

# PUBLIC SECTOR ACCOUNTABILITY AND GOOD GOVERNANCE IN THE DIGITAL ERA: A LITERATURE REVIEW ON E-PROCUREMENT REGULATIONS

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## Abstract:

This study aims to critically examine and evaluate how the current e-procurement regulatory framework normatively and theoretically mitigates information asymmetry to strengthen public sector governance. Utilizing a literature study method with a qualitative content analysis approach, this research extracts secondary data from legal documents, specifically Presidential Regulation Number 46 of 2025, and academic literature based on Agency Theory. The results indicate that the mandatory transition to digital procurement through the Electronic Procurement System (SPSE) and e-Katalog fundamentally overhauls the government's internal control mechanisms. This transformation eliminates manipulation loopholes through the standardization of procurement instruments, ensures real-time symmetrical data visibility, and strips procurement officials of baseless discretionary rights via immutable digital audit trails. Furthermore, the harmonization of derivative regulations at the local government level proves crucial in localizing national transparency policies. In conclusion, the digital procurement ecosystem represents an absolute infrastructure that repositions public accountability from a mere year-end audit evaluation into a continuous preventive monitoring mechanism integrated across the bureaucratic value chain.

**Keywords:** Agency Theory; E-Procurement; Good Governance; Public Accountability; SPSE

## Abstrak:

Penelitian ini bertujuan untuk mengkaji dan mengevaluasi secara kritis bagaimana kerangka regulasi *e-procurement* saat ini secara normatif dan teoritis memitigasi asimetri informasi guna memperkuat tata kelola sektor publik. Menggunakan metode studi kepustakaan dengan pendekatan analisis isi kualitatif, penelitian ini mengekstraksi data sekunder dari dokumen hukum, khususnya Peraturan Presiden Nomor 46 Tahun 2025, serta literatur akademik yang berbasis pada Teori Keagenan. Hasil tinjauan menunjukkan bahwa transisi wajib menuju pengadaan digital melalui Sistem Pengadaan Secara Elektronik (SPSE) dan e-Katalog secara fundamental merombak mekanisme pengendalian internal pemerintah. Transformasi ini memotong celah manipulasi melalui standarisasi instrumen pengadaan, memastikan visibilitas data yang simetris secara seketika, dan mencabut hak diskresi tak berdasar dari pejabat pengadaan melalui rekam jejak digital yang tidak dapat dimanipulasi. Selain itu, harmonisasi peraturan turunan di tingkat pemerintahan daerah terbukti krusial dalam melokalisasi kebijakan transparansi nasional. Kesimpulannya, ekosistem digital pengadaan barang dan jasa merepresentasikan infrastruktur absolut yang mereposisi akuntabilitas publik dari sekadar evaluasi audit akhir tahun menjadi mekanisme pengawasan preventif berkesinambungan di setiap rantai nilai birokrasi.

**Kata Kunci:** Akuntabilitas Publik; E-Procurement; SPSE; Tata Kelola; Teori Keagenan

## 1. Introduction

The primary pillar of Good Public Governance (GPG) in modern public administration is the realization of transparency and accountability, particularly in the public financial management sector through the procurement of goods and services. From the perspective of Agency Theory, the relationship between the government (as the agent) and the public (as the principal) is inherently prone to information asymmetry. This disparity in information access frequently creates opportunities for agents to take opportunistic discretion, maneuver within technical specifications, and ultimately trigger budget inefficiencies (Bendickson et al., 2016; Bovens et al., 2014). As a strategic response to this structural vulnerability, bureaucratic governance is now required to undergo a digital transformation. In Indonesia, this paradigm shift is imperatively manifested through Presidential Regulation Number 46 of 2025. This

latest regulation no longer views procurement merely as an administrative routine, but rather as an integrated digital ecosystem—data-driven and utilizing e-purchasing through the e-Catalogue and the Electronic Procurement System (SPSE)—designed to enforce information disclosure and eliminate transactional opacity.

Although the legal foundation and digital infrastructure at the central level have been solidly established, the implementation of e-procurement at the local government level often collides with the complexity of regulatory harmonization. Procurement officers in the field must navigate the national transparency mandate while simultaneously adhering to more specific regional head regulations—such as Mayoral Regulations regarding technical guidelines for the procurement of consultancy services—which sometimes inadvertently create new bureaucratic frictions. A review of previous literature indicates that the majority of current academic discourse remains trapped in quantitative analysis, such as merely measuring the percentage of fiscal efficiency or savings against the Owner's Estimate (HPS). This creates an essential research gap: there is a significant lack of conceptual studies that holistically synthesize how the integration between the latest national regulations and derivative rules at the regional level can theoretically lock in opportunistic agent behavior and enforce accountability in the digital era. The identification of this literature gap serves as the fundamental basis for conducting this study.

Therefore, this research formulates the primary problem: how can the current e-procurement regulatory framework normatively and theoretically mitigate information asymmetry to strengthen public sector governance? In line with this formulation, this study aims to critically examine, synthesize, and evaluate the literature alongside the hierarchy of procurement regulations. Through this literature review, it is expected to map out how the design of e-procurement policies transforms into a valid instrument for preventing malpractice in local government administration, while simultaneously providing readers with a comprehensive understanding of the significance of this research.

## 2. Literature Review

### Agency Theory and Information Asymmetry in the Public Sector

In the discourse of public governance, Agency Theory provides a fundamental lens to dissect the interaction between the public as the principal and government officials as agents delegated to manage public resources. The literature consistently underscores that this delegation of authority inherently engenders information asymmetry, wherein agents possess significantly superior data access and technical understanding compared to the principal (Bendickson et al., 2016). In the public sector, this disparity triggers a high risk of moral hazard, particularly within the procurement cycle of goods and services. Without transparent control mechanisms, the operational discretion of technical procurement officers is vulnerable to being distorted by self-interest, which ultimately culminates in budget allocation inefficiencies and the diminished quality of public services (Bovens et al., 2014).

### Accountability and Digital Transformation (E-Procurement)

To bridge this asymmetry gap, the adoption of information technology through e-government is recognized as the most rational mitigation instrument. Various contemporary studies confirm that bureaucratic digitalization, specifically through e-procurement, is not merely the automation of administrative processes, but rather a restructuring of the accountability architecture (Mackey & Jacobson, 2014). The Electronic Procurement System (SPSE) and the e-purchasing mechanism (e-Catalogue) represent the practical application of Good Public Governance principles. These digital platforms compel agents to abandon closed transactional patterns by recording every digital footprint—from the determination of the Owner's Estimate (HPS) to the evaluation of technical specifications—thereby rendering the entire bureaucratic process an object that can be audited openly and in real-time.

### Synthesis of Procurement Regulations: National to Regional

Normatively, the foundation of digital procurement accountability in Indonesia recently underwent a radical renewal through Presidential Regulation Number 46 of 2025 (Presiden Republik Indonesia, 2025). This regulation affirms a paradigm shift towards a fully data-driven procurement ecosystem prioritizing healthy market competition through electronic standardization. Nevertheless, public policy literature reminds us that transparency mandates from the center require operational harmonization in the field. Implementation at the regional level demands more specific regional head regulations to accommodate sectoral technical complexities, such as detailed guidelines in the procurement of consultancy services or continuous infrastructure maintenance packages. Holistic compliance with these tiered regulations is what ultimately seals the loopholes for baseless discretion, ensuring that procurement officials possess a precise framework for executing the budget without violating the corridors of clean governance.

### 3. Research Methods

#### 3.1. Object, Time, and Place

This section essentially outlines the specific object or phenomenon that is the focus of the study, along with its time dimension and spatial scope to provide a complete context for the research. The object of this research is the regulatory framework and the phenomenon of implementing electronic goods and services procurement systems—specifically the Electronic Procurement System (SPSE) and Electronic Catalogue (e-Katalog)—as instruments for enforcing public sector governance accountability. Given that this study is designed as a conceptual literature review, its locus or "place" of research is not limited to a single physical institution, but encompasses the macro-ecosystem of government administrative regulations in Indonesia, with an emphasis on the dynamics of regulatory adaptation at the local government level. The time dimension studied covers the range of relevant literature and regulations up to the year 2026, focusing heavily on the transition and implementation period of Presidential Regulation Number 46 of 2025 concerning Government Procurement of Goods/Services (Presiden Republik Indonesia, 2025).

#### 3.2. Data Collection Techniques

Data collection techniques precisely describe the methods used so they align with the research objectives and produce relevant data. This research uses a literature study method focusing on the collection of secondary data. The collection technique is carried out by gathering, filtering, and grouping authoritative legal documents alongside academic literature. The main legal sources collected include Presidential Regulation Number 46 of 2025, derivative regulations from the National Public Procurement Agency (LKPP) (Lembaga Kebijakan Pengadaan Barang/Jasa Pemerintah, 2024), as well as complementary regulations at the city/regional level governing technical procurement guidelines. In addition to legal documents, this research extracts data from indexed journal articles (as required in publication standards) that specifically discuss Agency Theory and digital governance in the public sector.

#### 3.3. Data Analysis Techniques

This research uses qualitative analysis techniques on the textual data that has been gathered. The analytical approach applied is qualitative content analysis. This technique is chosen to ensure that the data dissection process aligns with the type of research instrument, so that the resulting conceptual outputs are valid and academically accountable. The analysis process is executed through several synthesis stages: first, reducing and extracting meaning from the articles in the latest procurement regulations; second, conducting thematic coding (highlighting variables of transparency, mitigation of information asymmetry, and governance compliance); and third, confronting these regulatory findings with the postulates of Agency Theory. This critical synthesis is ultimately used to evaluate the extent to which the e-procurement ecosystem can limit the scope of government agents' discretion and strengthen public accountability.

### 4. Results and Discussion

#### 4.1. Research Results

The synthesis of academic literature and the latest regulatory frameworks reveals that the mandatory transition towards an e-procurement system fundamentally disrupts the public sector accountability landscape. The review results identify that the implementation of digital procurement does not merely simplify administrative bureaucratic processes, but structurally overhauls the government's internal control mechanisms. Referring to the mandate of Presidential Regulation Number 46 of 2025, the orchestration of goods and services procurement is now forced to abandon closed manual negotiations, transitioning entirely to an automated ecosystem through the Electronic Procurement System (SPSE) and e-Catalogue. Based on the literature review and regulatory analysis, there are three main conceptual findings from this digital transformation:

1. **Standardization of Procurement Instruments:** The use of digital catalogues effectively cuts the chain of technical specifications and price negotiations which, in conventional mechanisms, frequently become loopholes for manipulation.
2. **Symmetrical Data Visibility:** Real-time data visibility through the General Procurement Plan Information System (SiRUP) ensures that the public and supervisory institutions possess equal information access as state administrators.
3. **Urgency of Local Regulatory Harmonization:** The existence of derivative regulations at the regional government hierarchy level—such as Mayoral Regulations for technical guidelines on consultancy services—proves crucial in localizing national transparency policies without diminishing Good Public Governance principles at the operational level.

#### 4.2. Discussion

Dissecting these research findings with the analytical lens of Agency Theory, it is precisely evident how digital platforms mitigate moral hazard risks. In traditional procurement mechanisms, agents (procurement officials) have a complete monopoly over technical and price information, triggering high information asymmetry with the principal (public). Compliance with e-Catalogue and SPSE theoretically strips these agents of their baseless discretionary rights. Immutable digital audit trails act as built-in supervisors, forcing agents to execute budgets rationally, competitively, and efficiently (Aditia et al., 2026).

The significance of this regulatory shift goes beyond merely achieving fiscal efficiency. Previous literature often argued that technological innovation fails to eradicate malpractice if it is not accompanied by institutional moral reform. However, the results of this synthesis prove that when technology is locked by high-level regulatory determination accompanied by administrative sanctions, good governance can be structurally enforced. The implication for public sector accounting science is the occurrence of an accountability redefinition; from previously being understood solely as a post-activity evaluation product (year-end audit), it has now transformed into a continuous preventive supervision process inherently integrated into daily bureaucratic routines. This discussion cohesively answers the formulated research problems and objectives. This study proves that the e-procurement regulatory framework normatively and theoretically constitutes a valid instrument in strengthening public sector accountability. These findings simultaneously fill the literature research gap by shifting the discourse focus from merely quantitative budget savings analysis to a deeper conceptual understanding, where digital platforms are positioned as essential infrastructure for upholding good governance in the modern era.

#### 4.3. Relevance to Research Objectives

The synthesized framework and subsequent analysis directly fulfill the primary objective of this study, which is to evaluate the normative and theoretical capacity of current e-procurement regulations in reinforcing public sector accountability. By demonstrating the structural shift brought by Presidential Regulation Number 46 of 2025 and localized mayoral guidelines, this research successfully bridges the gap between public sector accounting theory and bureaucratic practice. Ultimately, the discussion confirms that the digital procurement ecosystem serves as a valid, institutionalized control instrument to lock in agent opportunism and operationalize good public governance principles within local government structures.

### 5. Conclusion

The digital transformation of the goods and services procurement ecosystem, imperatively mandated through Presidential Regulation Number 46 of 2025, conceptually represents the absolute infrastructure in restructuring public sector accountability. Through the lens of Agency Theory, the integration of the Electronic Procurement System (SPSE) and e-Catalogue is proven to massively eliminate information asymmetry, force procedural compliance, and strip bureaucratic agents of baseless discretion via immutable digital audit trails (Bendickson et al., 2016; Aditia et al., 2026). The theoretical and practical implications of this study reposition the meaning of Good Public Governance; accountability is no longer conceptualized as a year-end audit evaluation, but rather as a continuous preventive monitoring mechanism automated within every bureaucratic value chain. Although this literature review constructs a solid normative foundation regarding fraud mitigation, its main limitation rests on the purely conceptual nature of the research without field efficiency ratio validation. Therefore, further research is highly recommended to adopt an empirical approach, specifically measuring the quantitative correlation between the volume of e-Catalogue adoption at the local government level and the percentage decrease in non-compliance findings by the Supreme Audit Agency (BPK), to validate the effectiveness of this regulation in the practical realm.

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