

Internal control and public procurement: keys to transparency and efficiency in government management

Control interno y contrataciones públicas: claves para la transparencia y eficiencia en la gestión estatal

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Abstract

The purpose of this article is to study the association between internal control (IC) and public procurement processes (PP) in a Peruvian public sector entity. Using a quantitative, non-experimental, correlational design, we sought to determine the extent to which the level of implementation and effectiveness of IC influences the transparency, efficiency, and regulatory compliance of PP. The research was based on the premise that a well-structured internal control system not only prevents risks and illegal acts but also optimizes decision-making in the management of government procurement. To this end, Likert-type questionnaires were administered to 410 workers who were intentionally selected. The results show a significant positive correlation between the two variables, with a Spearman's Rho of 0.776 and a p-value of 0.000, highlighting the importance of strengthening control mechanisms as a strategic tool for improving public management. This article also emphasizes how proper governance and the good use of public resources can begin with the strengthening of institutional IC.

Keywords: government control, public administration, regional government

Resumen

El presente artículo tiene como objetivo estudiar la asociación entre el control interno (CI) y los procesos de contrataciones públicas (CP) en una entidad del sector público peruano. Bajo un enfoque cuantitativo de diseño

no experimental y de nivel correlacional, se buscó conocer en qué medida el nivel de implementación y efectividad del CI influye en la transparencia, eficiencia y cumplimiento normativo de las CP. La investigación partió de la premisa de que un sistema de control interno bien estructurado no solo previene riesgos y actos ilícitos, sino que también optimiza la toma de decisiones en la gestión de contrataciones estatales. Para ello, se aplicaron cuestionarios tipo Likert a 410 trabajadores que fueron seleccionados de forma intencional. Los resultados evidencian una correlación positiva significativa entre ambas variables, al tenerse Rho Spearman de 0,776 y valor p de 0,000, lo cual destaca la importancia de fortalecer los mecanismos de control como herramienta estratégica para mejorar la gestión pública. Este artículo además hace hincapié en cómo la adecuada gobernanza y el buen uso de los recursos públicos pueden comenzar desde el fortalecimiento del CI institucional.

Palabras clave: control gubernamental, administración pública, gobierno regional

Introduction

Internal control (IC) in the public sector is crucial to ensure that both efficiency and transparency in the use of public funds are guaranteed in accordance with the law. Globally, IC systems have been recognized as tools to prevent corruption, mismanagement, and recurring violations in public procurement (PP) processes. Governments worldwide have established guidelines reaffirming the necessity of adequate IC to ensure that the procurement of goods and services is fair, transparent, and compliant with the law (Martínez & Macías, 2024). Furthermore, Fonte et al. (2025) state that in many countries, such as Brazil, public governance continually faces the challenge of ensuring that procurement is conducted fairly and without the risk of corruption, with IC being one of the mechanisms to guarantee this. This control system not only prevents administrative errors but also enhances processes and makes public agencies more accountable in their reporting.

In Latin America, and particularly in Peru, IC policies have become increasingly important due to corruption incidents involving various government institutions in recent years. Peruvian legislation, specifically Law No. 28716 on "Internal Control in State Entities," establishes a regulatory framework requiring state entities to implement control systems to ensure the appropriate use of funds and the proper execution of PP (Calderón et al., 2022). However, the effectiveness of these systems remains a topic of discussion, as numerous PP procedures continue to be criticized for their lack of transparency and inherent risks of manipulation and fraud (Candia & Guanilo, 2022). On the other hand, it is important to highlight that Law No. 32069 on "State Procurement" has been developed as a tool to maximize transparency and efficiency in procurement mechanisms. However, its effectiveness largely depends on the implementation of effective IC in each public entity. The Office of the Comptroller General (CGR), in its role of overseeing public funds, performs a verification function in contractual processes, but the responsibility falls on the entities themselves, which must certify that their IC systems are appropriate and functioning correctly (Huamán, 2023).

Regarding related studies, in Brazil, Figueiredo and Pereira (2023) aimed to examine the influence of IC management on the operational efficiency of a municipality. Methodologically, the study was quantitative with a correlational level and employed structured surveys directed at municipal officials. Relevant findings indicated that areas with a stronger IC, defined by the presence of continuous audits and clear procedures, achieved more effective fund management and decision-making. However, deficiencies were identified in the execution of certain control policies, particularly in procurement processes, where a lack of training proved to be a limiting factor. They concluded that good IC impacts the efficiency of municipal processes, allowing for greater visibility in the management of state resources.

In Junín, Paita et al. (2020) found a connection between IC and procurement mechanisms in a municipality. The design was correlational, and the subpopulation consisted of 25 workers who completed a Likert-type questionnaire. It was found that, in some cases, the lack of coordination among the areas involved in procurement generated delays and inefficient processes. This also opened the door to errors in documentation and contract execution. Consequently, they concluded that IC impacts the effectiveness of procurement processes, although usability barriers persist that reduce its effectiveness.

Moreover, Huachaca and Condori (2025) mention that IC is a system that protects organizations against any risks. By defining rules and control procedures, every action within an organization can be measured and monitored, conducted in an open and official manner. On the other hand, Ramírez et al. (2024) point out that it serves as a safety net that shields the institution from any risk, allowing operations to flow uninterrupted, protecting it from malpractice or human errors, and ensuring that the organization not only complies with the law but also operates efficiently and ethically.

It is also important to highlight that IC consists of several components. In this regard, the CGR (2023) indicates that these are: control environment, which establishes the essential principles guiding the behavior of

the entity's members; risk assessment, the phase in which potential obstacles to achieving institutional goals are studied and managed; control activities, specific actions taken to ensure that operations are conducted according to established rules and guidelines; information and communication, which ensure that decisions are based on accurate information and that corrective actions can be taken when necessary; and monitoring, which involves continuous follow-ups to verify whether procedures function as expected and whether objectives are being met.

Theoretically, IC is supported by Bertalanffy's systems theory, which posits that an entity can be viewed as a system composed of an interconnected network of activities, people, resources, and mechanisms. Therefore, each component of the control system cannot be viewed in isolation but rather as part of a whole that works together to achieve institutional objectives (Andrade & Pérez, 2024).

Regarding PP, Espejo and Cruz (2023) indicate that it is a process through which the State obtains products (goods, services, and works) from external suppliers to fulfill its obligations and meet citizen needs. Thus, it acts as a connector between the government and the population, protecting state resources to ensure they are managed transparently and aligned with common interests. According to Ivanega (2021), it is a set of regulated procedures designed to ensure that the government acquires the best products at the lowest possible cost, in terms of equality, efficiency, and legality. In this context, PP supports and reinforces citizens' trust in governmental entities and fosters an environment of justice and equity.

It is also important to note the phases involved in public procurement. According to the Supervisory Agency for State Procurement (OSCE, 2025), the preparatory acts are those in which the State's needs are determined and the necessary conditions for public procurement are established; selection processes, in which proposals are objectively evaluated based on predetermined criteria; and contractual execution, in which, upon signing the contract, the selected supplier must fulfill the agreement: delivering goods, providing services, or executing works as stipulated.

Furthermore, PP is linked to Jensen and Meckling's agency theory, which, from a governmental perspective, suggests that control processes and transparency are essential factors for mitigating the information asymmetry between the State and suppliers. Public bidding systems and contract supervision are examples of how the interests of the government (the principal) and contractors (the agents) are aligned to ensure that the use of state funds is as efficient as possible (López & Cancino, 2020).

In this regard, this article aims to contribute to the understanding of the challenges faced by public entities in the effective implementation of internal controls, promoting not only regulatory compliance but also the optimization of public management. Thus, the objective was established to determine the relationship between IC and PP in a regional government of Peru, evaluating how the presence and effectiveness of these controls influence the efficiency and transparency of state procurement.

Methodology

The study was classified as basic research because it seeks to explore and understand the associations between two variables without the need to generate immediate solutions to a practical problem. The purpose of this type of study was to deepen the understanding of how public procurement processes are managed and how internal control influences the transparency and efficiency of these processes. Furthermore, it was quantitative in nature, as numerical data were collected to perform statistical analyses that would fulfill the study's objectives.

According to the design, the study is non-experimental and cross-sectional, as it did not aim to experiment with or modify the analyzed variables but rather sought to observe and record the data as per their reality. Additionally, the research was correlational in scope, as it aimed to identify whether a significant connection exists between IC and PP.

For this study, a sample size of 410 workers employed in a regional government in Peru was determined. This sample was selected using non-probabilistic convenience sampling. To ensure that the obtained data were representative, inclusion criteria were established: personnel directly involved in public procurement processes and those who voluntarily chose to participate. Exclusion criteria included workers without a stable employment relationship and those who did not wish to participate.

To collect data, the survey technique was chosen, accompanied by a questionnaire instrument. The selection of these tools responded to the need to obtain precise and structured information regarding the practices and perceptions of participants involved in PP concerning IC and the efficiency of the processes. Both questionnaires used to measure each variable demonstrated reliability, with a Cronbach's Alpha coefficient exceeding 0.8, indicating high internal consistency of the questions.

Subsequently, the collected data were processed using SPSS software v.27. Descriptive statistics were applied to synthesize and present the data understandably. On the other hand, inferential statistics facilitated hypothesis testing to address the stated objectives.

Results

Table 1

Results of the IC variable

Levels	Frequency	Percentage
Low	81	19.8%
Medium	280	68.3%
High	49	11.9%
Total	410	100.00%

Table 1 shows that the majority of respondents (68.3%) perceive IC to be at a medium level, indicating a need to improve IC mechanisms within the entity. A small percentage (19.8%) considers it low, while only 11.9% believe it is high.

Table 2

Results of the PP variable

Levels	Frequency	Percentage
Low	113	27.6%
Medium	191	46.5%
High	106	25.9%
Total	410	100.00%

Table 2 demonstrates that most participants (46.5%) perceive PP to be at a medium level, indicating that while procurement processes function acceptably, there are still aspects to improve. A considerable percentage (27.6%) estimates it to be low, while 25.9% consider it high.

Table 3

Normality test between variables

	Kolmogorov-Smirnov		
	Statistics	df	Sig.
Internal Control	0.103	410	0.006
Public Procurement	0.072	410	0.000
Preparatory Actions	0.074	410	0.000
Selection Processes	0.054	410	0.000
Contract Execution	0.084	410	0.000

The results indicate that both the variables and the dimensions studied do not follow a normal distribution ($p < 0.05$). Therefore, due to the absence of a normal distribution, a non-parametric hypothesis testing method (Spearman's Rho) was employed.

Table 4

Correlation between IC and PP

		Internal Control	Public Procurement
Internal Control	Spearman's Rho	1	0.776
	Sig. (two-tailed)		0.000
	N	410	410

The results show a strong positive correlation of 0.776, suggesting a direct association between IC and PP. Thus, when one improves, so does the other. Additionally, the significance value of 0.000 corroborates that this relationship is statistically significant, reinforcing the validity of the obtained findings.

Table 5
Correlation between IC and the dimensions of the PP variable

		Preparatory Actions	Selection Processes	Contract Execution
Internal Control	Spearman's Rho	0.739	0.717	0.741
	Sig. (two-tailed)	0.000	0.000	0.000
	N	410	410	410

The obtained results demonstrate a strong positive and statistically significant correlation between IC and each of the three dimensions of PP: preparatory actions ($r = 0.739$), selection processes ($r = 0.717$), and contract execution ($r = 0.741$), with p-values of 0.000 in all cases. This means that as the internal control system within the institution strengthens, the management of the entire procurement process also improves substantially.

Discussion

The study statistically confirmed a direct and significant association between IC and PP in a regional government in Peru, with a correlation value of 0.776 and a bilateral significance of $0.000 < 0.05$. In this context, it can be asserted that effective IC acts as a preventive barrier, ensuring the proper execution of state procurements from planning to awarding and executing contracts.

This result is consistent with findings by Aguinaga and Olivos (2022), who argued that a crucial aspect of the relationship between IC and PP is the control's ability to detect potential irregularities throughout the contracting process. Given the significant funds involved and their impact on social welfare, PP requires rigorous and transparent management. Without adequate control mechanisms, the risk of corruption or budgetary deviations significantly increases. Additionally, the study by Paita et al. (2020) highlights that supervision is a fundamental part of IC, having a substantial impact on PP. Effective supervision of procurement processes ensures adherence to established rules, leading to clear and efficient contracting.

Moreover, it was observed that the majority of participants (68.3%) perceive IC at a medium level. This indicates an intermediate situation between poor management and perfect implementation of the control system. While this level presents some advantages, it also faces various challenges that can affect the effectiveness of the system and the clarity of PP. This finding aligns with reports by Calle and Calderón (2024), who identified that IC is rated as regular by 44.00% of workers, indicating that this level of control lacks adequate supervision or sufficient resources to ensure that all contractual processes are optimally executed.

Conversely, PP was perceived at a medium level by 46.5% of respondents, reflecting that public procurement processes have been generally established but not thoroughly and completely optimized. This result coincides with findings by Cepida and Jurado (2023), who confirmed that state procurements present a moderate status according to 40.00% of workers, indicating a transitional phase. Although the processes are formalized, deficiencies in risk assessment, supervision, and feedback can compromise the effectiveness of PP.

Thus, the findings are grounded in Bertalanffy's systems theory, which, in the context of governmental management through a systemic approach, suggests that each process within a state institution, such as procurement or resource management, does not operate in isolation but is interconnected with other processes and influenced by the environment in which it operates (Andrade & Pérez, 2024).

Conclusions

The results obtained from the Spearman correlation coefficient (Rho) of 0.776 and a bilateral significance of 0.000 indicate a very strong and highly significant relationship between the variables of internal control and public procurement in a regional government in Peru. This reflects that IC has a significant impact on improving public procurement processes, emphasizing the importance of strengthening IC practices as a measure to ensure more transparent, efficient, and compliant procurement procedures.

With these findings, regional governments should enhance their internal control systems, prioritizing continuous training for public officials in auditing, professional ethics, and contractual management. These findings

could be utilized by the Office of the Comptroller General to strengthen supervision and preventive monitoring policies, ensuring that procurement processes are conducted with integrity, effectiveness, and compliance with current regulations.

A limitation of the study lies in its focus on a single regional government, which restricts the ability to generalize the results to all state entities in the country. It is suggested that future research encompass broader samples, including both regional and local governments, to contrast findings and enhance the understanding of the relationship between internal control and public procurement.

This study contributes to the field of public governance knowledge by providing empirical evidence regarding the importance of internal control in public procurement procedures in Peru. At the same time, it allows for comparisons with what occurs in other Latin American countries, where the fight against corruption and the pursuit of improved efficiency in public management remain priorities on the public agenda.

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