

# Incomprehension, dependency, and distrust in the presentation of fixed asset figures: Front stage dramaturgy

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## ABSTRACT

This study aims to explore the role of actors in presenting financial statements and those who manage assets in performing the presentation of fixed assets figures in the balance sheet. These actors consist of the major parts in various stories. Dramaturgy was employed as a method to analyze the roles, coupled with an analysis of impression management from John and Pittman Taxonomy. A thorough research review was conducted on the front stage. In some scenes, the actors performed intimidation when forcing other actors to present the asset data instantly. In another time, ingratiation was done to cover the weaknesses when the assets caretaker felt neglected. The role of self-promotion was performed by the Financial Manager of Regional Work Unit (PPK-SKPD) when he wanted to show that he had worked hard to prepare the balance sheet and refuses to bear the errors when the balance sheet presenting assets data was in trouble. Impression management techniques were used entirely by the actors to show the desired self-image, at certain time and in certain circumstances. The roles played by the actors give rise to the phenomenon that the fixed assets figures presented in the balance sheet rest on the condition of incomprehension, dependency, and distrust between the actors. The presentation of fixed assets figures in the balance sheet shows a series of accounting process filled by conflict, as seen throughout the show. This research is expected to increase the study in the context of academic on the topic of fixed assets, particularly in the public sector (government).

## ABSTRAK

Penelitian ini mengeksplorasi peran aktor dalam menyajikan laporan keuangan dan mereka yang mengelola aset dalam penyajian angka aset tetap dalam neraca. Para pelaku ini terdiri dari pihak-pihak utama dalam berbagai cerita. Dramaturgi dipakai sebagai metode untuk menganalisis peran, ditambah dengan analisis manajemen kesan dari John dan Taksonomi Pittman. Tinjauan penelitian menyeluruh dilakukan di front stage. Dalam beberapa adegan, aktor dilakukan intimidasi ketika memaksa aktor lain untuk menyajikan data aset langsung. Di waktu yang berbeda, penjiwaan dilakukan untuk menutupi kelemahan ketika caretaker aset merasa diabaikan. Peran promosi diri dilakukan oleh Financial Manager Unit Kerja Daerah (PPK-SKPD) ketika ingin menunjukkan bahwa ia telah bekerja keras untuk mempersiapkan neraca dan menolak untuk menanggung kesalahan ketika neraca menyajikan data aset itu dalam masalah. Teknik manajemen kesan digunakan seluruhnya oleh aktor untuk menunjukkan citra diri yang diinginkan, pada waktu tertentu dan dalam kondisi tertentu. Peran yang dimainkan oleh aktor menyebabkan adanya fenomena bahwa angka-angka aset tetap yang disajikan dalam neraca berakhir pada kondisi ketidakpahaman, ketergantungan, dan ketidakpercayaan antarpelaku. Penyajian angka aset tetap di neraca menunjukkan serangkaian proses akuntansi penuh dengan konflik, seperti yang terlihat selama pertunjukan. Penelitian ini diharapkan dapat meningkatkan penelitian dalam konteks akademik dengan topik aset tetap, terutama di sektor publik (pemerintah).

## 1. INTRODUCTION

The development of public sectors, in the context

of the adoption of New Public Management (NPM), has put accounting as one of the important

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axis in financial management reforms, especially in LG (Local Government) (Djamhuri and Mahmudi 2006; Jan 2008; and Damayanti 2013). Accounting serves to generate output in the form of financial statement information. In Indonesia, some of LG's obligations to publish the financial statements have been stipulated in the nomenclature of legislation such as Article 81 of Law No. 33 of 2004; Article 30 of Law No. 17 of 2003 and Article 70 of Law No. 1 of 2004.

The affirmation of the importance of accounting is also marked by the release of the Government Accounting Standards (SAP) in the container of Government Regulation (PP) No. 24 of 2005 and No. 58 of 2005 on Financial Management System in particular article 96, mentioning the obligation of LG (Local Government) to arrange the LG's accounting system that refers to the Government Accounting Standards (SAP).

The existing reality after eight years of implementing the cash toward accrual-based Government Accounting Standard nationally, according to the investigation report issued by the Indonesian Supreme Audit Board (BPK) until the end of the second semester of 2013 through its official website, shows that the proportion of the acquisition of opinions from 2007 to 2012 was still dominated by Qualified Opinion with the average 60%. The issue on LG's Financial Statement (LKPD) did not receive Unqualified Opinion, one of which was caused by the fixed assets.

The problem of assets remained under investigation, especially on LG's Financial Statement (LKPD) of 2013. As disclosed by the Main Auditor II of the Indonesian Supreme Audit Board (BPK) in an online media (GRESNEWS dated on May 27, 2015), that the reasons of BPK to give Qualified Opinion to LG's Financial Statement 311 of 2013 among others were because the fixed assets were not supported by adequate recording and reporting, the submission of capital was not accompanied by local regulations, and the implementation of capital expenditure and goods and services expenditure were not in accordance with the applicable provision. In addition, BPK gave Adverse Opinion to the LG's Financial Statement (LKPD) because the presentation was not in accordance with the Government Accounting Standards (SAP), especially on the account of fixed assets, cash and capital.

In the next development, based on the investigation on LG's Financial Statement LKPD) of 2014, as stated in the Summary of the First Investigation of 2015 uploaded on the official website of

Indonesia Supreme Audit Board (BPK) indicated that the Qualified Opinion acquired by Regency/City showed a downward trend from previous years. The movement of opinion toward Unqualified Opinion or Qualified Opinion was because there was an improvement of the previous LG's Financial Statement. One of the improvement points included: the improvement of the recording system and the management of fixed assets. However, the number of the Regencies/Cities acquiring Qualified Opinion was quite a lot. Until the first half of 2014, the proportion of Regencies acquiring Qualified Opinion was 50% (188 regencies), down 11% from 2013.

In general, the Regencies/Cities acquiring Qualified Opinion would not shift from the opinion because the existence of fixed assets was unknown or controlled by other parties, not supported by the proof of ownership, and its removal and depreciation were not according to the applicable provision. In addition, the reporting of fixed assets in the financial statements was not supported by the recording in the Goods Inventory Card (KIB), no reconciliation and no adequate inventory. This showed that the security of fixed assets administratively, legally and physically had not been performed properly.

In the Summary of the First Investigation of 2015, BPK in detail stated that fixed assets remained the main problem in the LG's Financial Statements. **First**, the major problem of Internal Control System (SPI) for fixed assets included the process in preparing the report was not in accordance with the provisions; the recording was still inaccurate; the fixed asset management system in supporting of the preparation of financial statements was not sufficient; and other weaknesses of Internal Control System such as the weakness of the physical assets security. **Second**, the major problem was the loss on the Regional Government including: the assets were controlled by other parties, or utilized and controlled by others without any reciprocal agreement and proof of legitimate handover in accordance with the provisions; the fixed assets controlled and exploited by others potentially damaged or lost and could not be used to support the LG's operations, and the assets in disrepair held by other parties were still reported as fixed assets.

**Third**, the LG's potential loss, based on the investigation by BPK on the LG's Financial Statements revealed 324 problems of non-compliance with the provisions of the legislation resulting in the LG's potential loss of as much as IDR 1.41 tril-

lion in 217 LGs. The details and the major problem of fixed assets and other assets were 147 problems including that the fixed assets were unknown or its existence could not be traced. **Fourth**, the major problem of LG's administration irregularities associated with the deviations from the legislation on the assets management or LG's assets including: the use and utilization of fixed assets was not orderly, LG's assets were not supported by reliable data, the goods which had been submitted to the public were still served as the government asset, the removal of the LG's assets were not completed, the ownership of assets was not/had not been supported by valid proof, and the procurement had not been completed with proof of ownership.

Apart from being included in the list of issues of Qualified Opinion, the issue of fixed assets also became a central issue that was interesting to discuss in the era of intersection between the approaching expiration of cash toward accrual basis and the accrual basis. *Federation des Experts Comptables Europeens/FEE* (2007), in its paper, mentioned that there were some areas that had to be taken into account for the change toward the accrual basis. Such areas included the recognition and measurement of fixed assets; accounting for depreciation and maintenance costs; accounting for fixed assets in the balance sheet; and accounting for stock (inventory).

Fixed assets are a major component of a Balance Sheet of LG's Work Unit (SKPD) because it is not only presented at the beginning of a balance sheet, but the value of fixed assets is also the largest value (a significant part) in the presentation of a Balance Sheet (Statement No. 07 of Government Accounting Standard (SAP) on Accounting for Fixed Assets). Since the fixed assets presented in the balance sheet represents a significant amount, the focus on the accounting treatment of the fixed assets is necessary in order to improve the quality of the financial statements (Capercone 2003).

The Government Regulation (PP) No. 38 of 2008 states that the results of the LG's assets administration are part of the LG's assets management that can be utilized in preparing the LG's Balance Sheet every year; the planning of the need of goods and the maintenance of LG's assets every year; and the administrative safeguards of the LG's assets. This means, in addition to dealing with accounting, the presentation of fixed assets in the balance sheet is a process which is also associated with assets management (Mustika and Riyanto 2012; Ardianto 2013; and the Ministry of

Home Affairs 2007).

The research conducted by Hasbih, Trigunaryah and Susilawati (2011) stated that up to now there have been inefficiencies in the LG's assets management. The causes of the inefficiencies are: **first**, nationally, it has been published legal rules regarding asset management, but the content of the rule is still general in nature. The Local Government needs to translate it into more technical LG's rules to increase the benefit to the direction of "*best practices*", in accordance with the local conditions. If the Local Government does not have the ability to understand the local conditions of the region and in the end it is difficult to translate into the technical rules of implementation, then this will be a source of inefficiency; **second**, the attitude of Local Government that views the public assets as free goods, which means that there are no fees charged to agencies that will use them, so the assets will be easily transferred to other parties; **third**, public assets management involves many agencies in Local Government that often have lack of coordination and communication between them; **fourth**, public sector organizations often do not have a clear purpose for the existence of assets and are often influenced by political interests only. The portfolio of assets is large but it is underutilized, lack of support on the asset database, and lack of trained human resources.

The inefficiency will possibly give birth to the abuse that may lead to fraud on fixed assets. The abuses of fixed assets that are not treated immediately will change to symptoms of a chronic disease (Majid et al. 2014).

The Government Accounting Standards (SAP) No. 07 states that financial statements should disclose some aspects, one of which is the reconciliation of the number of fixed assets recorded at the beginning and at the end of the period. This reconciliation shows the addition, subtraction, and transfers of assets. It means that the existence of physical assets should be in harmony with the figures presented in the balance sheet. In order to achieve it, the financial managers and asset managers must be able to work together to realize the shared views in the form of the figures of fixed assets to be presented in the balance sheet.

The process of giving birth to asset figures in the Balance Sheet may be likened to a series of stories on stage. The story involves the struggle between the actors both accounting and asset management. The accounting process runs according to the Government Accounting Standard and its operational rules, while the asset management

process runs according to the rules of asset management. But, both must be able to work together to realize the shared views of the fixed assets figures to be presented in the Balance Sheet. Accordingly, as a process, the presentation of the fixed asset figures in the Balance Sheet involves people, interaction, and communication. Quite often, the interaction between the parties involved will bear a problem. The problem would later give birth to tension or conflict.

This study takes the site on a Regional Work Unit (better known in Indonesia as SKPD) in the regency that has acquired Qualified Opinion more than six times (2007-2014). The SKPD's report will basically be an input or material to prepare a report at the level of Local Government. The management at SKPD level will affect the overall assets presented in the report at LG level. The event or story of a SKPD is very typical. In order to get a full and in-depth illustration of this story, the focus of the story revealed is only on one SKPD.

Several studies related to the topic of asset with the research site on the Local Government have been conducted by Primastya, Saerang and Mawikere (2014); Hasbih, Trigunaryah and Susilawati (2011), and Mustika and RJ (2012). But the difference is that this research, in general, focuses on gaining an understanding of the actors and the "characters" played by the actors in accordance with the scenario (accounting and asset management), so it does not focus on the output (report as the final product) only.

The results of this study are expected to provide an overview of the LG's actors in carrying out their role in the process of preparing the asset in the SKPD's balance sheet, the possible occurrence of the problems, the struggle between actors, including the parts that may have not been revealed, as well as the way they look at the story so far played as a team. The overall discussion will be able to provide an overview of accounting and asset management processes (that run in their own ways) which lead to the presentation of the value of fixed assets in the SKPD's balance sheet.

Like a stage featuring a "play" with the title of the dynamics behind the presentation of the fixed asset figures in the SKPD's balance sheet, then the question presented as the research problem is in general "What is the theme of the story related to the presentation of the asset figures in the SKPD's balance sheet and how the LG actors carry out their role in the process of preparing the fixed assets?". The LG actors involved in the presentation of fixed assets in the SKPD's balance sheet

consist of the compilers of the financial report and supporting assets. Therefore, in particular, the aspect that should be considered in the presentation of fixed asset figures in the Balance Sheet is the role that will be played by each actor, both financial report compilers and the supporting asset. Relations between the actors on stage will also be a concern as long as the show in progress.

## 2. THEORETICAL FRAMEWORK

### **Dramaturgy**

The use of dramaturgy was popularized by Erving Goffman. According to Erving Goffman (Kivisto and Pittman 2007), dramaturgy is a theatrical of life performed by humans involving dramatic situation as if it were going on stage. The situation will provide an overview of the individuals and the interactions they do in daily social life. In conclusion, the next social life will be seen as some sequel on a stage of drama.

The theory of dramaturgy by Goffman (Kivisto and Pittman 2007; Ritzer 2012: 638) stated that every individual (actor) will act out his role by presenting a show for other people. At the same time, the impression of the actor on the show will certainly vary. The term of "actors" is used to designate those who perform actions or appearance. In a social situation, the whole activities of the main participant are referred to as a performance, whereas the observers or other participants are used to refer to other people involved in the situation.

The process illustrating the dynamics of the birth of the fixed asset figures that are presented on the balance sheet involves the actors from two different systems. This process involves intense interaction among several actors in their own ways. Interaction, in reality, is used to tell what are experienced by the local government officials in performing their role in order to present the assets figures in the SKPD's Balance Sheet.

In the research using dramaturgical approach, the tools commonly used in a theatrical performance can also be used to obtain certain understanding of some scenes taking place in social environment (Kivisto and Pittman 2007). The attempt to collaborate the tools, such as actors and script, as well as setting on stage, becomes coherent view of reality that will bring forth a successful show (Schulz 2012). This study aims to connect the stories of the number of actors in playing their roles (accounting and asset managers) to present the fixed asset figures in the balance sheet. To achieve these objectives, this study uses drama-

turgy as the research method in a context of social settings selected.

### Stage

Stage, in dramaturgy by Goffman, is divided into front stage and back stage. Front stage is the part that appears directly in front of audiences. This front stage, according to Djamhuri (2011), is a product of institutionalization that tends to be standardized and has been accepted as an institution. Instead, back stage is the part that does not appear directly by the audiences. Back stage serves as a place that supports what are displayed in the front stage. On the back stage, the performers prepare themselves so that they can understand what is actually going on behind the social events observed. Back stage is mentioned by Goffman as "the rear area that would be the place where the actors believe and hope that no member of audience will interfere."

Goffman (Ritzer: 2012: 639) argued that human beings generally try to present an idealized self-image on the front stage. For this reason, human beings, as the actors, tend to hide everything that does not fit the story that will be displayed. When the actors are in this rear area, **first**, they can hide: the pleasure that may not fit the story displayed; **second**, they can hide the mistakes they may make during the preparation of the show; **third**, they are also able to discuss with other team members, for example, about what they can change to improve the performance on stage (Umiarso and Elbadiansyah 2014: 260).

### Setting

In addition to the stage, social setting, or a context in which social events occur, is also something that must be considered (Djamhuri 2011). Setting, in the context of this study, is the organizational structure of SKPD in accordance with the Local Regulation (Perda) No. 3 of 2008. In accordance with the organizational structure contained in Local Regulation (Perda) No. 3 of 2008, that SKPD consists of 9 sections and 1 ledger. All reports of the 9 sections will be compiled into one ledger. Thus the accounting process in the ledger will utilize the asset management report output of the 9 sections.

### Actors and Roles Distribution

Role is a crucial part of dramaturgy by Goffman (Kivisto and Pittman 2007). The role illustrates what is displayed by each actor. Just like a drama, the story can be shown if there are actors and the

distribution of their respected roles. By taking this metaphor, in presenting the fixed assets figures in the balance sheet, there are two major groups of actors, namely 1) the actors who act in the SKPD's accounting system (asset accounting procedures); and 2) the actors who act in the SKPD's assets management systems.

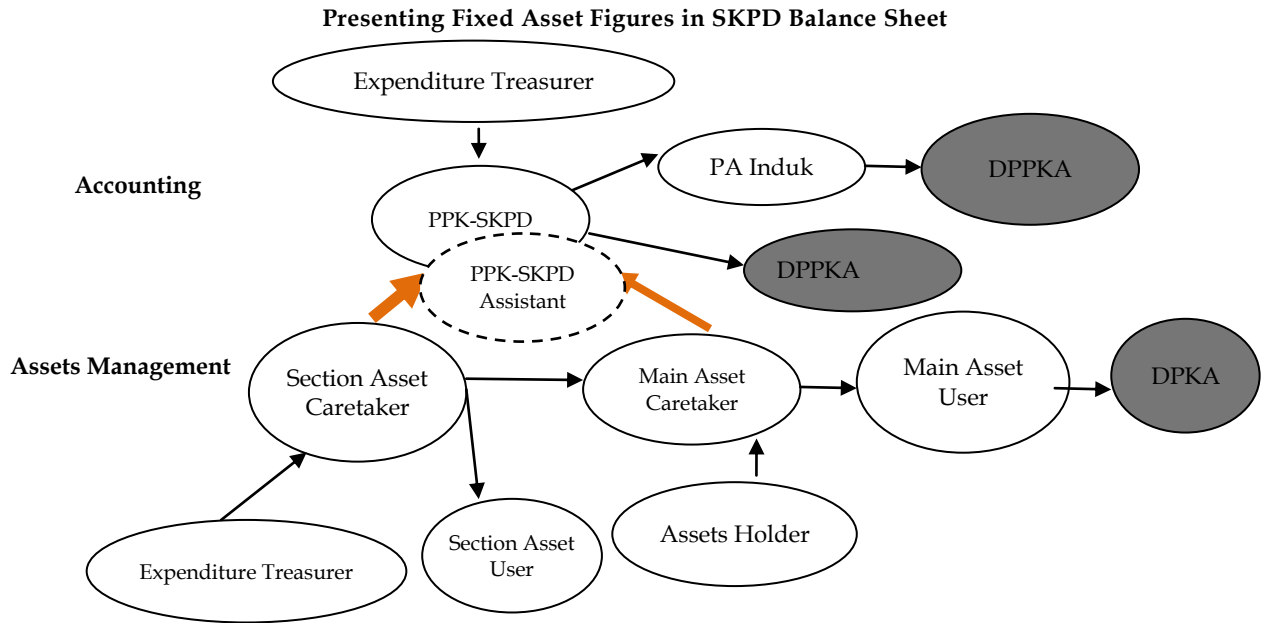
The main actors who act in the SKPD's accounting system (accounting procedures), according to the Government Regulation (PP) 58 of 2005 and The Ministry of Home Affairs Regulation No. 13 of 2006, consist of 1) **Budget Users (PA)**; and 2) **Financial Managers of Regional Work Unit (better known in Indonesia as PPK-SKPD)**. In addition to the main actors, the accounting process in presenting assets figures in the balance sheet cannot be separated from the role of supporting actors. The supporting actors in this case are 1) Financial Manager Assistant (PPK Assistant); 2) Expenditure Treasurer.

The main actors, involved in the SKPD's assets management system according to the Government Regulation (PP) No. 58 of 2005 and the Ministry of Home Affairs Regulation No. 17 of 2007, consist of 1) the Regional Asset Users; 2) Asset Holders; and 3) Asset Caretakers. In addition to the main actors, there is a supporting actor, in this case, 1) Expenditure Treasurer.

In the SKPD of Regional Secretariat, the actors and the roles distribution are very peculiar. This peculiarity is related to the organizational structure as stipulated in the Local Regulation (Perda) No. 3 of 2008. The Regional Secretariat consists of 9 sections. Thus, in the context of financial and assets management, there are 9 people as Budget Users/Regional Asset Users, 9 people as Assets Caretakers existing in the Section, 1 person as Regional Secretariat's Main Asset Caretaker, 1 person as Regional Secretariat's Asset Keeper, 9 people as Expenditure Treasurer Assistants, 1 person as Main Expenditure Treasurer of Regional Secretariat, 1 person as **Financial Manager of Regional Working Unit (better known as PPK-SKPD)** and 1 person as **Financial Manager Assistant (PPK assistant)**.

### Script

Script, according to Goffman, is a very important part in the process of interpersonal interaction in a show. The script provides a sort of grille regarding what should be done by actors. The script is also useful in controlling and limiting the actor in order not to deviate from the theme or storyline of a show. The script is seen as the main idea. But on



**Figure 1**  
**Interaction Flow among the Actors (in the Regional Secretariat) in Presenting the Fixed Assert Figures in the SKPD Balance Sheet**

Source: Government Regulation (PP) No. 58 of 2005 and the Regulation of the Ministry of Home Affairs (Permendagri) No. 17 of 2007 (processed).

stage, an actor sometimes can give his own touch to the script to make his role alive. This sort of thing is part of improvisation

In this study, the roles of the main actors and supporting actors are summarized in the script contained in the legislation. The main actors playing the role in the accounting system of SKPD (assets accounting procedures) under The Government Regulation (PP) No. 58 of 2005 and the Ministry of Home Affairs Regulation No. 13 of 2006 include 1) Budget User (PA), is responsible for implementing the budget and preparing the financial reports of the SKPD he leads; 2) Financial Manager (PPK) who acts on the verification process of the completeness of the submission of payment, organizes the SKPD's accounting and prepares the SKPD's financial statements.

In addition to the main actors, the accounting process to present the fixed assets figures in the balance sheet cannot be separated from the role of supporting actors. The supporting actors in this case are 1) PPK Assistant, as stipulated in the Decree (SK) of SKPD Head, assists the task of PPK related to the accounting process and the preparation of financial statements; and 2) Expenditure Treasurer. The role of Expenditure Treasurer related to asset accounting processes is related to providing the accountability of expenditure (Accountability Report) that becomes the basis (input)

of accounting procedures. The summary of the actors and their roles in the accounting system of SKPD (fixed asset accounting procedures) is as follows:

The actors who play the roles in the SKPD's Assets Management System (management) under the Government Regulation (PP) No. 58 of 2005 and Regulation of The Ministry of Home Affairs No. 17 of 2007 consist of 1) Regional Assets User (in this case the Head of SKPD); 2) Assets Keeper; and 3) Assets Caretaker. First, the Regional Assets User (BMD User), in general, acts on proposing the requirements of goods, performs assets administration (consisting of activities of recording/inventory of goods, using the regional assets, securing and maintaining the regional assets); proposes alienation; monitors the regional assets; and submits the report on assets per Semester and Annual on the condition of the regional assets. Second, the Assets Keeper acts to receive, prepare, and distribute the goods/assets existing in the Authorized Assets User. Third, the Assets Caretaker plays a role in taking care of the regional assets used by each user/authorized user. The summary of the actors and their roles in the SKPD's asset management system is as follows:

In addition to the script, the identification of property used in the show is also to be part of a show. Property is all the paraphernalia that accompanies the characters in acting out their roles

on stage (Suhariyadi 2014: 198). The financial statements compiler will use the Treasurer's Accountability Report (SPJ), Journal, Ledger, Account Code, Capital Expenditure List, Balance and Note to Financial Statement (CaLK). While the Asset Manager uses the List of Assets Transfer, and Fixed Assets Report. Figure 1 in the interaction flow between actors on stages and setting in the Regional Secretariat in the presentation of asset figures in the balance sheet.

### **Impression Management**

In Goffman's point of view (Umiarso and Elbadiansyah 2014: 251-252), social interaction (read: the everyday lives of individuals) is described as a dramatic situation that seems to happen on stage. Interaction between individuals and between groups occurs due to the similarity in theatrical appearance. Thus, dramaturgy by Goffman would like to provide an overview of the role of individuals who interact, their relationship with the existing social reality or being faced through a stage, and by using a predetermined storyline.

To perform such a role, an actor should be able to give "realistic impression" to others in order to show the impression (overview/image) displayed. This is referred to as a pattern of impression management. The pattern of impression management is done by inserting the signs that give luster to the behavior.

Impression management technique, according to Jones and Pittman Taxonomy (Lewis and Neighbors 2005; Purnamasari 2013 citing Schokker 2007) consists of 1) Ingratiation. Ingratiation tactic aims to make a person more preferred by others and more attractive. The ingratiation should know what makes someone interested in another one, and then displays it to the one; 2) Self-promotion. It is based on the assumption that it is better to convince others and provide an overview of the self-competencies without causing fear to the people; 3) Intimidation. Intimidator tries to convince the target and creates fears that he is dangerous. Intimidation is impression management strategies designed to increase the sense of danger, so that in time the target will probably meet his demands; 4) Exemplification. This technique drives the actor to the condition of wanting to be admired and respected for his integrity and moral decency. In order for this strategy to be successful, an individual should really be exemplary morality; 5) Supplication. The individual emphasizes on dependency and weakness in order to get help from other people who are stronger.

## **3. RESEARCH METHOD**

### **Approach Option: Why Dramaturgy?**

This study aims to gain an understanding of the role of LG actors (accounting and asset management) in the process of presenting the fixed asset figures in the balance sheet. The results of this study are expected to provide an overview of the interaction process between the actors, as well as the process of unification of the two systems (accounting of assets and asset management) in presenting the value of fixed assets in the SKPD's balance sheet. At the same time, this study can be a reflection material to understand the dynamics behind the presentation of the fixed asset figures in the balance sheet, to find several problems that may arise in practice, as well as to find the pattern of improvement of the conditions caused by the problems.

The method selected to achieve the objectives of this research is dramaturgy. Dramaturgy is used with the considerations that: **first**, the actors in the public sector (government), in playing their role, are set by the provisions of the legislation. It is almost similar to the actors in a drama who perform their roles based on the script. **Second**, the process illustrates the dynamics of the birth of fixed asset figures leading to the presentation of information in the balance sheet, which involves actors from two different systems. This process involves intense interaction among several actors in their own ways. The actors involved must work as a team to promote the birth of a joint "appearance". The presentation of the joint "appearance" involves a number of components such as actors, roles distribution, dialogue (both spoken and written), as well as the flow of output unification process from each system (accounting and asset management).

In the context of this study, front stage is at the time of preparing fixed assets in the SKPD's Balance Sheet consisting of scenes occurring between the supporting Assets and Financial Statements Compiler. In the end, the rear area (recognition of each actor) will be a place where the actors believe and hope that no member of audience will interfere, or called Back Stage.

This study chooses the SKPD of Regional Secretariat with some consideration: **first**, the amount of capital expenditure is quite large. In the last three years (i.e. 2012, 2013, and 2014), it included in the big ten of SKPD with the largest capital expenditure; **second**, this SKPD is a typical SKPD with 9 Section Heads as the Authorized Budget Users/Authorized Assets Users, 1 Autho-

**Table1**  
**The List of Actors and Their Roles**

Actor's Name	Role
Mr. Mamat	Financial Manager (PPK-SKPD)
Mr. Nurbayan, Mr. Salim, and I	PPK-SKPD Assistant in preparing Financial Statement
Mr. Felly	Main Assets Caretaker
Mr. Iskandar, Mr. Amir, Mr. Elle	Section Assets Caretaker
Mr. Yayak and Mr. Alam	Expenditure Treasurer
Mr. Mumun	Authorized Main Assets User (KPA)
Mr. Raden, Mrs. Mimin, Engkus	(Supporting Actors) Staffs in PPK

Source: the Decree (SK) on Financial Management of SKPD (processed)

alized Regional Secretariat's Assets User, with 9 Section Assets Caretakers, and 1 Regional Secretariat's Main Assets Caretaker. This peculiarity raises the high complexity of asset management in the SKPD.

The names of actors that will appear in this study are pseudonym. The profiles of actors involved in the play are served as an introduction to understand the personality of the actors in general. The Authorized Budget Users/Authorized Regional Assets Users are Mr Danang and Mr. Buya. Mr. Danang is warm, open and assertive. From his speech shows, that he is a smart and visionary man. Mr. Buya does not talk much, less fond of discussion and has a tendency to avoid complicated things.

The next main actors are the PPK-SKPD and PPK-SKPD Assistant. Both are the main actors in the preparation of financial statements. Mr. Mamat is a PPK-SKPD. He has a good communication skill and his ideas often inspire others. However, Mr. Mamat does not really like the technical work associated with the numbers. Mr. Mamat shares his duties to all of his staffs. His motto, a good leader is a leader who can share all of his duties to his staffs, then the leader serves to coordinate and to make decisions according to his main duty and function. In carrying out his duties, Mr. Mamat is assisted by PPK-SKPD Assistant, Mr. Nurbayan. The educational background of Mr. Nurban is civil engineering (although still unfinished). He is the one who is always open, friendly and hard working.

Mr. Yayak, the Treasurer Assistant Section, in general, is a quiet, closed, and individualistic person. Mr. Alam, the Main Treasurer, is an assertive, intelligent, and conscientious person, and has good communication skill. In addition to the financial statement complier and Treasurer, the Section Assets Caretaker is also the main actor in the presentation of fixed assets figures in the balance sheet. The actor involved is Mr. Elle. Mr. Elle

is a relaxed person. He speaks out frankly and freely with no load. Every time I see him, his smile is always broke. He is hardly ever seen gloomy. However, his habit that becomes his trademark is that he cannot stand sitting long in the office. If Mr. Elle is a Section Assets Caretaker, Mr. Felly is an actor who acts as the Main Assets Caretaker. Mr. Felly is a unique person. He often disappears. When talking, he tends to be selfish and smart in looking for reasons

Other actors who will be present at the show include: 1) Mr. Mumun, an Authorized Main Assets User of Regional Secretariat (KPA Induk Setda), who is familiar in paying attention to the detail. He is very careful with all the decisions to be taken; 2) Mr. Amir and Mr. Iskandar are Section Assets Caretakers. Both of them are serious and diligent workers. They want to appear to be the best and always look convincing; 3) Mr. Salim is the Financial Data Processing Operator who helps the duties of Mr Mamat. Mr. Salim is very quiet but easily helpless; 4) Mr. Raden, Mrs. Mimi and Engkus are the staffs of PPK-SKPD. Their job is to help the daily tasks of Mr. Mamat. Mr Raden is a friendly and diligent person, but a little hard to accept new things. Mrs. Mimi and Engkus are submissive, always work according to orders and lack of ideas.

#### 4. DATA ANALYSIS AND DISCUSSION

The first episode of the show in the delivery of fixed assets figures in the balance sheet occurs on SKPD stage. Through this show, the actors' roles will be seen in the actions and events they experience during the interaction with other actors. The actors involved in this episode are the Financial Manager of Regional Work Unit (PPK-SKPD), PPK-SKPD Assistant, Section Asset Caretaker, Main Asset Caretaker, Expenditure Treasurer, Authorized Main Budget User (KPA) and several supporting actors. Table 1 is the profile of the ac-



tors involved.

On SKPD stage displays 1) a scene between PPK-SKPD Assistant and PPK-SKPD Assistant; 2) a scene between PPK-SKPD Assistant, the Section Assets Caretaker, and the Main Assets Caretaker; 3) a scene between the Expenditure Treasurer and the PPK-SKPD. The unity of the scene bore the episode entitled "The Birth of SKPD's Balance Sheet under the incomprehension, dependency and Distrust." Here's the show going on SKPD stage:

**Act 1: Technique of "Dependency" on other people**

In the first week of January 2015, Mr. Mumun as the Authorized Main Assets User (KPA Induk) was calling Mr. Mamat. As usual, the phone served a means to call Mr Mamat. Then Mr. Mamat sat in the front of Mr. Mumun's table on the 2<sup>nd</sup> floor. This work table was often referred to as "table of massacre" by all the inhabitants of the Financial Management department, because it was on this table, anyone who held out the folders containing numbers or letters should be ready bombarded with questions by Mr. Mumun.

Mr. Mumun: How is the Financial Statement? It has been requested by **DPPKA (Revenue Office for Finance and Asset Management)**.

Mr. Mamat: Still in process, Sir. Some are [pointing his room] preparing it. And Mrs. Fira has been contacted to assist.

Mr. Mumun: Please, finish it soon. Don't let DPPKA reprimand us.

Mr. Mamat: OK, Sir. [a typical answer of State Employee ejected spontaneously from Mr. Mamat].

Getting out of the Financial Manager (KPA) room, Mr. Mamat contacted Mr. Rukminto, one of the officials in DPPKA, to tell that SKDP is working hard to complete it by having a meeting between the Expenditure Treasurer, Assets Caretakers and Administrative Staffs. Mr. Rukminto said firmly, "It is up to you. A meeting or whatever you want, the most important thing is that the balance sheet and other reports must be ready".

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The cellular phone was ringing. On the phone screen was written a name of someone I knew, Mr. Mamat. I looked at the clock, it was 09 o'clock. My heart said, "It must be about Financial Statements." Finally I decided to pick up the phone after ringing for a fairly long.

Mr. Mamat: Am I annoying you?

I: No, Sir. What can I do for you?

Mr. Mamat: It's about the financial statement. Please, help your colleagues, just like last year.

I: But, have you completed the journal like the previous year, Sir? I can't do it if I have to make a journal for a year first. At this time, the financial report has usually been requested by the Treasurer. [Read: Revenue Office for Finance and Asset Management]

Mr. Mamat: Yes, it has been requested. And here is the letter. I am very busy because there were many proposals yesterday. For the journal, I have requested Mr. Nurbayan and Mr. Salim. And Mr. Salim has also conceived Budget Realization Report (LRA), the financial version. Only Balance Sheet and Notes to Financial Statements (CaLK) that have not been done yet.

I: OK, Sir. In these few days I will be present.

Mr. Mamat: Thanks [Mr. Mamat closed his phone].

A few days later, I went to the office. Entering the room, I saw the entire personnel of the financial management. I purposely looked at the announcement board. This board was about 1 square meter. The board contained information about the date of submission of Treasurer's Accountability Letter (SPJ), revised completion date (after verification of completeness) and the final date. I was surprised, though it was away from the first week of January, but the December's Accountability Report has not been finalized yet. "The old disease relapsed," my feeling said. In recent years, non-compliance with the deadline for submission of Accountability Letter (better known as SPJ) (on the fifth of the following month at the latest) always becomes the concern of the Indonesia Supreme Audit Board (BPK).

"There is still undone, isn't there?" I asked. Mr. Raden looked at the board and said "Yes, the Accountability Letter." Mr. Mamat then interrupted by saying that the Expenditure Treasurer had been called. "But, first, please, complete the balance sheet," said Mr. Mamat.

The whole people in the room were surprised to hear a knock on the door. Apparently, there appeared the one who had been waited for. Everyone in the room looked relieved. I was sitting right below the board, and listening to the conversations in the room.

Mr. Yayak: Yes, Sir, Here I'm going to submit it there [pointing to the verification section]

Mr. Alam: [smiling] I will reject if it is not accompanied by the supporting evidence."

[Hearing what Mr. Alam said, Mr. Yayak was

hooked].

Mr. Yayak: "There is still something to discuss. It is related to the tax."

Mr. Mamat then let Mr. Yayak to discuss with Mr. Alam. They both looked serious. Mr. Raden said in idle words, "indeed, the Accountability Report is easy if the expenditure is real, Making the Accounting Report is easy, but the most difficult one is how to compose it". Hearing Mr. Raden's words, the whole people in the room laughing.

I paused for while to think. Mr. Mamat, sitting right across the table I was sitting now, was busy with her laptop. I then said to Mr. Mamat:

"It means that the Financial Statement cannot be finished, because the Financial Statement has something to do with SPJ. If it has not been completed, the financial statements cannot be resolved either. SPJ is to be recorded in the form of Budget Realization Report (better known as LRA), Finance and Journal versions, both General Journal that handled by Pak Nurbayan and Special Journal handled by Mr. Salim."

From a distance (on my left), I heard Mr. Yayak. "So, you're waiting for me? I will finish it soon, Sir". The whole room glanced to the sound source. Not surprisingly, a lot of questions were addressed to Mr. Yayak, although they were packaged in jokes. But, In fact, Mr. Yayak did not realize that he had become one of the characters in the story entitled "unresolved financial statements". Mr. Yayak smiled and immediately asked for permission to leave.

After the laughter was over, Mr. Mamat said, "Yes, yes ma'am, that's right. Next week we will schedule to synchronize the LRA with DPPKA. And Mr. Salim is ready, just inserting one more". I did not speak, just quiet. Situation like this was always repeated over the years when the sync would be done. "For the preparation, please preview the journals," pleaded Mr. Mamat to me.

"Engkus (an apprentice), please fetch Financial Statements hardcopy of the previous year. And give to Mrs. Fira." After that, I received an order of last year's financial statements.

I took the ordner and entered the computer room, a favorite room for all people in PPK because it was spacious, carpeted and cold. In that room, there was Mr. Mamat's table and two other tables of Mr. Nurbayan and Mr. Salim. I immediately went to see Mr. Salim. "How's bro?", I asked. Mr. Salim replied quietly, "This LRA has not finished, just waiting for that one". I then asked the Journal he was doing. Mr. Salim pointed toward the computer monitor. I

looked at it, the specialized journals for expenditures he entered based on Treasurer Accountability Report (SPJ). "Just doing the expenditure?" I asked Mr. Salim. Mr. Salim with a shocked face nodded. "Okay," I said. I copied the file on flashdisk.

The next was Mr. Nurbayan. I asked him to open the general journal. For 2014, the basis of accounting used was still cash toward accrual, so that the general journal was filled with a corollary journal. This corollary journal served as a bridge to connect the capital expenditure, which was an LRA account, to the balance sheet. I looked at the journal made by Mr. Nurbayan. Mr. Nurbayan accompanied me venturing into his work, while noticing the cursor movement on the monitor.

I: Nurbayan, How could there be some empty spaces in the column of assets account (in the corollary)? I have given you the account code, haven't I?

Mr. Nurbayan: [Mr. Nurbayan answered easily]. That is new (It didn't exist in the previous year). If there is no sample, I am confused to which assets group I should enter it, especially for other than building and construction.

I: Oh, I see? ha..ha..ha.. If it is not clear in the journal, much less in the ledger.

Mr. Nurbayan: The journal is ready, but I haven't matched it with **SP2D (Funds Disbursement Order)**. Please, check it again. I wonder if there is still unrecorded spending.

I: Have you separated the honorarium for each capital expenditure?

Mr. Nurbayan: What for?

I: Well, then it will be added (capitalized) to the value of its fixed assets. That is the one, which is usually requested by Miss Peni.

Mr. Nurbayan: Oh.. I see. But we can see it later.

I: If it were in the Report of Section Assets Administrator, we could just enter it.

Mr. Nurbayan: We will see the SP2D again later. What about the capital expenditure consisting of many items?

I: That's also my question. But DPPKA can't answer it. So far, I've combined it with one of the items in a group of assets. What about the ledger, Nur?

Mr. Nurbayan: Indeed, Not finished yet. I'm still confused. I don't know where to enter the asset group? There are many transactions, and so are the columns. Yeah. I don't really know. Please, understand me. I'm from civil engineering, not from accounting. I still have a lot of work to do.

I: [I laughed], I don't mean it.

Mr. Nurbayan : Yeah.. I'm still learning.

I: Never mind. It's Ok. You've just been 2 years entering the data. After 5 years, you will get used to.

Mr. Salim: [Suddenly interrupted the conversation]. If you can't do it, it's alright. Just give it to the expert.

I: Oh come on. You both never change. By the way, how is about the Boss? (Which Boss?). Does he ask about the financial statement?

Mr. Salim: It's impossible. He doesn't understand it either. He is relaxed. There is still someone to rely on. He seems to be helpless.

I copied his file into my flashdisk. While waiting for the file, I gave an explanation to Mr. Nurbayan about the flow. After I got the file, I asked permission to go home to all personnel in the room. I told everyone that I would help if all SPJ was ready.

Late in the afternoon, on the weekend, in January 2015, someone knocked at my house. I was surprised to see Ria, a girl I knew, who often helped Mr. Mamat, came to see me. Although she was not a civil servant, she often helped Mr. Mamat to do his work, especially the work that required Mr. Mamat to operate Excel.

"Here is the laptop ma'am. Inside there's a file of financial statements that I change as much as I can. For example, about the fiscal year, enter the financial performance of the LRA. For the others I don't understand them. I was just asked by Mr. Mamat to help him," she explained. I was relieved because it meant that all SPJ had been finished. "Okay just give me the file. I can use my own laptop," I said. I opened the file and saw if the main part of the financial statements was not complete yet.

## **Scene 2: Incomprehension and Distrust. It's Critical!**

The next day, at the beginning of February 2015, I entered the room that read the Financial Management. This room reminded me a lot of things. Men turned back and forth, in line with the personnel transfers, starting from PPK to KPA that had changed repeatedly. When I entered, there was a meeting of financial managers. Then I asked permission to enter the computer room passing the conference room, because the entrance to the computer room had to pass the room used as a meeting that day.

While googling I listened to the topic of conversation. The contents of the conversation made me *de ja vu*. Each year the problem was always the same. Asset Report unsettled by the assets administrator, SPJ is always late, and other issues

including the preparation of BPK investigation (a kind of clue to ensure that there are no errors in the safe and SPJ until February).

Mr. Mamat: The assets data requested by the Assets Caretaker must be finished soon. What about the principal?

Mr. Amir: We gave ours directly to Miss Peni, in DPPKA. I also have given it to the principal, but I don't know the others. It seems not to be done.

Mr. Iskandar: I also submitted directly to DPPA.

Mr. Mamat: What about you, Mr. Felly?

Mr. Felly: Not yet, Sir. Some haven't submitted to me.

Mr. Amir: [exasperatedly] frankly Mr. Mamat, we are a little bit lazy to give the data to Mr. Felly. It's useless. He will ask for it again and again and sometimes he lost the data.

Mr. Felly: No, of course not. The data is still on me.

[The atmosphere was suddenly crowded as some Assets Caretakers supported Mr. Amir]

Mr. Mamat : Come on. Stop it. Felly, you pick up again later.

[Suddenly the members of the meeting talked to each other. It seemed that the last information was about something that needed to be asked to one another]

Mr. Mamat : SPJ is also noteworthy. Don't be late again. DPPKA does not ask for the supporting completeness, and it should reduce the completion time. Please, do it. Those who are late will be left. Consequently, it is considered that there is no spending. Here, I and our friends in PPK are ready to prepare the financial reports. The assets administrators will also complete the list of Assets Transfer.

[Most members of the meeting agreed with Mr. Mamat's statement. A moment later, I heard they were whispering, but just then their laughter broke].

After the meeting I met the Assets Caretaker to request a list of transfers and reminded him about the list of the last stock. Most of them said, "I have given directly to DPPKA". Hearing that, I was upset. I thought, they should have understood that the PPK always needed it for financial reports. I said, "I need it every year for the financial statements". Then they agreed.

I talked to Mr. Iskandar and Mr. Elle. My choice was not without cause. Mr. Iskandar was an Assets Caretaker. He was considered the fastest in completing his work and very cooperative. Besides, my interest in speaking with Mr. Iskandar was related to the BPK's findings last year on

grants to the village. "Mr. Iskandar, how is response of the BPK's findings sent to the inspectorate last year?" I asked. With a little remembering, Mr. Iskandar said that it had been sent and no calls or letters, either from inspectorates or DPPKA. My conclusion was that everything was all right. My initial balance was safe.

In addition to Mr. Iskandar, Pak Elle also received special treatment. Mr. Elle was different from Mr. Iskandar. Mr. Elle always became "the most wanted". Mr. Elle's division got a sizeable procurement budget submitted to the districts as well as other SKPDs. Mr. Elle himself tended to be relaxed and always late to finish his report. I asked about the official report of goods handover, both for the last years and the current year's procurement to ensure the flow of goods transfers. "Yes, I'll give it to you," he told me. I was a little relieved and told him that I was waiting.

The next day, I met Mr. Felly in the office lobby. He was walking toward me.

I: Mas Fel (his nickname), Have you compiled the total assets of SKPD?

Mr. Felly: [smiling he answered my question with ease] "Not yet. I have requested the others. I've kept what there is in me.

[Spontaneously I chuckled].

I: Just put it on the table? Not compiled? That is the principal task so that there is a data of one SKPD.

Mr. Felly: [as if he couldn't agree with my words] "They (Sections) have submitted there by themselves, because DPPKA had sent the request to the Sections. And later, they all will be in me. The entire sections are made one volume for the recommendation of salary disbursement.

If I were asked to choose the expression (emotions) commonly used in mobile phones, I would choose "the image that closes the eyes". This expression is to describe my feeling of regret to hear Mr. Felly's words.

I kept asking him to compile into the data of one SKPD, although I knew that he would never give one. But when he gave me, I would only use it as a supporting data source, not the main source. Data from the Section Assets Administrator that I would use was about the addition of assets for procurement (capital expenditure) for the current year and assets mutations that occurred as the material of explanation in the Notes to Financial Statements (CaLK). The rest, I preferred to rely on my own notes which I would match with the Assets Section of DPPKA. The reason, I knew exactly the origin of each number. For

another reason, it was not public secret anymore that the records of the assets administrator could not be 100% reliable. This was caused by the individual factor and the data factor. When needed, the data has not been completed or has not been synchronized with Assets Section.

After meeting Mr. Felly, I went back to the room and waited for the section one by one. I forgot the balance of remaining inventory per December 31. While receiving the folder containing a List of assets transfers, I also asked the inventory balances. Although based on experience, all inventories would inevitably contain a zero balance, but I could not necessarily state so in the Balance Sheet. The answers of all Assets Administrators were same, "IDR 0,-," they replied. "I kept asking you the data. Give it to Mr. Nurbayan. For a while I wrote IDR 0, - as usual," I told them.

Not long after that, Mrs. Mimi came into the room carrying a blue folder containing checking account per December 31, 2014. He looked very happy to have found Mr. Alam, who happened to be in the room together with me, Mr. Raden and Mr. Mamat). Then Mr. Alam told me that all checking accounts were held by Mrs. Mimi. The balance account of revenue and expenditure Treasurer was zero per December 31, 2015. "That's nice," I said. I thought it was good because, based on the experience, when there was cash balance at the end of the fiscal year that has not been deposited to the Regional Treasury (Kasda), the examiner would ask for in details. The question was usually about SPJ and its administration. And finally, it would possibly become the audit findings.

Suddenly, I heard Mr. Nurbayan was calling me. He took me to the computer room. I was greatly helped to be called by Mr. Nurbayan. At least I could sit in the cool computer room. Then Mr. Nurbayan showed me a list containing capital expenditures he had processed from the stack of file of Fund Disbursement Order (SP2D) owned by PPK.

"Here is the data," he said as giving me the paper containing the data. I said thank you to Mr. Nurbayan. Mr. Nurbayan's idea to give me the data was actually the idea I've done over the last few years. But for learning purposes, I did not say it was the fastest way that could be used. When the financial report had to be submitted to DPPKA, I used the list of capital expenditures to short cut the accounting process. This way was a choice to be able to synchronize between my assets data and Mrs. Peni's.

To be able to complete the balance sheet quickly, I would complete the journal first. Then the materials to prepare the balance were safe, if I

**STATEMENT OF RESPONSIBILITY**

The SKPD Financial Statements of ..... District, consisting of (a) the Budget Realization Report, (b) a Balance Sheet; (C) Notes to Financial Statements for Fiscal Year 2014 attached, are our responsibility.

The Financial Statements have been prepared based on an adequate internal control system, and the content present information on budget implementation, financial position and notes to financial statements properly in accordance with the Government Accounting Standards

**Figure 2**

**The Statement Letter that Must be Signed by the Authorized Budget User**

had Capital Expenditure List, last year's ledger balances, and List of Assets Transfers. From the materials of the balance, I would think of sheet paper work. There appeared the fixed assets in the balance sheet.

Even the backward flow sometimes became an option. I started posting after the synchronization process with Mrs. Peni had completed. After obtaining Mrs. Peni's initials, I slowly posted one by one to the Assets Ledger. I had the time until the BPK came in to perform the audit.

For this year, I and Mr. Nurbayan worked together to prepare the Financial Statements. I saw his effort, although occasionally he got bored and out of the room. It was also the same as when Mr. Salim was working on the financial version of the LRA. Then I processed this LRA to become SAP version of LRA. Mr. Salim often said, "I'm going out for a while, please." Hearing that, I often replied with laughter.

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The next day I was still faithfully waiting for the Assets Administrator to submit the List of Assets Transfers and the HandOver Official Report. Some of them still have not been submitted. No other ways could be taken. Time was no longer friendly. It was time to prepare the list of capital expenditures that would soon be synchronized with Mrs. Peni. Fortunately, Mr. Nurbayan had already provided a list of capital expenditure. I then processed it and divided it based on the section and group of assets. From that data, I tinkered the balance paper work. Then I found the final balance of Fixed assets in the balance sheet. Then I would make Notes to Financial Statements (CaLK). After that, the SKPD's balance sheet would be ready. After the balance sheet had been arranged, I brought it to DPPKA to obtain initials from Mrs. Peni. Then, I went to see Ms Peni.

My conjecture was right. Another SKPD that had already made synchronization brought an impact on my balance sheet. They noted receiving assets from my SKPD and Handover Official Re-

port. Then I asked for the copy of Goods Handover Official Report. I re-adjusted the balances sheet and its completeness except the Ledger.

This process occurred repeatedly so that no difference found with other SKPD. I had to revise the journal and paper work of my balance sheet again and again. Mr. Nurbayan, the one who always accompanied me, said, "It cannot be imitated. Such processes made me give up. Every moment it can change." I nodded in agreement with Mr. Nurbayan. "Manual again," I cried irritably. CaLK was also hard, because we had to see the number of accumulations per group of assets again one by one. If the data of the Assets Administrator were reliable, the incident would not occur again."

This time, the exhausting process was over. Detailed Financial Statements had already been in hand. I then took it to Mr. Inung or Accounting Section of DPPKA for checking. As usual, the financial statements would be examined by Mr. Inung's subordinates, namely Ms Nunung. Before being handed over to Mr. Inung, the letter in front of the financial statements should have been signed by PA/KPA (see Figure 2).

Arriving at the office, I met Mr. Mamat. I said, "It's Okay, Sir. As usual, there must be a signature from KPA." Mr. Mamat's answer surprised me, "I hope he will. Get ready for the attack of questions."

I remembered the KPA. It did the same previously. At that time, Mr. Mamat and I submitted it to the KPA room. As Mr. Mamat was showing the statement letter, KPA expression changed. "Should I sign this?" he asked. Mr. Mamat firmly stated that the KPA previously had also done the same thing. Mr. Mamat handed the sample of Financial Statements of previous years. Hearing Mr' Mamat's statement, the KPA opened the financial statements and bombarded me with many things about the contents of the financial statements. Uniquely, for an official like him, he was the one who really concerned with the detail. He often put out

a note of his own. The note contained the amount of budget or other information he considered necessary. After bombarding me with some questions, he finally smiled and took a pen that was right in front of him. A few seconds later, he put his signature on it.

For this year's financial statements, I gave to Mr. Mamat. "Sir, you have to bring a sample of last year's financial statement," I said. Mr. Mamat was quiet for a moment. Then he picked up a document covered in purple, which had been bound neatly. "Mr. Mamat looked at me and said" I will go upstairs first" [it was Mr. Mumun's room located on the second floor]. "Please, Sir." I answered. After a little bit long, I heard footsteps approaching our room. At that time, I was sitting in the computer room with Mrs. Mimi. Mr. Mamat opened the door and immediately said "It's OK". He said that the process leading to the signature was similar to last year. "The strategy to convince must be accurate. Making the last year's report as a weapon is the right strategy," he said. This meant that for the time being, the financial statement was completed. The next step was to give a copy to DPPKA and waiting for the audit from BPK.

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### Performance Review

The birth of SKPD Balance Sheets does not only involve the actors who, according to the law, have a responsibility to prepare financial statements, such as. PPK-SKPD. Balance cannot be separated from the assets managers (Mustika and Riyanto 2012; Ardianto 2013). The struggle occurred between the two in giving birth the assets figure, which should appear on the balance sheet. This process is not easy because the actors are faced by condition of incomprehension, dependence, and distrust.

The first condition is incomprehension. It is a lack of knowledge about the condition in which both assets managers and financial managers should be in one cycle required in the presentation of figures in the balance sheet (Mustika and Riyanto 2012; Ardianto 2013). The treasurer's output will be an input for the PPK-SKPD in the accounting process of each transaction until the birth of the figures in the balance sheet. Likewise, the assets administrator's output will be the basis for making up the financial statements to determine the amount of assets that appear in the balance sheet. Here are the samples of the actors' statements:

Then Mr. Mamat interrupted by saying that the Expenditure Treasurer of the Section had been called. "Please, first complete the balance sheet," said Mr. Mamat.

"So, it means that everyone is waiting for me. I will finish it soon, sir." Replied Mr. Yayak.

### Box 1. The Treasurer's Output will become Input for PPK-SKPD in Accounting Process

Another happening fact was the Assets Caretaker assumed that the report produced was only to fulfill his obligations to DPPKA (Section Assets) and no relation to the compilers of the financial statements in SKPD. Therefore, every Official Report (BA) associated with the assets transfer is only considered as a document of handover between SKPD/grantees, and had to be reported to DPPKA only. The main assets caretakers only understand their duties as a mediator between the section assets caretakers and DPPKA, for example, related to the problems of honorarium. Here are parts of the statements of assets caretaker:

"I have already given directly to DPPKA," Answered Mr. Amir.

"Well, they (Sections) have already submitted it there by themselves.

"Because DPPKA had sent the request letter directly to the Sections. Later what there are in me, the entire sections bound into one volume for the recommendation of honorarium disbursement," said Mr. Felly.

### Box 2. Incomprehension that the Assets Caretaker's Output will become the Input for PPK-SKPD in Accounting Process

The next incomprehension was in the area of accounting concepts, among others are, in the accounting process, in the classification of assets and in the capitalization of assets. Moreover, it also occurred in technical area such as account code conversion from capital expenditure to asset code.

Mr. Nurbayan answered easily," That is new (It didn't exist in the previous year). If there is no sample, I am confused to which assets group I should enter it, especially for other than building and construction."

"What for?" Answering the question "The honorarium has been separated for each capital expenditure."

### Box 3. Incomprehension in the Area of Accounting Technique

This problem involves the understanding of budgeting account codes to classify capital expenditures, which are different from the classification of assets account. The typical characteristic of asset transactions in the public sector is any asset purchase transaction always through capital expenditure transactions. Thus, the conversion of capital expenditure into assets is absolutely necessary. It is not automated, this conversion process will require judgment in determining certain capital expenditures as part of a specific asset. Moreover, the problems are not only on technical issue of recording (journals). However, there are fundamental problems that, in practice, the human resources still do not have an understanding and capabilities in accounting. The level of human resources existing in the SKPD at this time is limited to entering (input) data only.

This condition is linked to the availability of competent human resources in the government, in which according to some studies it is still becoming a problem (Capercone 2005; Harun and Kamase 2012; Pratama 2012; Mulyana 2008; Widjadjarso 2008). In addition, the human resources having accounting backgrounds are still very limited. Most of the government officials do not even have basic understanding and sufficient accounting expertise to analyze the transaction and apply the *double-entry accounting system* (Pratama 2012; Mulyana 2008; Widjadjarso 2008; Harun dan Kamase 2012). *Double-entry accounting system* (Prasetyo 2013) requires an understanding of recording involving at least two accounts, each of which changes (increases or decreases).

The profile of human resources in this SKPD, according to the data from Employment Section of the Regional Secretariat as of July 2015, is that there are 229 employees. Those who have educational background in Accounting (Bachelor, Diploma III, or Vocational School programs) are only 2 people.

The second condition is dependency. It can be seen from: first, the actors are helpless because they do not understand the flow or the accounting process, so that they stop only at the clerical area in data entry; second, HR is accustomed to relying on others who provide the data (either DPPKA or other actors). In addition, there is also a low interest in doing something new, so he is always submissive to other parties who are considered capable; third, the actors who prepare the financial statements always submissive to the situation that requires them conduct synchronization repeatedly. The goal is to adjust the balance and the accounting completeness with the data in DPPKA. This occurs be-

cause the data of assets managed by the Assets Caretaker in one SKPD is not available, or some data in the section are also unavailable. If the assets data in the SKPD's balance sheet were the same as those in DPPKA, then this similarity would be an achievement for the financial statement compilers and for the Assets Section of DPPKA.

These findings are almost similar to the results of the research by Pratama (2012) that most government human resources are reluctant to dig up the accounting more deeply. They prefer not to break away from dependence on anyone who can help them resolve accounting issues.

The third condition is distrust. "The show must go on" is the appropriate words to represent what is happening in presenting the figures in the balance sheet. The show must go on despite distrust between the actors. Some of the things that support this statement are 1) The Section Assets Caretaker does not believe that his report will be stored or even used properly by the Main Assets Caretaker; 2) PPK-SKPD and the assistants do not fully trust the data of Assets Caretaker due to the lateness and negligence in recording; 3) PPK-SKPD does not easily trust that the data from the Treasurer and Assets Caretaker will be available timely and completely; 4) The Authorized Assets User does not easily trust the absence of risk if he signs the document/reports; 5) The Assets Section and accounting Section in DPPKA do not easily trust the figures generated by SKPD.

Incomprehension, dependency, and distrust are covering this show and creating tension between actors. This tension is a certainty. Suhariyadi (2014: 12) states that conflict is a tension caused by life's problems that press and confine the actors. The tensions experienced by the actors then raise the dramatic power on stage.

Each actor, in the end, determines the steps to be free of this tension. For example: 1) Some Assets Caretakers choose to provide a report to the Main Assets Caretakers, but some are not; 2) PPK-SKPD choose the accounting process to produce financial reports and perform assets data synchronization with DPPKA; 3) The Authorized Assets User (KPA) asks for examples of last year's report, conducts interviews with the actors who prepare the report related to its content, then decides whether to sign or not; 4) Assets Section of DPPKA requests synchronization with SKPD; 5) Accounting Section of DPPKA requests authorization from Assets Section and re-examine the SKPD's financial statements.

In the show of presenting of fixed assets figures in the balance sheet on SKPD stage, according

to dramaturgy, each actor actually wants to show the his self-image. A study of Impression management will show how the actors manage the impression to show the self-image.

When confronted with Mr. Mumun, Mr. Mamat showed that he did ingratiation to compensate Mr. Mumun who intimidated him. Mr. Mamat knew that Mr. Mumun would lower the tension of his anger by saying that his staffs including Mrs. Fira has helped and tried to work on the financial statements.

In another scene, Mr. Mamat also performed supplication to get help to prepare financial statements. Here are the statements:

"It is about the financial statement. Please, help your colleagues, just like last year.  
"Yes, it has been requested. And here is the letter. I am very busy because there were many proposals yesterday. For the journal, I have requested Mr. Nurbayan and Mr. Salim. And Mr. Salim has also conceived Budget Realization Report (LRA), the financial version."

**Box 4. Supplication by Mr. Mamat**

The next actors are Mr. Nurbayan and Mr. Salim. In some scenes Mr. Nurbayan conducted more supplication emphasizing on his dependency and weakness to get help from other people who are stronger. Mr. Nurbayan and Mr. Salim wanted to show that they had been trying, but they needed help because they have not understood the preparation of the balance sheet.

" Indeed, the ledger has not finished yet. I'm still confused. I don't know where to enter the asset group? There are many transactions, and so are the columns. Yeah. I don't really know. Please, understand me. I'm from civil engineering, not from accounting. I still have a lot of work to do.  
"[Suddenly interrupted the conversation]. If you can't do it, it's alright. Just give it to the expert."  
"This one that cannot be imitated. This process makes me unable to do. It can change every

**Box 5. Supplication by Mr. Nurbayan and Mr. Salim**

Other than Mr. Nurbayan and Mr. Salim, Mr. Felly tended to do self-promotion to cover his shortcomings when dealing with both his fellow Assets Caretakers and me and Mr. Mamat. He

showed that he had done something and entirely could not bear his own fault. Mr. Felly's statements are as follows:

"[smiling he answered my question with ease] "Not yet. I have requested the others. I've kept what there is in me." Mr. Felly answered  
"They (Sections) have submitted there by themselves, because DPPKA had sent the request to the Sections. And later, they all will be in me. The entire sections are made one volume for the recommendation of salary disbursement."

**Box 6. Self Promotion by Mr. Felly**

Mr. Iskandar and Mr. Amir, as the Assets Caretakers, wanted to present themselves as the assets caretakers who have been working hard (self promotion) and did not want to be responsible for the absence of the output in the form of SKPD's assets report. The pretext they expressed was that they have submitted directly to DPPKA. While Mr. Felly was not given because the experience taught that Mr. Felly had not attention to the data provided.

Although Mr. Elle and Mr. Yayak have different tasks, they have similarities in the efforts to establish their self-image. Mr. Elle and Mr. Yayak are the actors who contribute to the problems in the SKPD's financial statements. However, they both do ingratiation to reduce the intimidation from those who need the results of his work. The statements are as follows:

Yes, Sir, Here I'm going to submit it there [pointing to the verification section]," Mr. Yayak said.

With a smile, Mr. Alam as the Main Treasurer said," I will reject if it is not accompanied by the supporting evidence."

Hearing what Mr. Alam said, Mr. Yayak was hooked "There is still something to discuss. It is related to the tax."

"Yes, I will give it to you," Mr. Elle said to me. I was a bit relieved and said that I would be waiting.

**Box 7. Ingratiation by Mr. Yayak and Mr. Elle.**

Other actors, such as Mr. Mumun and Mr. Alam choose to do intimidation. It could be understood that both Mr. Mumun and Mr. Alam showed their power to encourage their subordinates to move. Their ways are different. Mr. Alam did it to show that functionally his position is



higher than all Treasurers including Mr. Yayak.

"I will reject if it is not accompanied by the supporting evidence."  
Hearing what Mr. Alam said, Mr. Yayak was hooked

#### **Box 8. Intimidation by Mr. Alam**

Mr. Mumun performed with intimidation as a person in top leader. Mr. Mumun also did it to give a sense of self-security of his fear at the risk of his job. Mr. Mamat's statement will give an idea what is displayed by Pak Mumun.

"I hope he is willing. Be ready being bombarded with some questions."  
"The process towards signature is similar to last year's. Making last year's report as a weapon is right."

#### **Box 9. Intimidation by Mr. Mumun**

The Government Accounting Standards (SAP) No. 07 states that the existence of physical assets should be in harmony with the figures presented in the balance sheet. To achieve that, the actors of financial managers and asset managers must be able to work together to realize the shared views in the form of fixed assets figures to be presented in the balance sheet.

In practice, the preparation of financial report and asset management are faced with several obstacles. The obstacle faced by the compilers of SKPD's financial statements is the lack of understanding of the concept of the preparation of fixed assets in the balance sheet with the accounting process. In the midst of the limitations of the quantity of actors who have an understanding of accounting, the alternative taken is through media of synchronization between the assets notes existing in SKPD and in SKPD, which includes the synchronization of data between SKPD. The synchronization results will show the movement of fixed assets and the result will be shown in the balance sheet. This condition shows that, in the era of cash toward accruals, the application of accounting at SKPD is still becoming unfinished homework.

The next obstacle is the concept of accountability that has not been understood and communication deadlock between the actors. Some actors are still unable to perform their responsibility to produce output that will needed by other actors. In Other conditions, each actor can still perform his responsibility partially. It has not led to coop-

eration between the asset managers and the compilers of financial statements.

The theme of the story arising during the show can be summed up in three things: incomprehension, dependency and distrust. In the early chapters of this paper shows the phenomenon that BPK's findings on the Local Government qualified Opinion financial statements include the problems fixed assets and accounting. The findings in this SKPD level can give an idea of the presence of the problem in the lowest level of executive. Thus, to be able to unravel the problems in general, the improvement in the level of SKPD becomes a crucial part.

The actors' understanding on the duties and functions as a whole is necessary. This includes the questions; What should be done? How is the way to do it? What should be produced (output)? And Who does the output for? Some of these questions will parse the standoff between the actors. In addition, if the majority of the actors do not fully understand the flow of information and accountability, it will require a standard procedure in SKPD (which includes the parties involved, the flow of information and accountability, and documents used/produced), established together and socialized well. The standard procedure in SKPD is important, given the organizational structure of SKPD is typical with 9 sections in one body of SKPD.

The policy related to the improvement the quality of human resources becomes something absolute. The quality improvement can be done by training and continuing education. Therefore, a map of staffing will help to put the right man on the right place. This training is not only focused on financial managers or the compilers of financial statements and asset management, but also on the level of Budget/Goods User Proxy. Budget/Goods User Proxy is a bridge between asset managers and compilers of financial statements to synergize.

The homework for structuring fixed assets is also very important (after the realization of the activities). If it is not addressed, the culture bequeathing the assets problem will continue to flow like a circle. However, the figures presented in the balance sheet should be supported by the existence of fixed assets.

At a more macro level, the pattern of self-reliance and performance improvement of SKPD in managing fixed assets and preparing the balance sheet should be a concern. The use of software might be a very helpful alternative.

However, it should also be supported by the HRD and a set of operational rules (Accounting Policies, Standard Chart of Accounts, Asset Management Rules) that are socialized properly. Software is the most important tool in giving spirit of the products produced by the software. This means that HR must be able to understand the use of the software and to use the results of the software.

The coordination mechanism between SKPD and DPPK should be increased. Increased ability of SKPD in presenting fixed assets in the balance sheet must also be a sustainable program by DPPKA. The challenges ahead with the pattern of development of the field of accounting in the public sector will demand the readiness not only at the level of DPPKA as a reporting entity, but also on the level of SKPD as an accounting entity.

In general, the conditions that appear in this show can be considered in the implementation of accrual-based accounting in 2016. The greater demands to the understanding of accrual-based accounting must be understood by all the actors and the policy makers. The conditions occurring during this show, both in preparing financial statement and asset management, can be made as an ingredient in the formulation of appropriate strategies in implementing accrual basis.

## 5. CONCLUSION, IMPLICATION, SUGGESTION, AND LIMITATIONS

Impression management techniques are used entirely by the actors to show the desired self-image at certain times and in certain circumstances. The role played by the actors rise to the phenomena (the theme of the story) that the fixed assets presented in the balance sheet rests on the condition of ignorance, dependency, as well as the distrust between the actors.

The commonly occurring practices show that the accounting process that begins with the journal to present the figures of fixed assets in the balance sheet (according to the theory) may not be the main thing in practice. If the actors' understanding on the presentation of fixed assets in the balance sheet with the accounting process is not sufficient, the synchronization (matching the record in DPPKA with the notes of Assets Caretakers in SKPD) to produce the figures of fixed assets in the balance sheet is an alternative taken by most SKPD. This SKPD is one of the SKPDs that choose to use a series of accounting processes in presenting fixed assets figures. Each actor either financial statements compilers or asset management acts out its role to encourage the birth of

shared view, the birth of fixed assets figures in the balance sheet. However, conflicts between actors appear throughout this story takes place.

In general, the conditions that appear in this show can be considered in the implementation of accrual-based accounting in 2016. The conditions occurring during this show, both in preparing financial statement and asset management, can be made as an ingredient in the formulation of appropriate strategies in implementing accrual basis. In the academic context, by exploring the dynamics behind the presentation of the fixed assets figure in the SKPD's balance sheet, it also boasts a contextual factor consisting of the presentation of fixed assets figures in the SKPD's balance sheet. The opportunity to do research on the topic of fixed assets in the government sector is still very open, given the fixed assets in government remains one of the main problems (contained in the Summary Report of Examination BPK-RI). Big stage of audit could also become interesting show for further research. In addition, the use of a wide range of other research methods will also provide color or other point of view of looking at the problem of the presentation of fixed assets in the balance sheet.

The study conducted for the impression management is using Jones and Pittman Taxonomy consisting of ingratiation, self-promotion, intimidation, exemplification, and supplication. Sometimes, the stage observed by me as the audience and the actors was quite extensive, so in some scenes, I was not able to capture all the actions shown on stage. For example, when all the actors were performing on SKPD stage, in one corner, a scene took place between me and an actor. While in the other corner, there might be two other actors were having a conversation that likely I could not hear and see. In this condition, I could not possibly be a holistic observer.

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