contract control for the procurement of goods and services at the Secretariat General of the Constitutional Court has been implemented through formal mechanisms, including contract preparation, implementation monitoring, inspection of completed work, work acceptance, payment verification, and internal supervision. However, the substantive effectiveness of these controls remains suboptimal, as evidenced by recurring audit findings involving deficiencies in completed work volumes, overpayments, inefficient expenditures, inconsistent unit pricing, and weaknesses in technical specifications and contract documentation. The contributing factors include inadequate risk identification, insufficient technical inspection procedures and supporting evidence, pressure to complete projects before the end of the fiscal year, ineffective coordination among responsible parties, variations in technical competency, and follow-up actions that have not consistently resulted in systemic improvements. Procurement of information technology systems also requires greater precision in contract drafting, technical specifications, and acceptance testing criteria. The findings indicate that contract control should be strengthened through a risk-based approach that integrates risk registers, package-specific control checklists, minimum technical documentation requirements in the Minutes of Work Inspection (Berita Acara Pemeriksaan [BAP]) and Minutes of Work Acceptance (Berita Acara Serah Terima [BAST]), strengthened payment verification, preventive supervision by the Government Internal Supervisory Apparatus (Aparat Pengawasan Intern Pemerintah [APIP]) for high-risk procurement packages, and integrated monitoring of follow-up actions. For construction projects, control efforts should focus on critical inspection points before work completion, whereas information technology procurement should emphasize technical and contractual reviews, user acceptance testing (UAT), Service Level Agreements (SLAs), system configuration, software licensing, and comprehensive handover documentation. This integrated approach enables contract control to extend beyond administrative compliance by reducing the recurrence of procurement deficiencies while supporting the achievement of value for money.

Based on these findings, several recommendations are proposed. Commitment-Making Officers (Pejabat Pembuat Komitmen [PPK]) and Technical Teams should develop procurement package-specific control checklists, strengthen the technical evidence documented in the BAP and BAST, and implement peer reviews for information technology contracts. APIP should expand preventive oversight for high-risk procurement packages, develop an integrated dashboard to monitor follow-up on audit recommendations (Tindak Lanjut Hasil Pemeriksaan [TLHP]), and ensure that corrective actions contribute to sustainable system improvements. The Procurement Unit (Unit Kerja Pengadaan Barang/Jasa [UKPBJ]) and PPK should require risk registers for strategic procurement packages, implement risk-based payment verification procedures, and improve procurement scheduling to minimize year-end implementation pressures. The Secretary General should prioritize competency development in Cost Estimate (Rencana Anggaran Biaya [RAB]) and Bill of Quantities (BoQ) analysis, as well as technical verification. Future research should examine the effectiveness of risk-based contract control mechanisms, differentiated control strategies, and the role of digitalization in strengthening procurement governance.

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