

## Fraud Patterns in BPK-RI Findings and Strategies to Minimize Corruption in Southeast Sulawesi Local Governments

Burhanuddin<sup>1\*</sup>, Wulandari Pryangan<sup>1</sup>, Nita Hasnita<sup>2</sup> 

<sup>1</sup>Politeknik Bina Husada Kendari, Kendari, Southeast Sulawesi 93117, Indonesia

<sup>2</sup>Sekolah Tinggi Ilmu Ekonomi Enam Enam, Kendari, Southeast Sulawesi 93121, Indonesia

\*Corresponding Email: [burhan038@gmail.com](mailto:burhan038@gmail.com)

### ARTICLE INFORMATION

#### Publication information

#### Research article

#### HOW TO CITE

Burhanuddin, B., Pryangan, W., & Hasnita, N. (2026). Fraud patterns in BPK-RI findings and strategies to minimize corruption in Southeast Sulawesi local governments. *International Journal of Applied Business & International Management*, 11(1), 300–315.

#### DOI:

<https://doi.org/10.32535/ijabim.v11i1.4582>

Copyright© 2026 owned by Author(s).  
Published by IJABIM



This is an open-access article.

License:

Attribution-Noncommercial-Share Alike  
(CC BY-NC-SA)

Received: 31 January 2026

Accepted: 18 March 2026

Published: 20 April 2026

### ABSTRACT

This study aims to analyze fraud patterns found in audit reports by the Audit Board of the Republic of Indonesia (BPK-RI) as an effort to minimize corruption in local governments in Southeast Sulawesi Province. The methods used are descriptive qualitative and quantitative approaches, employing secondary data from the Audit Reports (LHP) and Regional Audit Summaries (IHPD) of BPK-RI for the 2021–2024 period. The analysis was conducted through content analysis to classify findings into expenditure, revenue, assets, administration, and receivables categories, as well as pattern matching to identify recurring fraud modus operandi. The results indicate that fraud is systemic and most predominantly occurs in the expenditure category (47%), particularly in the form of mark-ups, overpayments, and fictitious projects. Four main patterns were identified, including administrative negligence, procurement mark-ups, asset misappropriation, and regional revenue embezzlement. The implications of the study emphasize the need to strengthen internal control systems, digitalize financial governance through e-procurement and e-payment, and implement regulations and a culture of integrity as preventive strategies to minimize corruption in local governments.

**Keywords:** Fraud Audit; Findings of the Audit Board of the Republic of Indonesia (BPK-RI); Patterns of Corruption; Strategies to Minimize Corruption; Regional Government of Southeast Sulawesi Province

## INTRODUCTION

The Audit Board of the Republic of Indonesia (BPK-RI) plays a strategic role as an external audit institution responsible for examining the management and accountability of central and regional government finances in accordance with its constitutional mandate (Andriani & Daswirman, 2024). BPK audit results serve as an essential basis for the House of Representatives (DPR) and Regional House of Representatives (DPRD) in carrying out oversight functions over the implementation of government budgets by the executive branch. These audits not only evaluate the fairness and compliance of financial statements but also identify potential irregularities and provide recommendations for improvement (Satria et al., 2024).

However, the increasing complexity of regional financial management has led to recurring BPK audit findings each year, particularly concerning weaknesses in internal control systems, non-compliance with regulations, and irregularities in expenditures for goods, capital projects, and official travel. Although some findings do not materially affect audit opinions (Zahra et al., 2024), they still reflect fundamental weaknesses in regional financial governance. Furthermore, BPK audit findings are frequently associated with potential budget misuse and may serve as early indicators of fraud (Shakhobiddin, 2024). In several cases, such findings have contributed to the disclosure of corruption cases by law enforcement agencies. The ineffective follow-up of BPK recommendations may strengthen corrupt practices within regional government bureaucracies (Zahra et al., 2024).

Data from the Corruption Eradication Commission (KPK) for the period 2019–2023 indicate that corruption cases involving regional government officials remain high, predominantly involving budget misuse, project bribery, and procurement fraud, with more than 100 new cases recorded annually. This condition demonstrates that routine external audits have not yet been fully effective in suppressing systemic corruption. The relationship between weak regional financial management and high levels of corruption is significant, with common corruption practices including budget inflation, price mark-ups, fictitious allocations, and document manipulation. Recurring audit findings in fraud-prone sectors indicate weak early detection mechanisms and inadequate internal controls (Camsana et al., 2024). Therefore, analyzing fraud patterns based on audit findings is essential as an instrument for preventing corruption in the public sector.

Specifically, audit reports issued by the BPK-RI Representative Office of Southeast Sulawesi Province over the past five years reveal recurring findings related to compliance with laws and regulations as well as the effectiveness of budget management. Major findings include irregularities in goods and services expenditures, overpayments, and improper management of regional assets, all of which indicate potential fraud and the risk of significant state losses if not addressed promptly and appropriately.

Various issues in regional financial management also reflect weaknesses in internal control systems, thereby creating opportunities for fraud. Dominant problems include weaknesses in the preparation of Local Government Financial Statements (LKPD), irregularities in regional revenues, potential and actual state losses, and inaccurate asset management (Ulfa et al., 2024). One of the most concerning findings is the increasing number of entities experiencing potential and actual financial losses in regional expenditures, combined with inadequate asset recording practices. Systemic weaknesses and non-compliance with procedures are major factors that increase the

risk of fraud and corruption, thereby requiring improvements in governance and more effective oversight mechanisms within regional governments.

In addition, there has been a significant increase in the value of state and regional financial losses, potential losses, and revenue shortfalls. The total value of findings increased dramatically from IDR 45.93 trillion in 2020 to IDR 197.79 trillion in 2023. The most substantial increase occurred in the category of state and regional financial losses, reflecting weak internal controls, regulatory non-compliance, and unaccountable financial management practices. This phenomenon indicates a growing potential for fraud in regional financial management, both in administrative and manipulative forms. Therefore, these findings reinforce the urgency of conducting research based on BPK audit data to detect and mitigate fraud risks as part of efforts to achieve clean, transparent, and accountable governance (Shidqi & Arfiansyah, 2025). Based on this background, this study aims to analyze fraud patterns in BPK-RI audit findings as an effort to minimize corruption within the regional government of Southeast Sulawesi Province.

## **LITERATURE REVIEW**

Fraud is defined as an intentional act committed to obtain personal or group benefits by violating applicable rules, norms, or laws (Pamisetty, 2025). Fraudulent actions not only cause financial losses to organizations but also damage institutional integrity and reduce public trust (Husna et al., 2023). In the public sector, fraud becomes a serious issue because it weakens governance quality, reduces accountability, and creates inefficiencies in state financial management. Therefore, understanding the causes and patterns of fraud is essential in developing effective prevention and mitigation strategies, particularly in regional government financial management.

One of the most influential theories used to explain fraudulent behavior is the Fraud Triangle Theory introduced by Donald Cressey in 1953. This theory explains that fraud occurs due to the interaction of three main elements, namely pressure, opportunity, and rationalization (Moreno & Ríos, 2012). These three factors collectively create conditions that encourage individuals to commit fraudulent acts. The Fraud Triangle Theory has been widely applied in studies related to financial fraud, corruption, and organizational misconduct because it provides a comprehensive explanation of the behavioral motivations underlying fraud (Alpriansah et al., 2023). Furthermore, the theory is also relevant in explaining unethical behavior in various contexts, including academic misconduct and public sector corruption (van Akkeren, 2023).

### **Pressure**

Pressure refers to internal or external factors that motivate individuals to commit fraud. Financial difficulties, personal debt, lifestyle demands, and unrealistic performance targets are among the most common forms of pressure experienced by individuals within organizations. In the context of regional government administration, pressure may arise from political interests, demands to achieve budget absorption targets, or expectations to maintain organizational image and performance. These conditions may encourage individuals to seek shortcuts through unethical or fraudulent practices to fulfill such demands.

### **Opportunity**

Opportunity arises when weaknesses exist within an organization's internal control system. Weak supervision, ineffective monitoring mechanisms, inadequate regulations, and poor implementation of operational procedures create opportunities for individuals

to manipulate processes without being easily detected. In public sector organizations, opportunities for fraud often emerge due to weak governance structures, lack of transparency, and ineffective follow-up of audit recommendations. This factor is considered critical because fraud is unlikely to occur without available opportunities, even when pressure and rationalization are present.

### **Rationalization**

Rationalization refers to the process through which fraud perpetrators justify their unethical actions to themselves. Individuals who commit fraud often believe that their actions are reasonable, harmless, or deserved because of dissatisfaction with organizational treatment or compensation. Rationalization enables perpetrators to reduce feelings of guilt and perceive fraudulent behavior as morally acceptable. In the public sector context, rationalization may occur when individuals believe that misuse of public resources is a common practice or when organizational culture tolerates unethical behavior.

The Fraud Triangle Theory explains that fraud does not occur spontaneously but results from the interaction between pressure, opportunity, and rationalization. Therefore, fraud prevention efforts must be implemented comprehensively by reducing organizational pressures, strengthening internal control systems to eliminate opportunities for fraud, and fostering ethical values and integrity within institutions to minimize rationalization. In the context of regional government financial management, understanding fraud patterns based on BPK-RI audit findings is essential to support corruption prevention efforts and improve accountable governance systems.

## **RESEARCH METHOD**

This study employs a qualitative descriptive approach combined with descriptive quantitative analysis. This approach is used to examine various findings related to regional financial management by utilizing secondary data in the form of Audit Reports (LHP) and Regional Audit Summaries (IHPD) issued by the Audit Board of the Republic of Indonesia (BPK-RI) for the period 2020–2024. The primary focus of this study is to identify and detect potential fraud in local government financial management based on BPK audit findings. This approach was selected to provide a comprehensive understanding of the patterns, trends, and mechanisms underlying financial irregularities.

This study utilizes secondary data derived from BPK-RI Audit Reports on Local Government Financial Statements (LKPD) in the Southeast Sulawesi region during the period 2020–2024. Data collection was conducted through documentation techniques and digital archive retrieval obtained from the official website of BPK-RI and other credible sources. The collected data include information regarding the types of findings, the value of financial irregularities, the audited local government entities, and the follow-up recommendations issued by BPK-RI.

Data analysis was conducted systematically through the following stages:

### **Categorization of Findings**

At this stage, the researchers applied content analysis to classify audit findings into several categories of problems, including regional expenditures, regional revenues, asset management, and liabilities or debts. Each finding was coded based on the type of violation, audit year, and audited government entity. The results of this stage are

presented in the form of a classification matrix and frequency distribution of findings to facilitate interpretation.

### Pattern Identification

The next stage involved pattern identification using a pattern-matching technique to detect recurring trends in terms of the types of violations, frequency of occurrence, and comparisons across audit years. The objective of this stage was to identify consistent modus operandi, reveal the forms of irregularities that frequently occurred, and map weaknesses in internal control systems that repeatedly emerged in the management of local government budgets.

## RESULTS

### Data Analysis

#### Content Analysis

At the categorization stage of the findings, a content analysis technique was used to group the data into several problem categories, such as expenditures, revenues, assets, and liabilities. Based on the categorization results using the content analysis matrix, the quality of label completion in the "Classification of Findings" column showed a very high omission rate, reaching approximately 90%. This condition was caused by the inconsistent presentation of information items in the audit findings of financial statements contained in the IHPD Report issued by the Audit Board of the Republic of Indonesia (BPK-RI), Southeast Sulawesi Representative Office. As a result, the initial classification could not be used as a reliable basis without undergoing a text-based recodification process.

This condition affected the validity of simple statistical analyses that relied on direct labeling. Therefore, as a methodological alternative, recodification was conducted using a text mining or natural language processing (NLP) approach to extract keywords and semantic patterns from the narrative findings. This approach enabled the development of more consistent classification categories based on textual evidence, thereby improving the validity and reliability of the analysis results (Divya et al., 2024). A summary of the recodification results from the content analysis is presented in Table 1 below.

**Table 1.** Summary of Recodification Results of Content Analysis

No.	Category	Number of Findings	Representative Example of Findings
1	Expenditure	28	The preparation of LKPD revealed overpayments and shortages in work volume.
2	Revenue	8	Use of funds/goods for personal interests and revenues not deposited.
3	Administration	5	The entity has no formal SOP for internal control cycles, and documentation is weak.
4	Assets	5	Fixed assets are controlled by third parties and ownership records are inaccurate.
5	Receivables	2	The financial statement preparation process is inadequate, and receivables are not optimally collected.

Source: Processed Data (2025)

The recodification results indicate that the Expenditure category is the most dominant, with 28 cases or approximately 47 percent of the total findings. Findings in this category

generally relate to overpayments, shortages in work volume, and payments made without adequate supporting documentation. This pattern reinforces previous studies stating that the procurement sector is one of the most vulnerable areas to fraudulent practices in the public sector.

The Revenue category ranks second, with 8 findings or approximately 13 percent. The identified issues include revenues not being deposited, inaccurate recording, and delays in remittance. These findings have serious implications because they directly affect the fiscal capacity of local governments.

Furthermore, the Administration and Asset categories each contributed 5 findings or approximately 8 percent. Findings in the Administration category relate to weaknesses in standard operating procedures (SOPs) and documentation, while findings in the Asset category indicate third-party control over assets and incomplete ownership documentation. These categories reflect weaknesses in the internal control system that create opportunities for fraudulent practices.

In the Receivables category, 2 findings or approximately 3 percent were identified. Although the number is relatively small, these findings remain important because they indicate weaknesses in the collection function that may reduce Local Own-Source Revenue (PAD). The distribution of findings across these categories confirms that fraud is not only concentrated in the expenditure sector but also involves revenue management, receivables, and asset management. Therefore, it can be concluded that fraud in Southeast Sulawesi is systemic and recurrent, influenced by administrative weaknesses and the ineffectiveness of the Internal Control System (ICS). A summary of the recodification results based on the content analysis is presented in the following table.

***Pattern Matching***

At the pattern identification stage, a pattern-matching approach was employed to detect recurring tendencies in the types of violations, frequency of occurrences, and year-to-year comparisons of audit findings. This method enables the identification of consistent modus operandi in budget implementation as well as recurring weaknesses in internal control systems.

All findings were classified as medium- to high-level indications of fraud, indicating serious risks that require follow-up actions. These patterns demonstrate that fraud does not occur randomly but instead reflects recurring systemic weaknesses. The results of the analysis are presented in the table below.

**Table 2.** Summary of Pattern Matching Results

No.	Modus Operandi	Number of Findings	Example of Representative Findings
1	Administrative negligence, non-compliance with SOPs, outdated accounting policies	10	Weaknesses in asset recording, inadequate reconciliation, and non-compliance with procedures.
2	Contract value inflation, fictitious payments, procurement mark-ups	10	Overpayment of infrastructure projects with mismatched work volumes.
3	Asset diversion/appropriation, fictitious asset recording	10	Regional assets controlled by other parties without valid ownership documents.

4	Revenue embezzlement, delayed deposits	10	Regional revenue not deposited into the regional treasury on time, resulting in potential losses.
---	--	----	---

Source: Processed Data (2025)

Based on the pattern identification using the pattern-matching analysis, the audit findings revealed four dominant modus operandi, with each pattern occurring 10 times, resulting in a total of 40 cases. The first pattern relates to administrative negligence, non-compliance with standard operating procedures (SOPs), and the use of outdated accounting policies. The second pattern involves contract value inflation, fictitious payments, and procurement mark-ups, indicating weaknesses in procurement governance and budget implementation. The third pattern concerns asset diversion or misappropriation and fictitious asset recording, which reflect weak asset management and inadequate supervision mechanisms. Meanwhile, the fourth pattern involves revenue embezzlement and delayed deposits, indicating weaknesses in revenue management and financial accountability. These recurring patterns demonstrate that the identified irregularities are systemic and repeatedly occur within regional financial management practices.

## DISCUSSION

### Pattern of Fraud Findings by the Audit Board of the Republic of Indonesia (BPK-RI)

The findings of the Audit Board of the Republic of Indonesia (BPK-RI) presented in the Regional Audit Result Summary (IHPD) for the period 2021–2023 indicate that irregularities in regional financial management within Southeast Sulawesi Province can no longer be considered incidental cases. Instead, these findings demonstrate that such irregular practices have become recurring and systemic phenomena embedded within the structure of regional government bureaucracy. Non-compliance with regulations and indications of fraud were identified in almost all aspects of financial management, including regional expenditures, such as price mark-ups, fictitious expenditures, and manipulation of accountability documents (SPJ), as well as in the areas of local revenue (PAD), asset management, and administrative accountability.

This condition indicates that regional financial governance continues to face complex and multidimensional structural problems. The phenomenon not only reflects weaknesses in supervisory systems and the integrity of government officials but also suggests that deviations have been internalized within bureaucratic work mechanisms (Mukti & Trisnaningsih, 2025). Corruption may be categorized as systemic when violations of regulations are no longer isolated individual actions but have evolved into institutional norms and organizational culture. In this context, corrupt behavior is perceived as something “common” or “normal” within everyday bureaucratic practices, thereby creating significant challenges for governance reform and the strengthening of institutional integrity in the public sector (Kubbe et al., 2024).

These findings also indicate weaknesses in the Internal Control System (ICS), limited financial transparency and accountability, low levels of regulatory compliance, and declining integrity among government officials. Supervisory mechanisms conducted by the Government Internal Supervisory Apparatus (APIP) have not functioned effectively due to a lack of independence and a tendency to operate merely as administrative formalities. This finding is consistent with the view of Hapsari and Hardiana (2025), who state that non-independent and purely formal supervision increases opportunities for fraud in public financial management. In addition, a permissive culture toward corruption, political patronage, and weak sanction enforcement have reinforced irregularities as part

of bureaucratic culture. Klitgaard's (1998) formula, "Corruption = Monopoly + Discretion – Accountability," further supports the argument that corruption thrives when public officials possess broad discretionary power while transparency and accountability mechanisms remain weak.

Based on these conditions, corruption prevention strategies cannot rely solely on repressive approaches but must integrate sustainable preventive and systemic measures. These strategies include governance reform through strengthening performance-based planning and budgeting, digitalization of regional financial systems such as e-budgeting, e-audit, and e-procurement, as well as optimizing the independent role of APIP. Darusalam et al. (2024) emphasize that digitalization and public transparency are effective instruments for reducing discretionary power and direct contact between officials and service providers, thereby minimizing opportunities for manipulation. In addition, strengthening regulations and enforcing sanctions must be balanced with fair incentive systems through reward and punishment mechanisms (Li et al., 2020). Equally important is the development of a culture of integrity through anti-corruption education, ethics training, and the involvement of society and the media in social oversight as a foundation for preventing the normalization of irregularities (Mahrus et al., 2023).

Therefore, BPK-RI audit findings should not only be viewed as administrative warnings but also as indicators of the urgent need for systemic reform in regional governance. Such reforms require synergy among technological advancement, regulatory strengthening, and changes in bureaucratic culture to establish clean, transparent, and accountable governance systems (Amalia & Anwar, 2024).

### **Strategies to Minimize Corruption Practices**

Based on the research findings, various forms of irregularities were identified in regional financial management, including overpayments, mark-ups, and fictitious work volumes in regional expenditures. These issues are primarily caused by weak supervision and low transparency in the procurement of goods and services. Corruption in the public sector generally occurs due to weak accountability and high bureaucratic discretion in the budgeting process (Eroğlu & Yıldız, 2025). To minimize such practices, several strategic measures are recommended, including the digitalization of e-procurement and e-payment systems to improve transparency (Firmansyah et al., 2024; Rasji et al., 2024; Setyaningrum & Ariani, 2021), the implementation of risk-based audits for capital expenditures (Kaddachi & BenZina, 2024; Saraghi & Setiyawati, 2025; Shidqi & Arfiansyah, 2025), and the optimization of the Regional Government Information System (SIPD) to ensure more accurate financial data integration (Dasni et al., 2025; Shidqi & Arfiansyah, 2025).

In the regional revenue sector, several issues were identified, such as revenues not being deposited into the regional treasury and the misuse of revenues for personal interests. These conditions are caused by weak treasury supervision and the suboptimal performance of the Regional Original Revenue (PAD) collection system. Halim and Kusufi (2012) argue that irregularities in public revenue management may create opportunities for corruption if not supported by strong internal control systems. To improve revenue governance, local governments should implement automatic reconciliation systems and cashless payment systems to minimize recording errors and misuse of funds (Maimaitiaili, 2024; Tao et al., 2024; Wardana & Firmansyah, 2025; Yap et al., 2024). In addition, integrating regional tax and retribution systems with banking institutions and the Financial and Development Supervisory Agency (BPKP) is essential to ensure transparency, accuracy, and more effective supervision of financial

transactions (Badruzzuhad & Firmansyah, 2024; Irawati & Reza, 2021; Suhindarno & Utomo, 2025; Wibisono & Khoirunurrofik, 2023). These efforts should also be supported by strengthening whistleblowing mechanisms (Andriansyah et al., 2024; Muhyidin et al., 2025; Rozali & Fitriani, 2024), enabling the public and government officials to report indications of violations or unauthorized revenues. Through these mechanisms, local governments can detect and address irregularities more effectively while increasing accountability and public trust in regional financial management (Camsana et al., 2024; Mahruzal et al., 2025; Pamisetty, 2025).

Asset management issues also represent critical findings requiring serious attention. Many regional government assets remain under the control of third parties, either intentionally or due to administrative negligence (Aneta et al., 2024; Azzahra et al., 2023). Furthermore, asset recording has not been conducted comprehensively and accurately because inventory processes do not follow established procedures. This situation is further aggravated by the absence of an integrated asset database, making it difficult to trace asset quantities, ownership status, and asset values (Lestari & Mulyandini, 2025; Mediaty et al., 2024). Effective asset management can only be achieved if supported by comprehensive and accountable information systems, as well as legal certainty regarding ownership status (Irsyad et al., 2022; Lumingkewas et al., 2025; Novansyah et al., 2025). Therefore, recommended strategies include implementing the Regional Asset Management Information System (SIMDA BMD) to support asset governance (Kasmat Rivai et al., 2025; Lumingkewas et al., 2025), accelerating asset certification to ensure legal ownership (Guhaningtias & Susanti, 2025; Potale et al., 2024), and conducting asset tracing and regularization through collaboration with the National Land Agency (BPN) (Kurniawan & Lutfi, 2025; Pango, 2024). Consistent implementation of these strategies is expected to improve orderliness, transparency, and the optimal utilization of regional assets for development purposes.

Weak standard operating procedures (SOPs) and disorganized administration also reflect systemic weaknesses in organizational governance (Xavier et al., 2025). This condition is exacerbated by the absence of updated policies and procedural standards, resulting in inconsistencies in financial management processes, including planning, implementation, and accountability (Amaruddin et al., 2025; Sabnur et al., 2025). Bureaucratic reform requires not only structural changes but also regulatory updates and strengthened performance management systems to ensure effective, transparent, and corruption-free governance (Anggraini, 2024; Sitorus et al., 2025). Therefore, strategies to address these issues include updating financial management SOPs in accordance with Ministry of Home Affairs Regulation Number 77 of 2020 concerning Technical Guidelines for Regional Financial Management (Hasmuddin et al., 2024; Thufailah & Alexandri, 2025). In addition, implementing ISO 37001 on Anti-Bribery Management Systems in strategic Regional Government Organizations (OPD) represents an important preventive measure for building a culture of integrity and anti-corruption within the bureaucracy (Owusu & Klotz, 2024; Rozah & Pujiyono, 2022; Yudistira & Wicaksana, 2022). The implementation of these strategies is expected to strengthen internal control systems, enhance public accountability, and create a professional bureaucracy focused on public service.

## **CONCLUSION**

Based on the findings of the Audit Board of the Republic of Indonesia (BPK-RI) presented in the Regional Government Examination Results Summary (IHPD) for the period 2021–2023, financial irregularities in Southeast Sulawesi Province can no longer be categorized as incidental cases but have become systemic, recurring, and deeply

embedded within regional governance practices. These irregularities occur across multiple sectors, including expenditures, revenues, assets, administration, and receivables, with the expenditure sector identified as the most dominant and highly vulnerable to corruption practices. The recodified content analysis indicates that approximately 47% of the findings originated from expenditure accounts, particularly involving mark-ups, overpayments, fictitious work, and irregularities in accountability reports (SPJ). This finding is consistent with previous studies stating that the procurement of goods and services is one of the sectors most vulnerable to corruption practices.

Furthermore, through the pattern-matching method, four major recurring modus operandi were identified, namely administrative negligence and non-compliance with standard operating procedures (SOPs), mark-up practices and fictitious payments, asset misappropriation and fictitious record-keeping, as well as revenue embezzlement and delays in the deposit of Local Own-Source Revenue (PAD). In addition, entity mapping reveals that almost all districts and municipalities in Southeast Sulawesi experienced recurring findings, with an average occurrence of three times during the 2021–2023 period. This condition reflects weaknesses in the Internal Control System (ICS) and the inadequate quality of supervision within regional government institutions.

#### **LIMITATION**

This study has several limitations that should be considered when interpreting the results. First, the data used in this research were limited to the Regional Government Examination Results Summary (IHPD) issued by BPK-RI for the period 2021–2024. Therefore, the analysis did not include information derived from investigative audits, audit opinions such as Unqualified Opinions (WTP) or Qualified Opinions (WDP), nor findings obtained from law enforcement agencies. Second, the analytical method employed relied entirely on document-based techniques, particularly text mining and pattern matching, without field validation through interviews with auditors, the Government Internal Supervisory Apparatus (APIP), or regional financial management officials. Third, the geographical scope of this study was limited to Southeast Sulawesi Province; therefore, the generalization of findings to other regions should be conducted cautiously while considering the unique local characteristics of each region. Fourth, this study did not conduct an in-depth analysis of political and organizational culture factors, such as patron-client relationships, local oligarchies, or political pressures in the budgeting process, which may significantly influence the dynamics of regional financial management practices.

#### **ACKNOWLEDGMENT**

The authors would like to express their sincere gratitude to the Research and Community Service Institute (LPPM) of Politeknik Bina Husada Kendari for its support, facilitation, and valuable contributions to the implementation of this research. The authors also highly appreciate the assistance provided in administrative processes, funding support, and the provision of resources that significantly contributed to the successful completion of this study and the preparation of this scientific article. It is hoped that this productive collaboration will continue and contribute to the advancement of knowledge and research development in the future.

## DECLARATION OF CONFLICTING INTERESTS

The authors have declared no potential conflicts of interest concerning the study, authorship, and/or publication of this article.

## REFERENCES

- Alpriansah, R., Komala, R., & Ramdani, R. (2023). Donald Cressey's theory pada academic fraud mahasiswa bisnis dan keuangan. *Ganec Swara*, 17(4), 1302–1309. <https://doi.org/10.35327/gara.v17i4.608>
- Amalia, S. F., & Anwar, M. K. (2024). Dampak penerapan e-government terhadap perubahan budaya birokrasi untuk mencapai transparansi dan akuntabilitas dalam sistem pemerintahan modern. *Pentahelix: Jurnal Administrasi Publik*, 2(1), 25–40. <https://doi.org/10.24853/penta.2.1.25-40>
- Amaruddin, A. A., Rasmuin, & Rahmawati. (2025). Implementing the local government information system policy in financial report preparation for local government units: A case study in Baubau City. *Ilomata International Journal of Social Science*, 6(1), 376–389.
- Andriani, H., & Daswirman. (2024). The position of the Financial Audit Agency in examining regional financial management and responsibility of West Sumatra Province. *Ekasakti Journal of Law and Justice*, 2(2), 116–128. <https://doi.org/10.60034/ffrtbr45>
- Andriansyah, R. T., Widianingsih, I., & Karlina, N. (2024). Analysis of the implementation of the whistleblowing system in the Kendari City Government. *Sosiohumaniora*, 26(1), 117–127. <https://doi.org/10.24198/sosiohumaniora.v26i1.52962>
- Aneta, Y., Lakoro, I., Aneta, A., Akib, H., & Podungge, A. W. (2024). Smart strategies for managing regional assets: Best practices in increasing local revenue. *KnE Social Sciences*, 2024, 103–120. <https://doi.org/10.18502/kss.v9i7.15469>
- Anggraini, M. (2024). Optimalisasi good governance melalui prinsip akuntabilitas hukum dalam pengelolaan keuangan negara. *Coopetition: Jurnal Ilmiah Manajemen*, 15(3), 627–638. <https://doi.org/10.32670/coopetition.v15i3.4826>
- Azzahra, F., Daulay, N. A. E., Putranta, J., & Allim, S. (2023). Penatausahaan barang milik daerah (BMD): Kajian pada Badan Pendapatan Daerah, Kantor Dinas Olahraga dan Pemuda. *Jurnal Sistem Informasi, Akuntansi dan Manajemen*, 3(3), 407–411. <https://doi.org/10.54951/sintama.v3i3.676>
- Badruzzuhad, M. T., & Firmansyah, A. (2024). Optimizing restaurant tax supervision in Jakarta: A case study of the Tanah Abang area. *Educoretax*, 4(3), 395–407. <https://doi.org/10.54957/educoretax.v4i3.767>
- Camsana, M. A. P., Anggia, D., Nabila, S., & Mariana, M. (2024). Identifying errors and fraud in regional financial management: A literature review. *Ekalaya: Jurnal Ekonomi Akuntansi*, 2(4), 9–17. <https://doi.org/10.59966/ekalaya.v2i4.1389>
- Darusalam, D., Janssen, M., Jayanti, S., Sitompul, R., Said, J., & Sanusi, Z. (2024). Public administration digitalization effects on corruption: Lesson learned from Indonesia. *Digital Government: Research and Practice*, 5(4), 1–13. <https://doi.org/10.1145/3691351>
- Dasni, D., Abidin, Z., & Ramadhan, S. (2025). Effectiveness of the implementation of local government information systems in financial administration. *Perspektif*, 14(1), 19–29. <https://doi.org/10.31289/perspektif.v14i1.12791>
- Divya, S., Din, M., Jurana, J., & Masdar, R. (2024). Local governments of regencies/cities in central. 1, 147–156.
- Eroğlu, E., & Yıldız, H. D. (2025). Budget transparency and corruption: Empirical evidence from a cross-national governance framework. *Sayıştay Dergisi*, 36(138), 517–543. <https://doi.org/10.52836/sayistay.1717862>

- Firmansyah, A., Maulana, R. Y., & Miftah, A. Z. (2024). Transformation of the procurement system in the Indonesian government. *Sosiohumaniora*, 26(2), 369–381. <https://doi.org/10.24198/sosiohumaniora.v26i2.56209>
- Guhaningtias, D. A., & Susanti, E. (2025). Strategi inventarisasi aset tetap oleh Pemerintah Desa Cileles dalam meningkatkan transparansi dan akuntabilitas pengelolaan aset desa. *Al-Kharaj: Jurnal Ekonomi, Keuangan & Bisnis Syariah*, 7(9), 3302–3312. <https://doi.org/10.47467/alkharaj.v7i9.8716>
- Halim, A., & Kusufi, M. S. (2012). *Akuntansi sektor publik: Akuntansi keuangan daerah* (4th ed.). Salemba Empat.
- Hapsari, N., & Hardiana, N. (2025). The role of public sector accounting and internal supervision in preventing budget fraud: Evidence from Jakarta Food Security, Marine and Agriculture Agency. *Journal of Finance and Business Digital*, 4(2), 353–380. <https://doi.org/10.55927/jfbd.v4i2.193>
- Hasmuddin, Kamariah, N., & Mauliana, D. (2024). Implementasi Permendagri Nomor 77 Tahun 2020 tentang pengelolaan keuangan daerah pada Badan Pengelolaan Keuangan dan Pendapatan Daerah Provinsi Sulawesi Barat. *El-Mal: Jurnal Kajian Ekonomi & Bisnis Islam*, 5(10), 4385–4406. <https://doi.org/10.47467/elmal.v5i10.5472>
- Husna, S. N., Ikhsan, A., & Maipita, I. (2023). Factors causing the occupation of fraud in the financial statements. <https://doi.org/10.4108/eai.19-9-2023.2340549>
- Irawati, I., & Reza, S. (2021). Strategy to realize e-government as the public transparency to preventive government of corruption. <https://doi.org/10.4108/eai.17-7-2019.2302187>
- Irsyad, M., Karunia, L., & Sutrisno, E. (2022). Ilomata International Journal of Management. *Ilomata International Journal of Management*, 3(1), 327–342. <https://scholar.archive.org/work/sy63srah7bdsfaghtihpmxpy/access/wayback/>  
<https://www.ilomata.org/index.php/ijjm/article/download/302/222>
- Kaddachi, H., & BenZina, N. (2024). Analyzing the influence of corruption on economic growth: A static and dynamic panel approach. *Journal of the Knowledge Economy*, 1–25. <https://doi.org/10.1007/s13132-024-02394-x>
- Kasmat Rivai, S., Gobel, L. V., & Nggilu, R. (2025). Optimalisasi pengelolaan barang milik daerah dalam mewujudkan good governance di Badan Keuangan dan Aset Daerah Kabupaten Gorontalo. *Journal of Governance and Public Administration*, 2(4), 975–983. <https://doi.org/10.70248/jogapa.v2i4.2778>
- Klitgaard, R. (1998). International cooperation against corruption. *Finance and Development*, 35(1), 3–6.
- Kubbe, I., Baez-Camargo, C., & Scharbatke-Church, C. (2024). Corruption and social norms: A new arrow in the quiver. *Annual Review of Political Science*, 27(1), 423–444. <https://doi.org/10.1146/annurev-polisci-051120-095535>
- Kurniawan, F., & Lutfi, A. (2025). Optimization strategies for government fixed assets: A literature review. *Journal La Sociale*, 6(4), 1192–1205. <https://doi.org/10.37899/journal-la-sociale.v6i4.2199>
- Lestari, R., & Mulyandini, V. C. (2025). Analisis penatausahaan aset tetap pada Dinas Kesehatan Provinsi Jawa Barat. *Al-Kharaj: Jurnal Ekonomi, Keuangan & Bisnis Syariah*, 7(9), 3461–3475. <https://doi.org/10.47467/alkharaj.v7i9.9422>
- Li, K., Lu, L., Qian, J., & Zhu, J. L. (2020). Enforceability and the effectiveness of laws and regulations. *Journal of Corporate Finance*, 62. <https://doi.org/10.1016/j.jcorpfin.2020.101598>
- Lumingkewas, H. S., Saerang, D. P. E., & Datu, C. (2025). Analisis prosedur inventarisasi barang milik daerah (BMD) di Inspektorat Daerah Provinsi Sulawesi Utara. *Riset Akuntansi dan Portofolio Investasi*, 3(1), 316–324. <https://doi.org/10.58784/rapi.327>

- Mahrus, A., Sudibyo, D. P., & Mulyadi, A. W. E. (2023). Bureaucratic reform as an effort to prevent corruption in Indonesia. *International Conference on Social Science & Technology*, 9(1), 103–109. <https://doi.org/10.1080/23311886.2023.2166196>
- Mahruzal, M., Ritonga, T. Q. B., Aula, N., & Khaddafi, M. (2025). A review of accountability and transparency in regional financial management literature in public sector accounting. *Global Journal of Business, Economics & Social Development*, 2(2), 84–90. <https://doi.org/10.56225/gjbesd.v2i2.53>
- Maimaitiaili, Y. (2024). Integrated tourism: A holistic approach to resolving fragmentation challenges in tourism governance. *SHS Web of Conferences*, 187, 03033. <https://doi.org/10.1051/shsconf/202418703033>
- Mediaty, M., Ruslan, R., Ulman, A., Mahfud, M., & Ridwan, S. F. (2024). Assessing regional asset management practices in the Provincial Government of West Sulawesi: Insights from APIP supervision based on Permendagri No. 19/2016. *Jurnal Ilmiah Ilmu Administrasi Publik*, 14(1), 233–245. <https://doi.org/10.26858/jiap.v14i1.63728>
- Moreno, W. L., & Ríos, J. A. S. (2012). *El triángulo del fraude*, 17, 65–81.
- Muhyidin, A., Nurfauziah, F. L., & Suharti, S. (2025). An effective whistleblowing system model for regional inspectorates: A qualitative study in fraud prevention. *Journal of Accounting Auditing and Business*, 8(2), 20–36. <https://doi.org/10.24198/jaab.v8i2.65078>
- Mukti, M. A. Q., & Trisnarningsih, S. (2025). Decentralization in regional public service agencies: A behavioral accounting study of the case of Nunukan Regional Hospital. *Formosa Journal of Multidisciplinary Research*, 4(4), 1709–1716. <https://doi.org/10.55927/fjmr.v4i4.156>
- Novansyah, A., Putra, R., & Leonardo, A. (2025). Implementation of security and order of regional property by the South Sumatra Provincial Asset Management Agency. *Journal of Education, Humaniora and Social Sciences (JEHSS)*, 7(3), 962–972. <https://doi.org/10.34007/jehss.v7i3.2501>
- Owusu, G., & Klotz, P. (2024). A comparative analysis of the current anti-bribery practices and ISO 37001 requirements in Ghana. *Gradus*, 11(1), 1–7. <https://doi.org/10.47833/2024.1.art.001>
- Pamisetty, V. (2025). Utilizing big data to strengthen financial oversight and increase transparency in public revenue (pp. 38–57). [https://doi.org/10.70593/978-93-49910-54-6\\_3](https://doi.org/10.70593/978-93-49910-54-6_3)
- Pango, U. (2024). Management of Gorontalo Regency regional government land and building assets. *Jurnal Ekonomi Manajemen, Ilmu Sosial dan Politik*, 1, 56–70. <https://doi.org/10.69623/j-emspol.v1i2.7>
- Potale, M., Saprudin, S., Masiaga, N., & Yakup, Y. (2024). Optimizing the utilization of local government assets in Gorontalo District. *International Journal of Education, Social Studies, and Management (IJESSM)*, 4(2), 747–758. <https://doi.org/10.52121/ijessm.v4i2.357>
- Rasji, R., Novianti, S., & Nathasya, N. (2024). Dampak teknologi e-procurement dalam mengurangi korupsi pada pengadaan barang dan jasa pemerintah. *Journal of Accounting Law Communication and Technology*, 2(1), 494–501. <https://doi.org/10.57235/jalakotek.v2i1.4595>
- Rozah, U., & Pujiyono. (2022). Governance and regulation of aligning ISO 37001 in mitigating corporate bribery risks. *Corporate Law and Governance Review*, 4(2), 17–26. <https://doi.org/10.22495/clgrv4i2p2>
- Rozali, R. D. Y., & Fitriani, I. (2024). Whistleblowing systems as an effort to prevent fraud in state universities with legal rights (PTN-BH). *Jurnal Riset Akuntansi Kontemporer*, 16(2), 1–12. <https://doi.org/10.23969/jrak.v16i2.12480>
- Sabnur, A. I., Usman, H., & Dasila, R. A. (2025). The effect of the implementation of good governance and internal control on the performance of local government financial

- management in Palopo City. *Journal of Applied Business, Taxation and Economics Research*, 4(4), 664–677. <https://doi.org/10.54408/jabter.v4i4.415>
- Saraghi, E. C. B., & Setiyawati, H. (2025). Audit, fiscal, and capital expenditure: Determinants of local government corruption. *Journal Research of Social Science, Economics, and Management*, 5(2), 3048–3064. <https://doi.org/10.59141/jrssem.v5i2.990>
- Satria D, T., Khairani, K., & Andora, H. (2024). Fungsi pengawasan DPRD Kabupaten Pasaman Barat terhadap pelaksanaan tindak lanjut hasil pemeriksaan laporan keuangan oleh Badan Pemeriksa Keuangan. *Ranah Research: Journal of Multidisciplinary Research and Development*, 6(1), 176–188. <https://doi.org/10.38035/rmj.v6i1.809>
- Setyaningrum, D., & Ariani, D. (2021). E-procurement and corruption prevention in Indonesia's local governments. *International Journal of Economic Policy in Emerging Economies*, 1, 1–14. <https://doi.org/10.1504/IJEPEE.2021.10043468>
- Shakhobiddin, M. (2024). The role of budgetary control in preventing corruption and misuse of public funds. *Journal of Management and Economics*, 4(9), 20–29. <https://doi.org/10.55640/jme-04-09-04>
- Shidqi, F., & Arfiansyah, Z. (2025). Good governance and corruption in local governments: The role of internal control and audit. *Jurnal Akuntansi & Auditing Indonesia*, 29(1), 1–11. <https://doi.org/10.20885/jaai.vol29.iss1.art1>
- Sitorus, L., H, N. U., Sitompul, S. A., Kamila, N. F., & Pangestoeti, W. (2025). Transparansi dan akuntabilitas dalam pengelolaan keuangan negara. *Economic Reviews Journal*, 4(1), 235–244. <https://doi.org/10.56709/rmj.v4i1.632>
- Suhindarno, H., & Utomo, B. P. (2025). Optimizing restaurant taxes in increasing regional original revenue (case study at the Bojonegoro Regency Regional Revenue Office). *Journal of Research in Social Science and Humanities*, 4(2). <https://doi.org/10.47679/jrssh.v4i2.312>
- Tao, W., Jabeen, F., Weng, S., Zhang, W., Song, M., & Piccardi, P. (2024). How fiscal decentralization stimulates inbound tourism: Evidence from China. *Current Issues in Tourism*, 1–22. <https://doi.org/10.1080/13683500.2024.2446413>
- Thufailah, N., & Alexandri, M. B. (2025). Optimalisasi standar operasional prosedur (SOP) pencairan anggaran secara digital pada Deputy Bidang Keuangan BPJS Ketenagakerjaan. *Al-Kharaj: Jurnal Ekonomi, Keuangan & Bisnis Syariah*, 7(5), 1912–1919. <https://doi.org/10.47467/alkharaj.v7i5.7381>
- Ulfa, F. S., Masnila, N., & Aryani, Y. A. (2024). Analisis faktor-faktor yang memengaruhi kelemahan sistem pengendalian internal pemerintah provinsi di Sumatera tahun 2017–2021. *Jurnal Kendali Akuntansi*, 2(2), 134–155. <https://doi.org/10.59581/jka-widyakarya.v2i2.2802>
- van Akkeren, J. (2023). Fraud triangle: Cressey's fraud triangle and alternative fraud theories. In *Encyclopedia of White-Collar and Corporate Crime* (pp. 917–920). [https://doi.org/10.1007/978-3-030-22767-8\\_216](https://doi.org/10.1007/978-3-030-22767-8_216)
- Wardana, M. F. K., & Firmansyah, A. (2025). Strengthening regional revenue through digital financial governance. 7(1), 78–92.
- Wibisono, E., & Khoirunurrofik, K. (2023). Analisis hubungan pencegahan korupsi dan pajak daerah di Indonesia tahun 2018–2020. *Jurnal Kebijakan Ekonomi*, 18(1), 33–45. <https://doi.org/10.21002/jke.2023.03>
- Xavier, S. K. da S., Jurema, Y. C., D'Avila, M. A., & Lima, F. L. P. de. (2025). Management of internal procedures as a tool for organizational efficiency: A study in the Public Defender's Office of the State of Amazonas – Alto Rio Negro Unit. *IOSR Journal of Business and Management*, 27(6), 50–68. <https://doi.org/10.9790/487x-2706085068>

- Yap, N., Nugroho, M., & Rachmiyati, N. (2024). Evaluating village financial governance in top tourism destinations. *Edelweiss Applied Science and Technology*, 8(6), 2971–2991. <https://doi.org/10.55214/25768484.v8i6.2638>
- Yudistira, A., & Wicaksana, S. (2022). Optimalisasi pencegahan korupsi melalui implementasi ISO 37001 pada KPU BC Tipe A Tanjung Priok. *Jurnal Perspektif Bea dan Cukai*, 6(2), 273–283.
- Zahra, M. Al, Yamin, N. Y., Pakawaru, M. I., & Sugianto. (2024). Temuan audit dalam karakteristik kepala daerah, karakteristik daerah, dan kinerja keuangan. *Journal of Applied Accounting (JAA)*, 3(2), 7–12. <https://journal.isas.or.id/index.php/JAA>

## ABOUT THE AUTHOR(S)

### 1<sup>st</sup> Author

Burhanuddin is affiliated with Politeknik Bina Husada Kendari. He completed his academic background in the field of accounting and public financial management and is currently active as a lecturer and researcher at Politeknik Bina Husada Kendari. His research interests include public sector accounting, regional financial governance, fraud detection, internal control systems, and anti-corruption strategies in local government institutions. Burhanuddin actively contributes to academic studies related to regional financial accountability and public sector governance reform. Email: [burhan038@gmail.com](mailto:burhan038@gmail.com).

### 2<sup>nd</sup> Author

Wulandari Pryangan is affiliated with Politeknik Bina Husada Kendari. She completed her higher education in the field of accounting and management and is currently involved in academic and research activities at Politeknik Bina Husada Kendari. Her research interests focus on financial management, public accountability, regional government administration, and governance transparency. Wulandari Pryangan has participated in various studies concerning public sector financial systems and institutional performance improvement.

### 3<sup>rd</sup> Author

Nita Hasnita is affiliated with Sekolah Tinggi Ilmu Ekonomi Enam Enam Kendari. She completed her academic studies in the field of economics and accounting and is currently active as a lecturer and researcher at STIE Enam Enam Kendari. Her research interests include public finance, financial accountability, regional asset management, and public sector governance. Nita Hasnita has been involved in several academic studies related to corruption prevention, financial transparency, and organizational governance within regional government institutions.

ORCID: <https://orcid.org/0009-0006-6726-5275>.