

ACCOUNTING TREATMENT AND REPORTING FOR FIXED ASSETS IN MILITARY INSTITUTIONS (A CASE STUDY IN DIRECTORATE OF ARMY ENGINEERS?)

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ABSTRACT

In implementing accounting in the public sector there are many governments that can be classified in the public sector, one of which is in the Military Institution. The Military Institution actually also issued the same basis in financial reporting and its accounting with other public sectors. Fixed assets in the Military Institution are slightly different from other government institutions related to military assets that are used and prepared by the government that are used to train members of the army and prepare movements against separatist movements in Indonesia that produce weapons, buildings and transportation equipment. Public information disclosure through Law number 14 of 2008 concerning further disclosure of information about submitting information on assets to military assets related to related information distributed by parties not responsible for requests for military assistance needed by Indonesia. The object of research is the influence of Government Regulation No. 16 of 2010 concerning the implementation of Law number 14 of 2008 concerning complaints of public information on fixed assets related to the military at the Directorate of Army Engineering considering the presentation of relevant financial statements that can be carried out by Law. Regarding public information disclosure where reports can be given if there are no secrets and can be protected by national security.

Keywords: Fixed Assets, Military Assets, Disclosure of Public Information.

1. Background

In a company and public sectors, accounting is very important because it can provide information regarding the accounting of an organization finances. Accounting is part of a system that generates relevant financial information. Given the importance if the reporting system, each organization is required to have a good accounting treatment and reporting. If such information were not in a good system the result of the report would result unreliable financial information. The use of accounting report is also for monitoring the finance of organizations. One part of accounting that have considerable factor and has contributed

to generating financial reports is fixed assets.

The use of accounting is not only for company but also used in public sectors such as military institution. The government has the responsibility to manage public funds and is obliged to provide public accountability. The development of public accountability is characterized by the concept of New Public Management (NPM); this concept is emerging as a response to criticism and demands for accountability of public sector organizations. The changes are accompanied by changes in the basis of accounting from cash accounting into accrual basis of accounting. Benefits of accrual accounting are to be able to show

how the government financed its activities and to meet funding requirements and to evaluate the government performance regarding the efficiency and effectiveness of resources.

In implementation of accrual basis accounting, there are differences between public sectors and private sectors, this is an important issue for a country especially in relation to the existence of three types of fixed assets, historic assets, military assets, and infrastructure assets. These three types of assets have unique characteristics and different treatment, this paper will focus on military asset reporting and treatment. One benefit of accrual accounting is that it can help decision making function of government, such as the decisions to admit a military asset as a fixed asset and budgeted depreciation and maintenance cost will be budgeted, for example in initial American approach to capitalization and depreciation transportation items military only, while items such as fighter combat aircraft are recognized as an expense, but then United States is using capitalization and depreciation for all military assets. Assets are resources that are owned and used by organization to achieve the goals of an organization, that is the reason why it is important to manage the assets to achieve the goals efficiently and effectively.

The government of the Republic of Indonesia has an obligation to prepare financial statements as a form of execution of the state budget (APBN) as stated in Law No. 7 of 2003 Section 30. Fixed assets accounting specifically regulated in Government Accounting Standards (PSAP) Number 07 which is a result of the adoption of International Public Sector Accounting Standard (IPSAS) 17 Number 20 about property, plant, and equipment. There are some reasons of why military assets including fixed assets are different in the nature of reporting and treatment, it is

related to military secrecy to national defense and security which seems contrary to the purpose of accrual accounting to accountability and transparency of financial management. Presentation of information in the form of Public Information when opened and provided to the Public Information may jeopardize state security and defense based on Government Regulation No. 61 Year 2010 on Law Implementation of Law No. 14 Year 2008 about Disclosure of Public Information, some information can be exempt and remain confidential if such information when reported can endanger national defense and security, which is among information on the number, composition, disposition, or dislocation of strength and ability in the administration of national defense and security systems as well as its development plan. This reason makes military institutions can avoid the presentation of confidential information in the financial statements.

Accounting procedures for fixed assets should follow the general acceptable accounting principles so that the information regarding fixed assets presented in the balance sheet can be trusted by the internal and external of an organization. Accounting policy for fixed assets contained in a company generally has a base price of acquisition of fixed assets, depreciation and the imposition of charges incurred during the economic benefits of the asset. The focus is how to use limited resources to meet human needs, activity and military assets from the point of view of government as policy maker, using state resources to achieve national goals. In this case, the military activity was seen not a means of defense for regional stability between states or other social functions such as during natural disaster. Military resources such as army defense equipment, building structures, and the software is used in assets so that the production function is still

running although not in wartime. From that point of view, armament goods (particular) and non-war (general) should be classified as fixed assets if they meet the classification as fixed assets. As for disposable items such as ammunition, missiles and bomb could be classified as inventory. Brent R. Moulton stated that "The classification of military weapon system as fixed assets be based on the same criteria as other fixed assets that is, assets that are used repeatedly, or continuously, in process of production for more than one year".

Based on this background, it happens that the reporting of fixed assets in military institution is different than any other public sectors in general. There are some influence from internal factors that effect the reporting system in military institutions. From the background explained, author is interested to do and discuss the research with the title "Accounting Treatment and Reporting for Fixed Assets in Directorate of Army Engineers (DITZIAD) "

2. LITERATURE REVIEW

The functions of Military in Indonesia have a big role in many aspects, not only for defense purpose but also in social aspects. In the social aspect, Indonesia military usually helps during earthquake, floods, and another kind of natural disaster. Indonesia also send their Personnel for the United Nations as a peacekeeper. Any operations activity done by Indonesia military is using the fund gathered from the public such as retribution and tax. Military institution is included in the public sector based on public sectors definition and the purpose of the military institution in Indonesia. The public sector is part of the national economy controlled by the government; part of this economy deals with giving public services (Astuti, 2013). The composition of the public sector may vary

depending on the needs of each country. In general, the public sectors are including; infrastructures, military institutions, police, educations, health, electricity, and so on.

Accounting treatment applied in the military institution can be assumed using public sector accounting standard as the basis of the reporting. To report the fixed assets in military assets it can be different than usual organizations it has different approach about how accountant in military institution manages the accounting report due to the limitations that given based on Government regulation No. 61 year 2010 on Law Implementation No.14 year 2008 about Disclosure of Public Information, that some information can be exempt if such information when reported can endanger national defense and security, which is among information on the number, composition, disposition, or dislocation of strength and ability in the administration of national defense and security systems as well as its development plan. Therefore, these are literature review for this issue.

2.1 Object of the Research

2.1.1 Government

According to Simanjuntak (2001), governance is a collection of activities organized by and on behalf of the people, but subject to some of the expected restrictions will ensure that the necessary powers entrusted for the government are not misused government officials.

Meanwhile, Kristiadi (2003) stated that government is an activity undertaken by the government ruled that has power to rule on behalf of the State to the people. On the other hand, Nurkholis (2006) stated that the government is all activity done by governance to meet the needs of the people. Based on the definition explained by the experts, the definition of government is activities undertaken by governance to rule

the governed to meets the needs of the people.

Government is a very important role in managing funds gathered from a citizen. The government itself defined as the organization, machinery, or agency through which a political unit excises authority and performs a function and which is usually classified according to the distribution of power within it (Merriam Webster Dictionary). The varieties of functions undertaken by the government are divided into different areas; the most frequent function of government is probably the function of coordination in both technical and political aspects. Other functions of government are strategic planning, performance monitoring, coordinating of Policy Design and Implementation, and communication and accountability.

2.1.2. Public Sector

The public sector is part of the national economy controlled by the government; part of this economy deals with giving public services (Astuti, 2013). Entities and activities from the public sector are to produce goods and public services in order to meet public needs. The composition of the public sector may vary depending on the needs of each country. In general the public sector are including; infrastructures, military institutions, police, educations, health, electricity, etc. The assets owned by public sectors are used for giving services to the public. Public sectors are usually called non-profit sectors because the aim of the organization is usually to serve the public; it makes the public sectors main objectives is not profit but to serve the public.

The form of public sector financial statements is basically the same as private sector financial reports but there are adjustments in the nature and characteristics

of the public sector that accommodates the needs of users of public sector financial statements. In addition, public sector financial reports also have restrictions in the form of non-monetary considerations such as social and political considerations that need to be considered. In general, there are 6 objectives and functions of public sector financial statements, namely:

1. Compliance and stewardship
2. Accountability and retrospective reporting.
3. Planning and authorization information.
4. Sustainability of the organization and viability
5. Public relations
6. Source of facts and figures.

Based on Government Accounting Standard (PSAP) No. 07, the definition of an asset of public sector are economic resources controlled and / or owned by the government as a result of past events and from which the benefits of economic and / or social in the future is expected to be gained, both by governments and communities, and can be measured in terms of money, including non-financial resources needed to provide services to the public and resources are preserved for historical and cultural reasons. An asset in the public sector is divided into current assets, long-term investments, fixed assets, and other assets. One type of significant assets on the government balance sheet is fixed assets.

PSAK 16 (revised 2007): Fixed Assets paragraph 45 regulates the recognition, measurement, presentation and disclosure of fixed assets available for sale. However, in ED PSAK 16 (revised 2011):

Fixed Assets, this paragraph was deleted because arrangements for fixed assets held for sale can refer to PSAK 58 (revised 2009): Non-Current Assets Held for Sale and Discontinued Operations. Therefore, entities that have fixed assets held for sale at ED PSAK 16 (revised 2011): Fixed Assets apply, accounting treatment can refer to PSAK 58 (revised 2009): Non-Current Assets Held for Sale and Terminated Operations .

Fixed assets can be obtained for security reasons or environment. Such acquisition of fixed assets, although not directly increases future economic benefits of an existing fixed asset, may be needed for the entity to obtain future economic benefits from other assets related. In this situation, the acquisition of fixed assets is kind it meets the qualifications to be recognized as an asset, because of assets this allows the entity to obtain economic benefits a greater future of related assets is compared with the economic benefits generated if assets were not obtained. For example, chemical plants might apply a new chemical handling process inside order to meet the environmental conditions applicable to production and storage of hazardous chemicals; repair related factories are recognized as assets because without repairs The entity cannot produce and sell substances chemistry. However, the carrying amount of the asset and other related assets must be reviewed to test whether there has been a decline in value in accordance with PSAK 48 (revised) Decreasing Asset Value. In accordance with the principle of recognition in paragraph 07 of PSAK, an entity may not recognize the daily maintenance costs of a fixed asset as part of the asset concerned. These costs are recognized in profit or loss when incurred. Daily maintenance costs mainly consist of labor costs and consumables including small parts. Expenditures for this are often called

"maintenance and repair costs" of fixed assets.

In order for fixed assets to operate sustainably, regular inspections need to be carried out regardless of whether the components are replaced. In any significant inspection, the inspection fee is recognized in the carrying amount of fixed assets as a replacement if it meets the recognition criteria. The remaining carrying amount of the previous inspection fee, if any (distinguished from its physical components), is derecognized. This happens regardless of whether the cost of the previous inspection was identified in the acquisition or construction transaction of the fixed asset. If needed, the estimated cost of similar inspections to be carried out in the future can be used as an indication of the inspection costs when the asset is acquired or built.

2.1.3 Military Institution (TNI)

Military in Indonesia has become an important part of Indonesia history, even before Indonesia Independence Day. Nowadays, the role of the Military Institution in Indonesia is not only for the defense purpose but also for social purpose. In the social aspect, Indonesia military usually helps during earthquake, floods, and another kind of natural disaster, Indonesia also send their Personnel for the United Nations as a peacekeeper. Military institutions are included in the public sector because the task of military institutions is to serve the public and provide services to the public. Funding for military institutions in Indonesia is obtained from the state budget. Military institution is included in the public sector because the main purpose of the military institution is to serve public.

The Indonesian National Army or Armed Forces are a unit of soldiers who are

members of the armed forces owned by the Indonesian government. The TNI was formed on October 5, 1945, under the name of the People's Security Army (TKR), which later changed its name to the Army of the Republic of Indonesia (TRI), and subsequently changed again to the Indonesian Armed Forces (TNI). In carrying out its duties and obligations, the TNI is led by a commander, and this organization is divided into 3 groups (Matra), namely:

1. The Army Chief of Staff leads the Army
2. The Navy Chief of Staff leads the Navy
3. TNI Air Force led by Air Force Staff

2.2. Public Sector Accounting

According to Bastian (2007), public sector accounting becomes a mechanism in engineering as well as accounting analysis used in the management of public funds in state institutions and departments under it, BUMD, SOEs, NGOs, social foundations, and public sector projects or private. In his book entitled "Public Sector Accounting," the definition of Public Sector Accounting can be interpreted in a broader sense as the method of State management. In short, it is defined as a levy imposed by the State.

The following are some of the purposes of public sector accounting described by the American Accounting Association (1970):

1. Accountability, The purpose of public sector accounting is used to provide information that can be useful to public sector managers and can be used in reporting responsibilities of fields, divisions, and resources under its auspices. In addition, the purpose of this objective is to report on public activities of government operations and the use of public budgets.

2. Management Control, the purpose of public sector accounting is to provide information that is needed in the management of an agency/organization appropriately, quickly, efficiently, and economically on the operation and use of resources budgeted in the organization/institution.

In Indonesia, the presence of public sector accounting is intended to create conditions that are transparent, efficient, public accountability, effectiveness, and economical. What is meant by transparent conditions is the reporting presented in an open state, and no part is covered. The definition of public accountability is the embodiment of the concept of the ethical answer to answer in public institutions while the purpose of effectiveness, efficiency, and economics is the meaning of time and cost savings for optimal performance to run.

Public sector accounting deals with 3 main points, namely as a provider of management, control information, and accountability. Accounting information is used as a consideration at the time of decisions making, in which case it helps the manager to allocate all available resources. Accounting information is also used in determining the costs incurred in activity and its feasibility in terms of economic or technical. In addition, the information can also be used in choosing which programs are appropriate, effective, and economical for investment valuation. Accounting information is also needed in public sector performance assessments.

continuation intention to use M-wallet will be explained in the coming subsections.

3. RESEARCH METHODOLOGY

This research will be conducted as quantitative research with descriptive method. A qualitative approach emphasizes the qualities of entities, processes, and

meanings that are not experimentally examined or measured in terms of quantity, amount, intensity, or frequency (Denzin& Lincoln 2000). Moleong (2012) argued that qualitative research aims to understand the phenomenon experienced by the subjects of the study such as behavior, perception, motivation, action, and so on, holistically, and with the way of description in the form of words and language, in a specific context that is natural and with using various scientific methods. Qualitative research inquiry employs different philosophical assumptions; strategies of inquiry; and methods of data collection, analysis, and interpretation (Creswell, 2009).

3.2 Type of Data

The aim of the research it to get data the data is used to analyze the problem and find the answer. Data is an important tools in the research. From the data, the researcher will understand the result of the research. Collecting the data must be relevant to the questions of the research. According to Moleong (2012), the determination of research focus may limit the study of the problem, so in this case, the focus of the study will be to limit the core area or to be studied only. The determination of the focus of a study has 2 objectives. The first objective of determining the focus of the study may be to limit the study to be studied. The second objective is to meet the exclusion criteria or to exclude and enter the information obtained in the field (Moleong, 2012).

The data used in this study obtained from the primary data. Primary data refer to information obtained first-hand by the researcher on the variables of interest for the specific purpose of the study. The primary data used is from the result of an interview with the auhority that can explain the accounting reporting and treatment, the

system used for assets recognition in Directorate of Army Engineers (DITZIAD).

3.3 Data collection

Data in this research will be obtained from interviews with the informant related to the research. Data collecting method is using interviews with the member involved and observation. The data used in this study obtained from the primary data. Primary data refer to information obtained first-hand by the researcher on the variables of interest for the specific purpose of the study (Sekaran&Bougie 2013). Sugiyono (2008:225) stated that the primary source is a source that can give valuable information directly. In other word, the primary source to give prominent data related to the questions of the research. Based on Moleong (2012), the purpose of interviews is to constructing about people, events, organization, motivations, demand, concerns, feeling, and others. An interview is a conversation with a specific purpose. Observation in this research will be done by observing the condition of the assets owned by DITZIAD to make sure the information gathered from interviews is the same as the real condition while the information is gathered.

3.4 Data Analysis Technique

Data is information that has been collected by conducting research. To get reliable data, the researcher has to do some techniques for collecting the data. Data collecting technique is an important step in research because the research aims to get the data. Collecting data can be done in any settings, any sources, and any ways. There are five data collecting techniques. Those are observation, interview, questionnaire, documentation, and triangulation.

Patton's data analysis, according to

(Moleong, 2014) is the process of arranging the sequence of data, organizing it into a pattern, categorization, and basic description unit. As explained by Bogdan and Biklen (Moleong, 2014), data analysis is an effort done by working with data, organizing data, sorting it into manageable units, synthesizing it, searching and finding patterns, finding what is important and what is learned, and decide what can be told to others.

After collecting the data, the researcher analyzes the data. In qualitative research, data analysis is a process of categorization and description. Data analysis systematically processes to analyze data, which have been collected. To analyze data researcher use descriptive qualitative to analyze the data obtained. The data analysis technique used in this research is interactive data model analysis technique according to Miles & Huberman consisting of four stages, namely data collection phase, data reduction stage, data display stage, and conclusion or verification stage (Herdiansyah, 2010).

1. Data collection

Data collection in this research uses semi-structured, in-depth interview technique, and observation. The interview process was recorded using the recorder, then verbatim. During the interview process, researchers conducted observations, which were later attached as field notes.

2. Data reduction

The next step, the data already obtained from the field and then made data reduction. Reducing data means summarizing, choosing the essentials, focusing on the things that are important and sought the theme and pattern. The essence of data reduction is the process of merging and synchronizing all forms of data obtained into one form of a script (script) to be analyzed (Herdiansyah, 2010).

3. Display data or data presentation

After all the data has been formatted based on the data collection instrument and has been in the form of writing (script), the next step is to display data or data presentation. At this stage of data display, process the data that has been uniform in the form of writing and already has a clear plot of the theme into a categorization matrix according to themes that have been grouped and categorized. The themes listed in the theme category columns correspond to the theme arrangement in the theme accumulation table moved into the categorization matrix one by one in detail. After the process of categorizing the finished theme, the next is to break the themes into a more concrete and simple form called sub-theme.

4. Conclusion or verification

The last stage in the series of qualitative data analysis, according to the Interactive model is the conclusion and verification. The preliminary conclusions are still temporary and will change when strong and supportive evidence is found at the next data collection stage. However, if the conclusions made at the initial stage are supported by valid and consistent evidence, then the conclusion put forward is a credible conclusion.

According to Moleong (2012), the validity of data is an updated concept of the concept of validity (validity) and reliability (reliability) and tailored to the demands of knowledge, criteria, and paradigm alone. The testing of the validity of data in this study is using the data credibility test. Also, Moleong (2012) mentioned several techniques to check the validity of data as follows:

1. Triangulation

Triangulation process consists of several kinds, such as data triangulation, source triangulation, and time triangulation. The triangulation conducted in this study is the triangulation of time. Time triangulation

is an examination or re-checks the degree of confidence of information to the source at different times.

2. Checking with the members involved (Member check) ,Member check is the process of checking the data obtained by the researcher to the data provider. The goal is to know how far the data found agreed by the data giver. The member check to the subject of this research is done after the data collection is completed or after getting the conclusion. One of the main characteristics of qualitative research is as a tool or as an instrument to collect data. Researchers realized that this research raised a sensitive issue. Ethical issues will arise if researchers do not respect, do not obey, and ignores the values of the society and the private (Moleong, 2012). Therefore, researchers will not use the real name of the branch manager and bank used in this study.

4. FINDINGS AND DISCUSSIONS

4.1 General overview of DITZIAD

Indonesian Army Corps of Engineers (DITZIAD) founded on 15 October 1945. DITZIAD is a part of the Indonesia army that is focused on the engineering and consist of 15.000 military personnel made it the largest engineering army corps in Southeast Asia. Indonesian Army that focuses on engineering is called corps Zeni; it usually shortens as CZI in military rank. The term Zeni used is derived from the Dutch word 'Genie,' meaning sapper. DITZIAD personnel are trained to become combat engineers. All personnel has different trades including construction engineers, Destruction engineers, Amphibious engineers, Armored engineers, Bomb Disposal specialist, Diver or search specialist, and geographic support technician.

With motto YUDHA KARYA SATYA BHAKTI means "Serving with devotion to the task of war and

development." DITZIAD is focused on engineering during the war and development during peacetime. Development during the peacetime is included helping the government for public works constructions in a rural area. This was originally an AMD/TMMD program from DITZIAD. DITZIAD is lead by Director General and Chief of Engineers (Dirziad), with the rank of Brigadier general. DITZIAD is now lead by Brigadier-general Muhammad Munib since 2017, previously was led by Brigadier-general Irwan that led DITZIAD since 2014. Indonesia Army Corp of engineering itself has 9 main tasks as part of Indonesia Military;

Construction in DITZIAD is focusing on military construction to helping military movement during the war; it includes road construction and military base construction during the war. During peacetime DITZIAD is also helping the government to built facilities needed in rural area and areas are not touched by development to build construction needed such road construction. DITZIAD is actively helping the government in Papua to build Trans Papua road, helping for flood control, and dredging for waterway navigation.

1. Destruction in DITZIAD task during the war is to damage and destroy the military facilities belonging to the opponent to inhibit opponent movement and during the war.

2. Obstacles in DITZIAD is focused on making obstacles during wartime that helping the Indonesian Army to inhibit movement of the opponent and blocking the movement of the opponent.

3. Disguise specialist in DITZIAD is focused on making a disguise as real as possible during the war for personnel and for the obstacles used not to be noticed by the opponent.

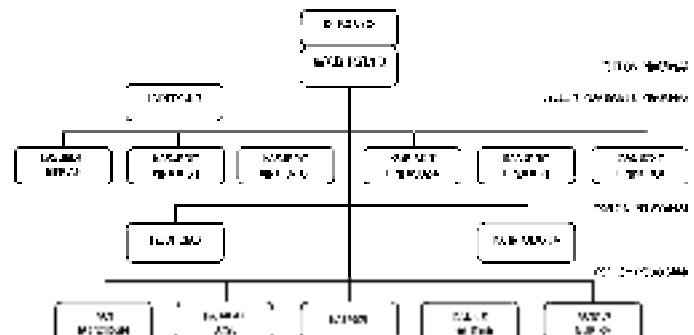
4. Crossing specialist in DITZIAD is focused in making bridge during the war for

8. Nuclear, bacteriological/biological, chemical (NUBIKA) specialist in DITZIAD is focused on defense action from NUBIKA treats during the war. Based on the Geneva Convention in 1949, the use of NUBIKA during the war is has been prohibited from used and Indonesia declare not to use any NUBIKA weapon during war.

DITZIAD is led by DIRZIAD with the rank of Brigadier General in the military with the help of WADIRZIAD with the rank of Colonel. DITZIAD as the public sector makes the role of DIRZIAD not only as a leader in the military hierarchy but also has a role in Public sector organization as Budget Controller (KPA). Budget controller based on the explanation stated on Article 1 number 18 Government Regulation (PP) Number 58 year 2005, "Budget Controller Proxies are officials authorized to carry out part of the authority of budget users in carrying out some of the tasks and functions of SKPD" for Corps Army of Engineers level all around Indonesia. Dirziad and

IRIDIZIAD is working independently and helping DIRZIAD and WADIRZIAD. IRDITZIAD role in DITZIAD is as the internal auditor of financial management in DITZIAD. There are 12 work units that working under DITZIAD including DITZIAD and Regiment in Indonesia, with 10 sub-working unit, including 4 battalions, laboratory, and other sub-working unit. Change in leadership in the military institution is hard to predict, the leader in each sub-working can change anytime and do not base on the period of time, but based on policy from the MABESAD, there is famous saying in Indonesia military 5 minutes determines everything which means everything can change in a very short period. Where this makes the TNI members must be ready and alert under any circumstances even under unexpected conditions

DIREKTORAT PERANGKATAN DARAT



DITZIAD is Indonesia Central Executive Agency for Zeni personnel that focus on engineering. As a part of The Indonesia Army, DITZIAD is working under The Indonesian Army Headquarter (MABESAD) and all the activity is reported to MABESAD. Military institution

personnel are trained to be ready for any condition that may happen during wartime or peacetime. All Indonesia Military Armed Forces (TNI-AD) personnel are not allowed to take part in politics and any governmental activity during their service period. During the new order era of President Soeharto, dual function in Indonesia Military Institution is allowed and makes the military personnel can take part in government and politics. After the end of the President Soeharto reign, the dual function of Military Personnel is abolished since the year of 2000, military personnel are required to remain neutral for Indonesia politics, and cannot take part in any government activity.

Military personnel are required to focus in their main activity to protect the Nation of Indonesia. Indonesia Military Armed Forces personnel are not allowed to take part in any political activity; however, there are many tasks that government put trust in Indonesia Military Armed forces to do, especially during peacetime. Indonesia is known as one of the largest country in the world, Indonesia is full of diversity and culture. Many problems could also happen during peacetime. One of Military personnel main tasks is to always ready for many circumstances and possibility that may occur regarding national defense.

Based on government regulation number 34 year of 2004 about Indonesia Military armed forces article 5 about the roles of Indonesia Military Armed Forces “Indonesia military Armed Forces acts as a state tool in the field of defense which in carrying out its duties based on the country's political policies and decisions” therefore military activity that TNI does should be approved by government based on political policies. TNI main task as stated on article number 7 paragraph 1 of government regulation number 34 year of 2004 is to uphold the sovereignty of the state, maintain the territorial integrity of the Unitary State

of the Republic of Indonesia based on Pancasila and the 1945 Constitution of the Republic of Indonesia, and protect all nations and all of Indonesia from the threat and disruption of the integrity of the nation and state. Tasks mentioned in paragraph 1 are explained in paragraph 7 articles 2 of government regulation number 34 of 2004 as the main task of Indonesia Military Armed Forces.

1. Military operation for war, and
2. Military operation other than war

The task of Indonesia Military Armed forces as written in Government Regulation number 34 year of 2004 is used by DITZIAD as the reference to do the job as Zeni Corps. DITZIAD is now actively helping the government in completing the construction of trans Papua. Other than that, DITZIAD is usually active during a natural disaster that occurs in Indonesia. During the rainy season, DITZIAD is actively helping the government for flood relief under special mandates.

4.2 DITZIAD Accounting Report for Fixed Assets

Military Institution is included in public sectors because of the nature of military institutions to serve the community. Public Sectors accounting report is using PSAP. The accounting for fixed assets is specifically arranged in PSAP no 7 that is adapted from International Public Accounting Standard (IPSAS) No. 17 about Property, plant, and equipment. This chapter focuses on discussing the importance of categorized of fixed assets in the military institution, and it's relation to the nature of secrecy of relating to state defense and security which seems to contradict to the objectives of accrual-based accounting for financial management accountability and transparency.

Government assets are assets used in community service and the public. To improve government performance, all government assets should be managed properly in all fields and should have good governance to improve public services that can be obtained from assets owned and increase accountability. Fixed assets are generally given important attention by the government because of their use because they have a long useful life. Another thing that causes fixed assets to be given important attention by the government is because fixed assets have high prices and fixed assets are vulnerable to increased high depreciation values if not cared for properly, so that it can reduce the use value of its useful life. The application system used in DITZIAD is SAIBA and Agency Accounting System (SAI). The use of SIMAK BMN software is a step by the government to systematically control assets owned by the concept of goods management and reporting for the better implementation of the state budget in the form of balance sheets.

The interview format is by interviewing informant involved in the accounting report in DITZIAD. The techniques used to check the validity is using triangulation and member check. The triangulation techniques used are source triangulation and time triangulation.

IPSAS No.17 paragraph 20 that is adapted in PSAP No.07 paragraph 76 stated that military equipment both for general purpose or special purpose if the requirement meets the definition of fixed assets must be treated according to accounting principles of fixed assets. The separation of the general and special

DITZIAD accounting member is not majoring in accounting; most of them are self-taught because they think it was part of their jobs. From the Army, there are a lot of seminar and courses for the member of the

Indonesia Army that involved in managing financial report. Indonesian Army is working under the Indonesia Ministry of Defense (KEMHAN). KEMHAN is making a similar application with SAIBA in order to make Unqualified Opinion (WTP) in the Indonesia Ministry of Defense, including Indonesia Army and also DITZIAD. Application from KEMHAN named SAI (Accounting System for Instance). This application is used for all the instance working under KEMHAN based on Regulation of the Minister of Defense number 4 year of 2016. Regulation of The Minister of Defense number 4 year of 2016 in article 1 paragraph 23 stated that "Unit Organization hereinafter abbreviated as OU is levels in managing programs and budgets within The Ministry of Defense and the TNI including OU Ministry of Defense, OU TNI Headquarter (MABES TNI), OU Indonesia Army (TNI-AD), OU Indonesia Air Forces (TNI-AU), and OU Indonesia Navy (TNI-AL).

DITZIAD is working under Indonesia Army, this makes DITZIAD is one of Ministry of defense OU and makes DITZIAD should working according to Minister of Defense Regulation. The Ministry of Defense and all the Organizational Unit of Ministry of defense are working with SAI according to Regulation of The Ministry of Defense number 4 year of 2016 Article 1 paragraph 1 stated that "Accounting System for Instance hereinafter referred to as SAI, is a series of manual and computerized procedures ranging from data collecting, recording, summarizing to reporting financial position and financial operations within the Ministry of Defense and the Indonesia Army". In paragraph 2 of Regulation of Minister of Defense number 4 year of 2016 explained that SAI is carried out in stages within the Ministry of Defense in stages starting from the level of the work unit to the level of the

Ministry of Defense and the Indonesia Military. SAI includes:

1. Financial reporting and Accounting
2. Accounting and State Property (BMN) report

DITZIAD is a public sector working under KEMHAN and the standard using for reporting report in DITZIAD is managed according to PSAK. As one of sub-working under Indonesia Army DITZIAD is a military institution that also following the military rules that applied in member daily working activities. Budget User (PA) in DITZIAD is Director of Army of Engineering (DIRZIAD). DIRZIAD in DITZI is the commander of DITZIAD and also as the Proxy of Budget user (KPA). All Budgets in DITZIAD are managed by DIRZIAD. As the proxy of the budget user, DIRZIAD should arrange the Budget Execution Document (DPA), set the Commitment Making Officer (PPK).

Government's efforts to improve the quality of services to the public and implement good governance practices, the public sector carries out an increase in asset administration by using a system in the form of an accounting information system that assists in the administration of government assets. It also applies to military institutions, especially DITZIAD.

DITZIAD recording the fixed assets in the accounting report of DITZIAD is no different from any other public sectors according to informant A, a member of DITZIAD that is working in Logistics. All the fixed assets in DITZIAD recorded by personnel in logistic to record all the assets depreciation, acquisition, replacement, and internal control.

“All the report and treatment are no different from other public sectors in Indonesia. We just follow the standard given, every year we undergo training related to making financial report better, in Logistic of

DITZIAD we record all the assets when in first brought for DITZIAD, we appraise the value of use for the assets for how many years the assets can be used by DITZIAD.”

The assets that already recorded by a logistic member of DITZIAD then will be given to a financial member of DITZIAD. The recording of assets by Logistics of DITZIAD included the value of the fixed assets after depreciation each year. The logistics of DITZIAD also recorded the equipment in DITZIAD. Personnel of DITZIAD then making the accounting report by putting all the data that already submitted by the logistics department regarding the fixed assets and all the equipment of DITZIAD.

4.2.1 DITZIAD Accounting for Acquisition of Fixed Assets

The main purpose of acquiring fixed assets is to be used by the government in supporting its operational activities and is not intended to be sold. Recognition of fixed assets will be reliable if the fixed assets have been received or the ownership rights have been surrendered or when the owner has moved.

Fixed assets are valued at asset acquisition costs. If the valuation of fixed assets using acquisition costs is not possible, the value of fixed assets is based on the fair value at the time of acquisition. The cost of acquiring fixed assets constructed by self-management includes direct labor costs, raw materials, and indirect costs including the costs of planning and supervision, equipment, electricity, equipment rental, and all other costs incurred in connection with the construction of these fixed assets (Mursyidi, 2009: 184).

According to Appendix II.08 Government Regulation of the Republic of Indonesia No. 71 of 2010, the initial valuation of fixed assets must be measured

based on cost. When fixed assets are acquired without value, the cost of the asset is at the fair value at the time the asset is acquired. A fixed asset may be given to the government as a donation. An asset may also be obtained without value through the implementation of government-owned authority. In both cases, the fixed assets acquired must be valued based on the fair value at the time the fixed assets are acquired. To prepare an entity's initial balance sheet, the cost of acquiring the fixed assets used is the fair value at the time the initial balance sheet is prepared. For the following period after the initial balance sheet date, for the acquisition of new fixed assets, an entity uses acquisition costs or fair prices if the cost is not available.

Asset reporting when the acquisition of DITZIAD has several control points in its acquisition, including:

1. Rules and procedures must be established and applied to all fixed assets and asset expenditure activities.
2. Capital projects must be approved in advance and monitored for budget compliance purposes through monthly reports.
3. Approved expenditure levels must be monitored, and approval must be obtained.
4. Acquisition of assets in the reporting must represent the actual assets purchased.

The cost of acquiring a fixed asset consists of its purchase price or contract, including import duties and any costs directly attributable to bringing the asset to the conditions that make the asset work for its intended use. Examples of costs that are directly attributable are as follows:

- a. Preparation fees
- b. Initial shipping costs and storage and loading and unloading costs
- c. Installation costs

d. Professional fees such as architects and engineers

e. Construction costs Land is recognized for the first time at cost.

Cost includes the purchase price or cost of land acquisition, costs incurred in order to obtain rights, maturation fees, measurements, stockpiling, and other costs incurred until the plant is ready for use. Land value also includes the value of old buildings located on the land purchased if the old building is intended to be demolished. The cost of acquiring equipment and machinery illustrates the amount of expenditure that has been made to obtain the equipment and machinery until it is ready to use. These costs include purchase prices, transportation costs, installation costs, and other direct costs to obtain and prepare until the equipment and machinery are ready for use.

The cost of building and building describes all costs incurred to obtain buildings and buildings until they are ready for use. These costs include the price of purchase or construction costs, the costs of arranging permission to build a building (IMB), notary, and tax. Acquisition costs, irrigation roads, and networks illustrate all costs incurred to obtain roads, irrigation, and networks until they are ready to use. These costs include the cost of acquisition or construction costs, and other costs incurred until the road, irrigation and the network is ready for use. The acquisition cost of other fixed assets describes all costs incurred to obtain these assets until they are ready to use.

When recognition of assets will be more trusted about proof of ownership that occurs regarding ownership rights and legal control, for example, land certificates and proof of vehicle ownership. If approved fixed assets have not been supported by evidence, the law still exists from the required administrative process, such as the

purchase of land that must be processed by the purchase process (deed). Moreover, ownership certificate in the relevant agency, then the fixed asset has been moved, for example, has occurred payment and control of land certificates on behalf of the previous owner (Mursyidi, 2009: 185).

Generally, every asset recorded must represent the actual assets purchased during asset registration, where the asset must be recorded by the actual value of the asset. Asset assets owned must be recorded and categorized as regulated in Minister of Finance Regulation NO.29 of 2010 concerning classification and codification of state property (BMN). Once classified and codified, each asset that enters its respective group is given a useful life or year of depreciation according to the classification of assets that refers to the useful life table regulated by the Minister of Finance Decree 59 of 2013.

Table 4.1
Acquisition of Fixed Assets in DITZIAD

Number	Acquisition of Fixed Assets in DITZIAD value of the market.	Yes	no
		“The partner usually giving gift or donation in DITZIAD anniversary. A few years before, we received a small bus from Bank B that is used for PERSITv (Army Wife Unity) in their activities, we don’t really know the price because it was a gift, so we check the fair value in the market for the bus, and write it as the fair value in the market.”	
1	Do all fixed asset purchases budgeted?		
2.	Is the purchase request list approved and correctly?		
3.	Do all the expense of asset purchases monitored for compliance with the budget plan?		
4.	Do all acquisition of fixed assets included in the asset list?		
5.	Do overbudget of acquisition of the assets at the time of acquisition acceptable?		
6.	Is the depreciation schedule for fixed assets made when the asset is received?		

Informant A from Logistic unit of DITZIAD stated that most of DITZIAD fixed assets recognized at the time of the transaction, for donation and gifts from the partner of DITZIAD, the assets will be recognized at the fair value of the market. For construction, replacement of official cars on a large scale DITZIAD usually procuring tenders. The tenders for the

building must be finished at the agreed time from both parties.

“For the procurement of assets at DITZIAD, we usually hold open tenders that can be followed by all companies, and we will choose the best, usually for procurement of official vehicles on a large scale, because official vehicles in the army are usually replaced simultaneously. For example, for official cars from Assistant positions, such as ASLOG (Assistant of Logistics), ASPERS (Assistant of Personnel), ASINTEL (Assistant of Intelligence) and other personnel with the same rank in DITZIAD, they will be replaced at the same time, because at the same time they are received together. The assumption is that all are equally used for daily activities.”

For assets that are donated and given from DITZIAD partner, Logistic unit usually write the value of the assets in fair

For the building and construction in DITZIAD, all the value written is all cost used for the building and construction is ready to use including the tax, construction costs, including the costs of arranging permission to build a building (IMB), and notary.

“The value of the building and construction is written as the cost incurred until the building is ready to use, all including the notary, IMB,

tax, and many others. We usually do tender for companies to build the building and do construction if it is on a medium scale or large scale, for small scale we usually do it by ourselves, personnel at DITZIAD capable for the jobs such as renovating the personnel house, changing new fences, or build the personnel house if it just one or two houses. Honestly, we can build construction in medium scale too, but our personnel has their own jobs that they already assign to, we do not want the basic tasks as a soldier that keeping peace in our nation is neglected.”

The construction should be finished at the time agreed by both parties. If the construction company failed to meet the time agreed from both parties to finish the construction, the construction company should pay fine as agreed by both parties at the beginning of the agreement.

“For medium scale of project and construction we usually hire construction company for the construction, we usually put time for our consideration, we usually agreed for how long the construction can be finished by the construction company, if the construction company can not finish it on time, we usually received a fine as agreed at the beginning of the tender. The fine we received is not reducing the value of the construction, but it will be written as revenue in our record. The revenue then will be deposit directly to the government at the end of the month or period depending on the situation”

For the construction in progress, if the completion of the construction of a fixed asset exceeds or exceeds one period of the

fiscal year, the fixed assets that have not been completed are classified and reported as construction in progress until the asset is completed and ready to use. Construction in progress that has been completed or built and is ready to use must be reclassified immediately in fixed assets. After the asset is owned, it is codified and categorized for each asset so that the fixed assets can be given the appropriate year of depreciation based on the useful life table issued by the Ministry of Finance. One of the objectives for coding the assets in the DITZIAD environment is that each transfer of outgoing or incoming assets can be identified and tracked. As for procurement of goods that are in the DITZIAD environment other than Defense Equipment can be monitored directly through a transparent online tender system through the TNI Headquarters (TNI MABES) website and for Defense assets, they must make special appointments in their procurement due to the complexity of items from defense assets.

Heritage assets are fixed assets that are owned or controlled by the government, which because of their age and condition, these fixed assets, must be protected by applicable regulations from all kinds of actions that can damage the fixed assets. Historic assets are not required to be presented on the balance sheet but these assets must be disclosed in the notes to the financial statements. Heritage assets should be recognized recognize without value except those assets is giving benefit to the government. Heritage assets owned by DITZIAD are monuments.

Characteristics that are often considered as a characteristic of a heritage asset are:

1. Having cultural, environmental, educational, and historical values that cannot be fully symbolized by financial values based on market prices

2. Applicable laws and regulations strictly prohibiting their release
3. It is not easy to change and its value will continue to increase during the running time even though its physical condition decreases
4. It is difficult to estimate its useful life

Some heritage assets also provide other potential benefits to the government in addition to their value, for example for office space. For this case, the same assets will be applied as other fixed assets, but for other historic assets, it will be recognized without value because it has no use value in government and only provides historical value.

4.2.2 DITZIAD Depreciation Method for Fixed Assets

Fixed assets are presented based on the acquisition cost of the property, less accumulated depreciation. If there is a condition that allows revaluation, then the fixed assets are presented based on the adjustments in each revalued fixed asset, and in the equity account (equal to the difference in the revaluation value with the carrying value). Depreciation is the adjustment of value in relation to a decrease in the capacity and benefits of an asset. Depreciation values for each period are recognized as a reduction in the carrying amount of fixed assets in the balance sheet and depreciation expense in the operational report. In addition to land and construction under construction, all fixed assets can be depreciated by the nature and characteristics of the asset. The preconditions for depreciation are as follows:

- A. Know the book value that can be depreciated
- B. The useful life must be known.
- C. Conditions that cause a decrease in fixed assets must be known.

According to PSAP 07 Par 57, the useful life of fixed assets that can be depreciated must be reviewed periodically, and if there are large differences from the previous estimates, the current and future depreciation must be adjusted. Depreciation methods that can be used must be able to describe economic benefits or the possibility that services that will flow to the government include:

- a. Straight-line method. This method produces the same value for each accounting period.
- b. The double declining balances method. This method can be carried out by means of a straight-line method associated with two, but the basis for depreciation is the book value, namely the acquisition price is reduced by the accumulation of depreciation.
- c. Production unit method (unit of production method)

DITZIAD is use depreciation Straight-line depreciation methods and follow the decree of the Finance Minister No.59 of 2013 about Table of Useful lives for their assets. Straight-line depreciation method is chosen because this method is more convenient to use than any other method and in reporting is following the decree of the Finance Minister No.59 of 2013 about Table of Useful lives for their assets. The straight-line method is using the same value for depreciation for each year. For each asset received by DITZIAD, it will be estimated the use value of each asset and for how long the assets can be used by DITZIAD. Informant A stated that:

“Fixed assets in DITZIAD is using the same value for depreciation each year, when we recognize the assets, we estimated the value of the use of each asset, and how many years the assets can probably be used by our

personnel. In each year the value of the assets is decline because of the usage. For official cars for the personnel, we usually use it for 10 up to 15 years. Then we put the possible price of the assets 10 years from now and the depreciation for the assets every year for 10years. Each year we write the depreciation for the assets if the assets are still in a good shape and condition after the use time first written, we returned it to DITZIAD of the possible use of the assets if we will re-evaluate the value of the assets or we should remove the assets.”

All the methods for depreciation of fixed assets are revealed to make easier accounting reporting. If the depreciation method used is disclosed, it will be easier for DITZIAD personnel to measure the value of the assets when depreciate. It is also expected that the personnel in DITZIAD can prepare the financial report effectively because the personnel changes in DITZIAD can occur very quickly, even though all the report have a similar standard but revealing the depreciation method is done to minimize error that may occur.

Table 4.2

DITZIAD Control for Depreciation

No.	Depreciation of fixed assets in DITZIAD	be recalculated the next use value and adjusted depreciation use value.	Yes	No
1	Do all use value, depreciation, and a residual value of fixed assets in DITZIAD are calculated when the asset is acquired?	For all Vcosts incurred for the maintenance of fixed assets that are used and can increase the value of use, adding		
2	Do DITZIAD schedule periodic maintenance to ensure the useful life of fixed assets in DITZIAD?	consume the benefits in the future must be added to the asset's enumerated value.		
3	Do DITZIAD record the depreciation of fixed assets in DITZIAD annually?	However, there are determining criteria that are an expense for maintenance of the asset		
4	Do all maintenance costs that prolong the useful life of fixed assets in DITZIAD are capitalized?	is capitalized or recognized as an expense. Assets other than land and construction		
5	Do all fixed assets in DITZIAD are adjusted annually to adjust the increase or decrease in assets use value?	under construction are depreciated according to the nature and characteristics of the assets		

6	Do the depreciation method used in reporting of assets in DITZIAD revealed?
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Use value, depreciation, and a residual value of fixed assets in DITZIAD are calculated when assets are first acquired. This calculation is done to control the assets of DITZIAD and to know the value of assets in DITZIAD. Classification of use value and depreciation is done following the Decree of the Minister of Finance No.59 of 2013 about the table of useful life. DITZIAD scheduled periodic maintenance to ensure the useful life of their assets because most of the fixed assets have high price so that assets must be treated to optimize the value of the assets.

Depreciation of fixed assets each year is adjusted according to the conditions of the assets owned, some assets may have a useful life that is different from other assets that are similar depending on the maintenance of each asset. Therefore each asset in DITZIAD has updated the value annually. If there is an increase in the value of the use of an item due to use and maintenance, the asset of the depreciation value will be recalculated and assessed the latest value of benefits because the use of the assets can affect the use value of the assets. The same thing also happens to assets whose use value decreases from the initial depreciation value specified; the asset will be recalculated the next use value and adjusted depreciation use value.

For all Vcosts incurred for the maintenance of fixed assets that are used and can increase the value of use, adding consume the benefits in the future must be added to the asset's enumerated value. However, there are determining criteria that are an expense for maintenance of the asset is capitalized or recognized as an expense. Assets other than land and construction under construction are depreciated according to the nature and characteristics of the assets

described in the issued by the Ministry of Finance's Table for Useful life of assets.

4.2.3. DITZIAD Treatment For Fixed Assets Removal

In the replacement of fixed assets in DITZIAD, to prevent problems that can affect the efficiency and operational effectiveness of DITZIAD checks on fixed assets replacement is carried out with several control points to minimize the occurrence of problems which are:

1. Removal of assets is carried out with authorization, validation, and traceability so that they can be explained in financial statements.
2. Records for removal must describe accumulated depreciation with a statement of profit or loss when disposing assets.
3. All fixed assets that are not used anymore or do not have a share value must be disposed.

Informant A from the Logistics department of DITZIAD stated that all assets disposal has to be approved by DIRZIAD before it can be disposed.

“All assets at DITZIAD that will be disposed should have approval from DIRZIAD as the commander of DITZIAD. The logistics usually giving information and attachment about all the assets that are planned to be disposed then DIRZIAD will approve assets that should and should not be removed. Some assets also removed but diverted the function, for example, a tank that is no longer can be used is used for monuments. The assets are changing to heritage assets.”

All the assets that have been approved to be disposed by DIRZIAD, the data of the assets will be submitted to the MABESAD for an approval to dispose through open auction. DITZIAD is unable to offer an auction because the entire auction is

conducted by MABESAD (Indonesia Army Headquarters). If it has not been sold, the asset is still recognized as DITZIAD assets.

Table 4.3

DITZIAD Removal for Fixed Asset

No	DITZIAD fixed assets removal
1	Do all the removal of fixed assets in DITZIAD traceable?
2	Do all the removal of fixed assets is approved?
3	Do all fixed assets that are no longer can be removed immediately?
4	Do all fixed asset that is no longer has economic values removed immediately?
5	Do the record for asset write-off depreciation accumulated depreciation with a statement of profit and loss on asset disposal?
6	Do all disposal of fixed assets recorded immediately after the disposal?

Fixed asset removal in DITZIAD is traceable because in order to remove the assets should have approval, authorization, and validation. It is done so the assets that are recorded can be accounted for and explained in the financial statement. Authorization of changes to fixed assets either removal, acquisition, and depreciation is using SIMAK BMN (System Information for Management and Accounting for State-owned Assets) and must on the procedure is given. The changes of the data in SIMAK BMN can only be done by the operator of the SIMAK BMN in DITZIAD and if there are correction and changes to the value of assets listed in SIMAK BMN must be supported by strong evidence of correction of record and changes in the recording.

Assets that are no longer have economic value and useful life should be removed immediately, but in the process of fixed assets removal, there will go through many validation and approval. Fixed assets in the military institution are varying in classification, but the standard for fixed assets accounting that is given is still too general. For a fixed asset that is common to

use in other institution, the classification of assets in DITZIAS is easier for the removal procedure, otherwise for the defense equipment are sometimes is still used when the useful life of the assets is already expired. Assets removal control in DITZIAD for defense equipment is constrained by the composition of assets that are different from any other institution. Defense equipment is dominated by heavy equipment with a high level of complexity and high material values. Sometimes to maintain the fixed assets, it happens the cannibalization of assets where assets that already expired the useful life and no longer have economic value but not yet removed, the spare parts of that assets are used to maintain and repair defense assets that are still useful, the cannibalization of assets does not yet have proper standard for recording.

In reporting for fixed asset removal, sometimes there are still obstacles where when assets already removed but not recorded immediately because of the constraint of human resources. Some fixed assets are removed by selling the assets that no longer have economic benefit through the auction of removal of state assets. This auction is usually not done by DITZIAD but done by MABESAD (Army Headquarters), this caused the assets that already sold to public through auction cannot be recognized immediately in accounting report because the completeness of the authorization and validation of the assets auctioned while for removing the assets in SIMAK BMN should have strong evidence and authorized.

4.2.4 Internal control for DITZIAD fixed assets

Internal control for fixed assets owned by the government must be done because most of the fixed assets have high material value. To prevent loss, damage, and other factors that may cause the fixed assets cannot be used until predetermined times,

DITZIAD has internal control to control the assets. The control is done when assets are acquired until the disposal of the assets. Internal control also is done for tracing the assets and manage the assets owned by DITZIAD. To control the risks to DITZIAD internal control is needed for preventing and preventing fraud in order to protect DITZIAD assets. Good internal control may benefit the institutions so it can have effective and efficient operations, the transaction record is an accurate, reliable financial report, and so all the operation done complies with laws and regulations, internal policies and internal procedure. Internal control in DITZIAD is existed to keep performance is within what is expected, allowed, and accepted. Good internal control of an institution can provide reasonable assurance that the objectives of institutions can be met. Effective internal control implies that institutions generate reliable financial reporting and substantially complies with the laws and regulations that apply to it.

To meet DITZIAD objectives, internal control is needed to keep the assets so that it can be used properly and optimally as public sector DITZIAD has to follow the law and regulation from government in all of the activities. The control of the assets will benefits DITZIAD because it will be easier to trace the assets, know the value of the assets, and maintain the assets.

Table 4.4

DITZIAD Internal Control

No	DITZIAD Internal Control	Yes	No
1	Do changes of value in all DITZIAD assets is written?	V	
2	Do all changes of value in assets is written and authorized according to standard?	V	
3	Does DITZIAD use trace tag for all assets with high value?		V
4	Do physical inventory checking is done periodically?		V
5	Do all assets owned by DITZIAD is written in SIMAK BMN?	V	
6	Do all changes in the value of assets in DITZIAD is done is the same accounting period?	V	
7	Do DITZIAD doing periodic maintenance for all the assets?	V	

All the changes in value in all assets is written in DITZIAD, but sometimes it is not in the same accounting period because for some of the assets has to be checked first to know the possible changes of value of the assets. All the changes in the value of the assets are written and traceable, the changes of value in DITZIAD assets has to be authorized validate before the value can be changed and should be according to the real condition of all the assets. To make the assets tracing more easily, all of DITZIAD assets are numbered according to the specification of the assets. It is also done so DITZIAD can maintain the assets owned more efficiently and to prevent fraud in accounting record.

Tracing tags are not used for all the assets in DITZIAD, but DITZIAD registers all the assets owned. It is done so assets checking can be done more easily. Assets checking is not done periodically, but for the assets that have high price the checking is

done periodically, for the assets such as official cars, and official housing provided for DITZIAD personnel the assets checking is done when DITZIAD personnel will move to their new unit of work or when needed. All the assets owned by DITZIAD can be traced in SIMAK BMN. The changes in the value of assets are reporting in the same accounting period to minimize the possibility of fraud that may occur. Periodic maintenance is done properly to ensure all the assets is in good condition and to ensure the useful life of assets.

Maintain the assets are also a part of internal control because the maintenance of the asset can ensure the values of the assets and optimize the use of the asset; prolong the use value of the assets and many other benefits. Based on Avellanet (2005), some maintenance assets is essential, and in certain assets such as heavy equipment have a higher maintenance cost than the acquisition cost of the asset itself so the company must carry out maintenance and capitalize costs for each period. For that, we need control points for maintenance, such as:

- a. Important assets must be maintained properly
- b. Scheduling maintenance of assets determined according to Procedures and regulations
- c. Imposing maintenance costs according to maintenance
- d. Updating the value of assets that are maintained based on additional capitalization that can change the useful life of the asset

4.3. Influence in Accounting Report for Fixed Assets in DITZIAD

DITZIAD, as the public sector is obligated to make a financial report to the government for all the accounting activity done in DITZIAD. It is done to make sure all the funds for the operational activity of

DITZIAD is used effectively and efficiently and to know the assets is used properly for the public interest. In compiling the accounting report, most of DITZIAD influence is from law and regulations by the government. All the regulations and laws, according to the accounting report in the public sector have objectives so all of the public sectors can prepare an accounting report that is reasonable and reliable.

To ensure all of DITZIAD accounting report is free from fraud, DITZIAD has an internal auditor. Internal auditor of DITZIAD is called IRDITZI. All the financial report and the operational activities of DITZIAD are monitored by IRDITZI. IRDITZI is working under IRJENAD as an internal auditor for MABESAD. IRIZDITZI makes sure that all the accounting report of DITZIAD is verifiable. All the accounting report has to be reliable because the accounting report is used as a based on decisions making and management. The FASB described three attributes that all reliable financial information has: Verifiability, representational faithfulness, and neutrality.

Financial information is verifiable when multiple, independent measure is used to come up with the same result, in other words, auditors and other third parties can measure and evaluate the DITZIAD financial information and end up with the same results. The external auditor of DITZIAD is BPK. Until now BPK gives status to a financial report in MABES TNI with unqualified. Representational faithfulness means that the financial statements represent reality or what happened during the year, and in order for the financial statement to be reliable, all the financial reports must be neutral. By definitions, a financial statement that is prepared should prepare completely unbiased by financial statements.

The public certainly wants information about the use of government funds and the allocation of funds used by the public sector in Indonesia. Most of the APBN obtained from taxes drawn from the public for the benefit of the public. Therefore the community has the right to know how this fund is managed. It also applies to military institutions where the use of funds from military institutions must be well expressed as a form of responsibility for the use of state budget funds.

The level of public confidence in the TNI according to a survey conducted by Charta Politika, an independent survey institute, revealed that the TNI was ranked first in the level of public trust in Institutions in Indonesia with a confidence level of 73.5%. As the most trusted institution in Indonesia, the TNI has a responsibility to maintain the public trust that is given, one of which is by disclosing the financial statement as a form of obligation to the public about the management of the funds. As a military institution, public trust in DITZIAD must also be maintained as a form of responsibility to the public. The public certainly wants to know how all the funds are managed and what funds are used for. The allocation of funds given to the TNI is increasing from year to year because the surrogate has an objective for defense optimizers to be ready under any circumstances. Fixed assets owned by military assets generally have high value and not cheap maintenance. Thus the disclosure of financial information from military institutions is important for the community to know.

Unfortunately, the financial statements owned by DITZIAD, it still cannot be accessed directly by the public because it is not published directly in the website, but if the public wants to know, the public can come directly to DITZIAD.

Several other military institutions such as the Military Court in Banjarmasin already present their financial statements on their official website every year. Informant X stated that the reason for financial statements cannot be directly accessed by the public because there are still no orders from superiors regarding disclosure of the financial statement.

"The financial statements at DITZIAD still cannot be accessed directly through the website because there are no follow-up orders from superiors, but if the public wants to know about the financial statements held by DITZIAD, the public can go directly to the DITZIAD office to see and check directly."

The informant X also explained the same thing.

"The financial statements have not been entered into the website because there are still no further instructions about that, but if the public wants to know that they can come directly to check it themselves at DITZIAD, many students who research here can also see financial reports, people from organizations who want to know the material. The researcher also usually comes to check for research material. "

The financial statements presented at DITZIAD have been properly registered and validated, but many of these assets are not explained in detail in their types and compositions. It is because the military assets are diverse and have many kinds of assets which are not common to other institutions, this causes many of these military assets to have no standard about

codification, so many assets are written just in general on their asset reports because there is still no codification for many types of assets owned.

4.3.1 Influence Government Regulation no 61 of 2010 in Accounting Reports of DITZIAD

In preparing financial statements, financial statements have to be reliable, but as a military institution with the main task is to keep national security and defense, all funds used for the operational activity of military institution can be used to estimate the military strength, such as weapons, equipment, and composition of personnel. For that matter, the government issued Government Regulations No. 61 of 2010 of law implementation of law no. 14 year of 2008 about disclosure of public information. Some information can be exempt and remain confident when information is reported as endanger national defense and security. Which is among information on the number, composition, disposition, or dislocation of strength and ability in the administration of national defense and security systems as well as its development plan. This reason makes military institutions can avoid the presentation of confidential information.

Informant X stated that the Government Regulations No. 61 of 2010 of law implementation of law no. 14 year of 2008 has no significant effect in financial reporting in DITZIAD.

" Most of the composition of DITZIAD assets is land, buildings, bridges, irrigation, and military equipment. Because DITZIAD itself is focused on engineering where we are focused not as people who participate in warfare but rather to provide major support. The major support that is given by Zeni Corps during the war including building

bridges to facilitate personnel in the movement, explosive defusing to landmine and bomb during the war, obstacle specialist that is focused on making, obstacles to the movement of the enemy and blocking the movement of an opponent. All the assets owned by not kept confidential and submitted to the public. Maybe the secret is not the financial report from DITZIAD and the assets owned but the military plans.”

Informant Y stated a similar thing when asked about the impact of Government Regulations No. 61 of 2010 of law implementation of law no. 14 year of 2008 has no significant effect in financial reporting in DITZIAD.

"All asset is reported following real circumstances and are not kept confidential. Because DITZIAD is focused on providing major support in every military activity, so most assets are in the form of buildings, bridges, irrigation, and heavy equipment. If the financial statements can be that easy, not disclosed for reasons national defense is sometimes feared by those who use it for personal interest. Perhaps the confidential information is the military's plan, because even though Indonesia is not in war but many of the separatist movements will affect national security. “

Confidentiality of information in DITZIAD and military institution is not including the financial report of DITZIAD. DITZIAD financial statements remain reliable and can be accounted for because it is arranged according to existing standards. The financial report is reported based on three attributes, which are verifiability, representational faithfulness, and

neutrality. It is feared that if the Government Regulations No. 61 of 2010 of law implementation of law no. 14 year of 2008 is also applied to financial statements of financial statements to be unreliable because the assets reported in the financial statements are not following the actual conditions, feared the financial statements would not meet the standards, and there will be parties who may use the law - invite this for personal gain.

Government Regulations No. 61 of 2010 in law implementation of law no. 14 year of 2008 does not affect applicable accounting reporting, but several factors cause closure regarding the information on fixed assets held in DITZIAD. The incomplete coding of military assets regulated by the government has caused military assets to be reported in detail regarding their composition.

5. CONCLUSIONS

a. Conclusions

Based on the problems that have been formulated, the results of the analysis and testing of hypotheses that have been carried out in the previous chapter, then conclusions can be drawn as follows:

1. The results of the research show that the variable Perceived of Risk (X1) has a direct influence on Perceived of Satisfaction (Z) because it has a probability value (0.000) <0.05, which means there is a significant effect. This research also explains that OVO application users feel that the risks experienced for using this application are also minimal. It means that OVO users can already know the usefulness of OVO has a small risk and can be an intense use for them because they are very satisfied.

2. The results of the research show that the Perceived of Ease of Use (X2) variable has a positive effect on Perceived of Satisfaction (Z) because it has a probability value (0.000) <0.05 , which means there is a significant effect. It is very much in line with the results and object of research, namely that with the use of the OVO application, the application user will feel at ease that is found so that the user can feel satisfied with the use of the application.
3. The results of the research show that the Perceived of Usefulness (X3) variable has a positive effect on Perceived of Satisfaction (Z) because it has a probability value (0.000) <0.05 , which means there is a significant effect. Based on the results of the research, the use of OVO applications in the eyes of users is indeed very useful. It means that various diverse needs can be used by OVO application users in meeting their needs, so that users can give attention that OVO applications are very useful for them.
4. The results of the research show that the Perceived of Benefit (X4) variable has a positive effect on Perceived of Satisfaction (Z) because it has a probability value (0.000) <0.05 , which means there is a significant effect. Based on the results of the research shows that OVO application users see that by using OVO, they will get many benefits. The use of OVO can provide benefits from various financial transactions. Users can feel the various benefits delivered by OVO, because OVO has a variety of benefit features for the users, so the benefits provided will affect the satisfaction of OVO users.
5. The results of the research show that the Perceived of Satisfaction (Z) variable has a positive effect on Re-Using Intention (Y) because it has a probability value (0.000) <0.05 , which means there is a significant effect. Based on several arguments that have been explained, it can be concluded that OVO users have been satisfied because the various attributes that have been provided by OVO have met the needs of the users of the application. In other words, when it is fulfilled it will feel satisfied and have implications for the use of the OVO application again.

b. Implication

Based on the conclusions above, several suggestions are expected to be useful for the company and other parties. The suggestions given include:

1. It is expected that the company can maintain and improve service to the Perceived of Ease of Use, because the Perceived of Ease of Use variables have a significant influence on the Perceived of Satisfaction, including by increasing convenience for consumers so that the Perceived of Satisfaction will increase.
2. Given that the independent variables in this research are very important in influencing the Perceived of Satisfaction, the results of this research are expected to be used as a reference for further researchers to develop this research by considering other variables which are other variables outside the variables that have been included in this research.
3. This research is expected to be used as an input for management and analysts of the OVO system to pay attention to risk perceptions,

perceived ease of use, perceived usefulness, perceived benefits to perceived satisfaction toward re-use intention in implementing and developing information systems based on m-wallet.

c. Limitation

Based on the results of the study, the researcher got several limitations in this study including:

- 1) This study has a contribution of 66.12%, so the rest can be explained by other variables not included in this study.
- 2) This study has the scope of the sample under students majoring in accounting on Universitas Brawijaya, so researchers have not researching more extensively related to the overall scope of OVO users.
- 3) In addition there are 16 questionnaires that cannot be used. The data cannot be used because respondents never used OVO. Respondents fill out without reading the contents of the questionnaire properly so that there are several pages and indicators that are missed and not filled, or filled but with biased answers

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