

**THE EFFECT OF REVALUATION, ADMINISTRATION, AND  
ACCOUNTING MANAGEMENT INFORMATION SYSTEM OF STATE-  
OWNED ASSETS ON QUALITY OF FINANCIAL REPORT**

**(CASE STUDY ON THE OFFICE OF STATE ASSET MANAGEMENT  
AND AUCTION BANDAR LAMPUNG)**

**(UNDERGRADUATE THESIS)**

**By**

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**ECONOMICS AND BUSINESS FACULTY  
LAMPUNG UNIVERSITY  
BANDAR LAMPUNG  
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## **ABSTRACT**

### **THE EFFECT OF REVALUATION, ADMINISTRATION, AND ACCOUNTING AND MANAGEMENT INFORMATION SYSTEM OF STATE-OWNED ASSETS ON QUALITY OF FINANCIAL REPORT (CASE STUDY ON THE OFFICE OF STATE ASSET MANAGEMENT AND AUCTION BANDAR LAMPUNG)**

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*The revaluation benefit for State-Owned Assets (SOA) is obtaining updated asset values in the financial report according to fair values. Decision-making in SOA management should be better and support the asset function as a revenue center. The revaluation of SOA is also helpful for supporting APBN funding sources by providing SOA as the underlying asset for SBSN issuance. This study determined the effects of revaluation, administration and the implementation of management accounting information systems of state-owned assets on the quality of financial reports.*

*This research was conducted at The Office of State Asset Management and Auction Service (KPKNL) Bandar Lampung using primary data collected from distributing questionnaires and interviews. The population in this study were all KPKNL Bandar Lampung employees; there were 34 people, and the population was taken as a research sample. Data analysis was performed using Partial Least Square with the revaluation, administration, and implementation of SIMAK-SOA as independent variables and the quality of financial reports as the dependent variable. The data analysis instrument uses Smart-PLS version 3.3.9.*

*The results of this study indicate that the revaluation and administration variables have no significant effect on the quality of financial reports, and the implementation of the management and accounting information system of the state-owned asset (SIMAK-SOA) has a significant effect on the quality of financial reports. From this research, some evaluations and improvements need to be carried out by SOA management and can be a source of knowledge about SOA for the community to help oversee SOA management. Furthermore, researchers are expected to be able to add to the types of variables that have been presented in this study and expand the research subject.*

**Keywords: Revaluation, Administration, SIMAK, State-Owned Asset**

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**By**

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**As One of The Requirements to Achieve Degree  
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**On**

**Accounting Department  
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**FACULTY OF ECONOMICS AND BUSINESS  
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Hereby declare that the thesis entitled " The Effect of Revaluation, Administration, and Implementation of Accounting and Management Information System of State-Owned Assets on Quality of Financial R

eport (Case Study of The Office of State Assets Management and Auction Service in Bandar Lampung)" is truly my own work. In this thesis there is no whole or part of the writings of other people which I took by means of copying or imitating in the form of a series of sentences or symbols that denote ideas or opinions or thoughts from other writings, which I acknowledge as if they were my writings, other than that or I took it from someone else's writing without giving credit to the original author. If in the future it is proven that my statement is not true, then I am ready to accept sanctions in accordance with applicable regulations.

Bandar Lampung, February 9<sup>th</sup>, 2023

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## **BIOGRAPHY**



The author's name is Karin Nuraida Baharsyah, was born in Lampung Province on July 14th, 1999. The author is the first of three children of Mr. Baharsyah Idrus and Mrs. Atiek Widayati. The author is registered as a student of the Department of Accounting in International Class, Faculty of Economics and Business, University of Lampung, in 2017. The author attended the International Short Course Program at Aoyama Gakuin University, Japan, in November 2018. During lectures, the author is active in several campus activities as a Business Administration and Legacy Manager at AIESEC Unila, as Finance Organizing Committee for Summer Projects, and Active in the activities of the FEB Unila Accountants Student Association, and most of them are responsible for these activities, namely managing finances and managing expenses so that all activities run well. In addition, the author also attended several training pieces to improve hard and soft skills by joining Data Analytics and Product Management training.

## **DEDICATION**

### **Alhamdulillahirabbil'amin**

Praise of Allah SWT has provided help and blessings so that the writing process of this thesis can be completed, and Sholawat and Salam are always holy to the Prophet Muhammad SAW.

**With all humility, I dedicate this thesis to:**

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## **MOTTO**

‘Striving for Excellence’

**(Me)**

“It will pass, just do it.”

**(Me)**

“Not only about me loving you or you loving me, but about loving the same thing, namely Allah SWT. And have the same goal, which is to reach His Heaven”

**(Suntoro)**

"In this world everything we want is what we create for ourselves and Allah is the one who predestined it for us, therefore plan what is your vision and mission to always improve yourself so that you become good human beings"

**(Suntoro)**

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Karin Nuraida Baharsyah

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## **I. INTRODUCTION**

### **1.1 Background Research**

Financial statements are documents that, in compliance with Government Accounting Standards, provide information for decision-making and are used to account for resources given to government agencies. In addition to being a tool of government accountability to the people regarding the country's finances, the Central Government Financial Report (LKPP) is also an indicator of the credibility of a government. Based on Government Regulation (PP) No. 71 of 2010, presenting financial statements must contain quality information, and the requirements to meet high-quality financial reporting specifications are relevant, reliable, understandable, and comparable.

Along with the rollout of financial reform, the government has issued a Law governing state finance and treasury by issuing The Management of State/Regional-Owned Assets is regulated by Government Regulation (PP) Number 27 of 2014 (Barang Milik Negara/Daerah or SOA/ROA). The management of the SOA in question includes planning needs and deployment, procurement, use, utilization, security and maintenance, valuation, removal of transfer, management, construction, supervision, and

control. However, the PP has not fully accommodated some regulatory needs in the management of SOA/ROA, so improvement is needed by issuing PP No. 28 of 2020 as a change from PP No. 27 of 2014 on Management of State/Regional-Owned Assets (SOA/ROA).

Based on PP No.27 of 2014, it is explained that State-Owned Assets (SOA) are all assets purchased or obtained at the expense of the State Budget (APBN) or gained from other legal acquisitions. SOA is also a government-owned asset that must be presented in the Government Financial Statement. SOA is sustainable from acquisition to deletion after it is no longer used in government operations. For this reason, SOA management is required based on applicable regulations. SOA should be presented based on actual values and conditions so that the Financial Statements become relevant and reliable. Calculating depreciation expense and improper depreciation accumulation result from errors at the time of codification and grouping of SOA. Utilization of SOA outside the regulations could be at a loss to the State. From the results of the Indonesian Audit Board (BPK-RI) examination of LKPP in 2012 - 2014, BPK RI contains a Qualified Opinion (WDP) on four things, including the issue of fixed assets in the implementation of Inventory and Revaluation (IP), namely:

1. The discovery of value correction results in SIMAK-SOA is different from the results of correction of IP value of Rp12.95 trillion;
2. There are seven Ministries/Government Agencies (K/L) that have not been IP with a fixed asset acquisition value of Rp5.34 trillion;

3. Considering the outcomes of the IP of four Ministries / Government Agencies (K/L) that have not done bookkeeping amounting to Rp56.42 trillion;
4. The government cannot depreciate fixed assets because DJKN has not been able to measure the benefits for each fixed asset.

Among the causes of the opinion given by Qualified Opinion (WDP) is one of the factors contained. The implementation of inventory and assessment is partially following existing provisions. Therefore, it is also expected that the quality of financial statements will be increased after the orderly implementation of inventory and assessment on state-owned assets is carried out by presenting SOA data by fair value, inventory of SOA, the bookkeeping of assets that have not been following applicable regulations, and inadequate recording and reporting. SOA management itself consists of bookkeeping, inventory, and reporting. The effort to produce quality financial statements in SOA management assisted by implementing the Accounting Management Information System of State-Owned Assets (SIMAK-SOA). SIMAK-SOA is a system that must be done in conducting SOA management. Its implementation must be done optimally so that the second report is required to be done.

Based on PP No. 28 of 2020, it is regulated that the Minister of Finance is the Manager of Assets, and the Minister/Head of Institutions is a User of Assets. Given the considerable authority and responsibility of the Minister of Finance in managing SOA, the Ministry of Finance has established the

Directorate General of State Assets Management (DJKN), a unit of Echelon I, which is one of the tasks and functions to handle the management of state Asset. In the implementation of its duties and functions in state management, DJKN has a vertical work unit. In this case, The Office of State Asset and Auction Service (Kantor Pelayanan Kekayaan Negara Negara/KPKNL) will report on the position of SOA to the Regional Office, which will be forwarded reporting to the Head Office for periodic processing into The Semester State Assets Report and The Annual State Assets Report which is a combination of SOA data submitted by the Ministry / Institution as a User of Assets in the Assets User Report (LBP). Furthermore, the LSOA will be used as material to compile the Central Government Balance Sheet in the Financial Report of Central Government (LKPP).

The research conducted by Amaliah (2019) explained that management does not have a significant impact on the quality of financial reports' quality, while the application of SIMAK-SOA has a positive effect on the quality of financial statements as well as the management and application of SIMAK-SOA which stimulant affects the quality of the financial statements. The same thing was done by Malik (2021), who concluded that the management and implementation of SIMAK SOA both stimulate and partially positively affect the quality of the report. Meanwhile, research conducted by Andiani (2017) that the administration and implementation of SIMAK-SOA stimulants affect the quality of financial statements, bookkeeping has positively affected the quality of financial statements, and inventory,

reporting, and application of SIMAK-SOA has no effect on the quality of financial statements. Based on the problems that have been explained, the researcher wants to know how the management of SOA by the Office of State Assets and Auctions Service, whether the revaluation and administration of SOA have been applied following the provisions and assisted by the use of the SIMAK-SOA application so that it influences the quality of the financial reports produced later that will determine the audit opinion to be conducted by the BPK. Therefore, the researchers raised the title "The Effect of Revaluation, Administration, and Implementation of Accounting and Management Information System of State-Owned Assets on Quality of Financial Reports (Case Study on The Office of State Asset and Auction Service in Bandar Lampung)."

## **1.2 Problem Formulation**

In considering the above context, the problem formulation for this research is as follows:

1. Is there an effect of the Revaluation of state-owned assets on the quality of the financial report of The Office of State Asset and Auction Service Bandar Lampung?
2. Is there an effect of the administration of state-owned assets on the quality of financial reports on The Office of State Asset and Auction Service Bandar Lampung?

3. Is there an effect of the implementation of SIMAK SOA on the quality of financial reports on The Office of State Asset and Auction Service Bandar Lampung?

### **1.3 Scope of Problem**

The scope and limitations of research in this study are intended so that the discussion becomes clear and does not extend to things that are not desirable. The limitation of problems in this study is regarding the influence of the revaluation, administration, and application of SIMAK-SOA on the quality of financial reports on the Office of State Asset and Auction Service in Bandar Lampung.

### **1.4 Research Objectives**

In considering the above context, the research objectives for this research is as follows:

1. To find out and analyze the effect of the revaluation of state-owned assets on the quality of financial reports on The Office of State Asset and Auction Service in Bandar Lampung.
2. To find out and analyze the effect of the administration of state-owned assets on the quality of financial reports on The Office of State Asset and Auction Service in Bandar Lampung.
3. To find out and analyze the effect of the application of SIMAK-SOA on the quality of financial reports on the Office of State Asset and Auction Service in Bandar Lampung.

## 1.5 Research Benefits

### A. Theoretical Benefit

The findings of this research should provide knowledge in the assessment, management, and information systems of state-owned accounting management. This research is also expected to add knowledge and references and become a reference in the accounting world regarding the Revaluation, administration, and application of accounting and management information systems of state-owned quality financial reports.

### B. Practical Benefit

This research is expected to provide empirical evidence on the implementation of revaluation, administration, and accounting and management information systems of state-owned assets, and can be helpful to input for Government agencies, especially those related to the Revaluation, administration, and application of accounting management information systems of state-owned assets and the management of financial reports in order to present better quality financial report.

## **II. LITERATURE THEORY**

### **2.1 Basic Theory**

#### **2.1.1 Signaling Theory**

According to Brigham (2013), signaling theory is an action taken by a company's manager to signal/message/ to potential investors about the company's image and prospects in the future. Signaling theory is also argued that companies can increase their value in the form of promoting and announcements of published financial and non-financial information. Cho et al. (2012) argue that managers as agents cover non-accounting information in the form of bad news from investors, as well as principals to maintain careers and compensation managers concerned. According to Michelon & Parbonetti (2012) a positive image in the investor's view is the result of positive signals that the company can increase its share price thus encouraging the company to behave in a responsible manner. This is according to Beck et al. (2010) is in accordance with the sustainability agenda and strengthened by Burritt & Schaltegger (2010) which states the influence of the signaling theory underlies the existence of sustainability reports. Wong & Millington (2014) argues that the company is firmly



committed to implementing sustainable business practices as a positive corporate identity.

According to Fadzil (2011), causing an agency relationship information asymmetry raises some such opportunistic behavior, moral hazard, and adverse selection. In the context of the theory signaling, the government is trying to give a good signal to the people (Evans, 1987). The goal is that the people can continue to support the current government so that the government can run well. The financial statements can be used as a means to provide a signal to the people. Performance needs to be informed of good governance to the people either as a form or as a form of promotion for political purposes.

### **2.1.2 DeLone and McLean Model**

According to Sutabri (2012) in his book Analisis Sistem Informasi, the specifies an organization's information system that combines everyday transaction management demands and supports managerial and organizational functions in an organization's strategic operations to offer the required reports to specific external parties. In an organization, the accounting information system framework has a significant function in running the accounting cycle to produce information fairly and accurately (Mulyadi, 2016).

The DeLone and McLean model is a simple model that experts believe to be reasonably valid for evaluating the effectiveness of information systems.

The DeLone and McLean Models (1992) were based on research on information systems between the 1970s and 1980s, theoretically and empirically. Delone and Mclean claim that six factors determine whether an information system is successful: system quality, information quality, utilization, user happiness, individual impact, and organizational impact.

#### A. System Quality

According to Delone & McLean (2003) and Urbach & Mueller (2011), system quality refers to how well hardware and software work together in information systems. Focuses on system performance, which describes how well the information system's hardware, software, policies, and processes can meet user needs. System quality refers to how well hardware and software work together in information systems. Focuses on system performance, which describes how well the information system's hardware, software, policies, and processes can meet user needs.

1. Ease of Use, the information system can be said to be quality if the system is design to meet user satisfaction through the ease of using the information system.
2. Integration, if the organization's existing systems have been integrated, will significantly facilitate employees while working.
3. Flexibility is the ability of information systems to make changes related to user needs.
4. Response Time is the speed of access that will increase user satisfaction in information systems.

5. Security is the system security that can be seen through secure user data stored by an information system. If user data can be stored securely, it will minimize the opportunity for others to misuse the user data of the information system.
6. Reliability is information systems that meet user needs without any issues that can make it difficult for users to utilize the system conveniently can also be used to judge an information system's dependability.

#### B. Information Quality

Quality of information is the output of the user's use of the information system. This variable describes the quality of information perceived by the user as measured by the accuracy of the information, relevance, completeness, timeliness, and format. Indicators of information quality measurement from DeLone and McLean are:

1. Completeness is if the information system's complete information will satisfy the user. Users may use the information system periodically after feeling satisfied with the information system.
2. Relevance is if the information in an information system is helpful to its users or, to put it another way, is relevant to their needs. Then the information is said to be of good quality.
3. Accurate information must unmistakably express the purpose for which it was provided.

4. Timeliness is information delivered to the recipient must be timely; otherwise, it loses its value. Since information is the foundation of decision-making
5. Format, a library information system that reflects high-quality information and makes it simple for users to interpret the information offered by information systems.

#### C. Service Quality

Quality information system services are services obtained by users to update the information system, and responses from developers, if there are issues, are examples of services from information system developers. Some indicators of service quality are as follows:

1. Assurance means assurance related to the ability of technicians to build quality information systems, where the information system can ensure the smooth work of users.
2. Empathy is the attitude of concern for the developer of information systems to users when users ask questions related to the information system that is built.

#### D. Use

Usage is the amount of time users spend using information systems. In this regard, it is crucial to distinguish between mandatory (mandatory) usage that cannot be avoided and optional usage. This variable can be measured by the indicator-indicator as follows:

1. Daily Use

2. Frequency of use is the indicator that shows how frequently users of the system use it.
3. Use intends to gauge respondents' perceptions of the system's applicability to their employment.

#### E. User Satisfaction

The response and feedback from users provided after utilizing an information system are known as user satisfaction. The user's perception of the information system is a personal indicator of how much the user enjoys using it. The following indicators measure this variable:

1. Efficiency is the information systems that are efficient if a goal owned by the user can be achieved by doing the right thing.
2. Effectiveness is the user's demands or goals that this information system can meet by the desired expectations or ambitions.
3. Satisfaction is the users' pleasure using library information systems that can be used to gauge user satisfaction.

#### F. Net Benefit

Net benefits are the effects of information systems' existence and use on the effectiveness of user performance individually and organizationally. These effects include productivity gains, knowledge gains, and shorter information search times. Some indicators that can be used to measure this variable are as follows:

1. Job performance is the indicator is the user's perception of the effect of the system on the quality of individual user performance (DeLone, 2003).
2. Task productivity is using systems that can increase labor productivity when using information systems.
3. Effectiveness is effectiveness in that the user can get the job using the system, and tasks can be completed more quickly and with the desired outcomes.
4. Ease of Job, this indicator shows the ease obtained by users when using information systems.
5. Usefulness is the indicator that indicates information systems can or are able to assist in completing user work and organizational activities.
6. Cost Reductions indicate that information systems are said to be successful if the information system can reduce costs, especially operations within a company or organization.
7. Decision-making is one of the goals of developing an organization's information system, providing benefits to organizations in making the right decisions through the information systems used.

The DeLone and McLean information system success model, first published in 1992, was updated and improved in 2003. In the success model of D&M information systems, there are several changes, namely:

- a. Service quality provided by information system developers

- b. Additional intention to use as an alternative.
- c. The result of combining organizational impact and individual impact is known as net benefits.

### **2.1.3 Financial Statement**

#### **A. Financial Statement Definition**

Financial statements are organized reports on the financial status and transaction data by a reporting institution, according to Statement of Government Accounting Standards Number 1, paragraph 9 in PP No. 71 of 2010 mentions that financial reports are one of the crucial sources of information for users of financial statements in the framework of economic decision-making. Financial reporting also helps meet the needs of financial statement users who have limited authority and limited ability to obtain information. Therefore, they rely on financial statements as an essential source of information (Syarifudin., 2014) the practice of formally disclosing firm financial activity is known as financial reporting. It has long been regarded as a crucial tool for any trader. Additionally, it lessens ambiguities and disagreements among all parties involved, including managers, investors, regulatory authorities, communities, and other stakeholders (Al-Dmour, 2018). Everyone who participates in this process should exercise caution before submitting any activities linked to it, notably the disclosure procedure, all transactions, accounting policies, and all considerations and recommendations engaged by employees (Gaynor, 2016).

## B. Quality of Financial Statement

Public Sector Financial Statements (Bastian, 2010) are a structured representation of financial position due to transactions made. The purpose of public sector general financial reporting is to provide information for decision-making purposes and demonstrate organizational accountability. In order to produce quality financial statements, financial statements must adhere to qualitative criteria considered normative measures that must be realized in accounting information to fulfill their objectives, states Government Regulation 71 of 2010. Four normative prerequisites are necessary for financial statements to meet the desired quality, namely:

1. Relevant has the benefit of feedback, predictive benefits, on-time, and longing;
2. Reliable, the presentation is honest, verifiable, and neutral;
3. It can be compared to financial statements from earlier periods and companies using the same accounting principles.
4. Understandable, the user can comprehend the language used and the information offered.

### **2.1.4 State-Owned Assets (SOA)**

State-owned asset is defined as all assets acquired or acquired from other legal acquisitions or paid for out of the State Budget in Government Regulation (PP) of the Republic of Indonesia No. 28 of 2020 on Changes to Government Regulation 27 of 2014 on The Management of State/Regional



Property. Republic of Indonesia's Minister of Finance's regulations Number 181/PMK.06/2016 on The Management of State Asset defines State Assets as all assets purchased or acquired at the State Budget's expense or resulting from other lawful acquisitions, which include:

- a. Assets obtained from grants/donations or the like;
- b. Assets gained by the execution of the contract/agreement;
- c. Assets achieved by the rules and laws;
- d. Assets based on judicial decisions that have been given lasting legal effect; or
- e. Assets recouped from divestment proceeds from the participation of local government capital.

### **2.1.5 Revaluation of State-Owned Assets**

Based on Government Regulation No. 28 of 2020, The practice of providing an opinion of value on an object of assessment in the form of a State or Regional Asset at a specific time is known as Revaluation. As the manager of assets, the Ministry of Finance examined state assets twice: in 2008–2009 and 2017–2018. All state assets were subject to Revaluation in 2008–2009, whereas only real estate and structures were subject to revaluation in 2017–2018. According to the Regulation of the Minister of Finance of the Republic of Indonesia Number 111/PMK.06/2017 on Assessment / Valuation of State Assets, valuation is the process of activities to provide an opinion of value on an object of assessment in the form of State Property at any given time. The

Directorate General of State Assets is responsible for revaluing state-owned assets (DJKN).

According to Regulation of the Minister of Finance of the Republic of Indonesia Number 111/PMK.06/2017 on Assessment of State Property, Revaluation is the process of actions to give an opinion of value on an item of assessment in the form of State Asset at any given time. The Directorate General's Appraiser carries out the Revaluation of State-Owned Assets. The goal of the revaluation is following the Republic of Indonesia's Minister of Finance's Regulation No. 111/PMK.06/2017 Regarding the Revaluation of State-Owned Assets Article 4 paragraph 1 Revaluation of State-Owned Asset is carried out for: a. the creation of the Central Government's balance sheet.; b. Utilization; c. Transfer; or d. the implementation of other activities following the provisions of the Laws and Regulations, including State Sharia Securities. The revaluation of state-owned assets, as referred to in paragraph (1), shall be carried out to obtain Fair Value.

The benefits obtained by the state from the Revaluation of State-Owned Assets are getting the value of assets that are up to date in financial assets by their fair value. In addition, quality spending creates cost savings from the efficiency of Maintenance Spending due to inventory results, generating updated State-Owned Assets condition data. Then, decision-making. State-Owned Assets can be better and support the function of assets as a revenue center. Revaluation of State-Owned Assets is also

beneficial to support Budget State (APBN) financing resources in the form of the provision of State-Owned Assets as the underlying asset issuing Government Islamic Securities (SBSN) and capital expenditure efficiency with alternatives needs of State-Owned Assets.

### **2.1.6 Administration of State-Owned Assets**

Administration of State-Owned Asset is any asset purchased, acquired, or produced from other lawful acquisitions at the expense of the State Revenue and Expenditure Budget, according to Republic of Indonesia's Minister of Finance Regulation No. 181/PMK.06/2016 Article 1. Management is defined as a series of activities that include bookkeeping, inventory, and reporting of State-Owned Assets following the provisions of the Laws and Regulations. Regulation of the Minister of Finance No.181/PMK.06/2016 Article 3 states that the Scope of State-Owned Assets Management includes Bookkeeping consisting of registration and recording activities of State-Owned Assets into the List of Assets; Inventory, consisting of data collection, recording, and reporting activities of State-Owned Assets data collection; and Reporting, which consists of the preparation and delivery of State-Owned Assets data and information on a semesterly and yearly basis.

#### **A. Bookkeeping of State-Owned Assets**

Government Regulation No. 27 of 2014 Article 84 reveals that bookkeeping is the Registration and recording of State-Owned

Assets into the Assets User/Assets Manager Asset List by Asset Classification and Asset Codification. Bookkeeping is intended so that all State-Owned Assets under the control of The User of Assets/Power of Assets Users and State-Owned Assets in the management of Assets Managers are well recorded. The purpose of bookkeeping is the availability of State-Owned Assets data and the realization of an effective, efficient, and optimal state-owned assets administration. According to the Regulation of the Minister of Finance No.181/PMK.06/2016, the implementation of bookkeeping includes: Record all State-Owned Assets, the mutations of State-Owned Assets, inventory results into Assets Books and Assets Identity Cards, compiling lists of assets whose data comes from assets books and asset identity cards, record changes to the content and changes in the condition of assets, remove heavily damaged assets and lost assets, and reclassify every lost item recovered.

#### B. Inventory of State-Owned Assets

According to the Minister of Finance Regulation No.181/PMK.06/2016, inventory is an activity to record, record and report the results of state-owned assets. The goal of inventory is to determine the quantity, value, and current state of all State-Owned Assets, including those under the manager's administration and those under the control of the User of Assets

or Power of Assets Users. The purpose of the inventory is the availability of data on all State-Owned Assets to realize administrative order and physical order and facilitate the implementation of state-owned assets management. The implementation of the inventory includes giving the number and name of the room on the location plan, conducting the census of assets at least once in five years, recording inventory results into the Inventory Work Paper, grouping, and coding assets according to the classification and codification of assets, compiling inventory results event news (BAHI), delivering inventory results report, and updating inventory results.

### C. Reporting of State-Owned Assets

According to The Minister of Finance, Regulation 181/PMK.06/2016, reporting is a data and information delivery activity carried out by accounting units that conduct State-Owned Assets Management on Assets Users and Assets Managers. Reporting purposes that all data and information about State-Owned Assets can be presented and submitted to interested parties accurately every semester and year to support the implementation of decision-making in the framework of state-owned assets management and as material for the preparation of the Government Balance Sheet. Bookkeeping includes submission of the User Power of Attorney List to the

Accounting Unit of the Regional and Echelon I User Assistant, compiling and delivering the List of Severely Damaged Assets and The List of Lost Assets, conveying the State-Owned Assets mutation on the User Power of Attorney List, submitting inventory results reports, user power of attorney reports, and periodic reports on the condition of assets.

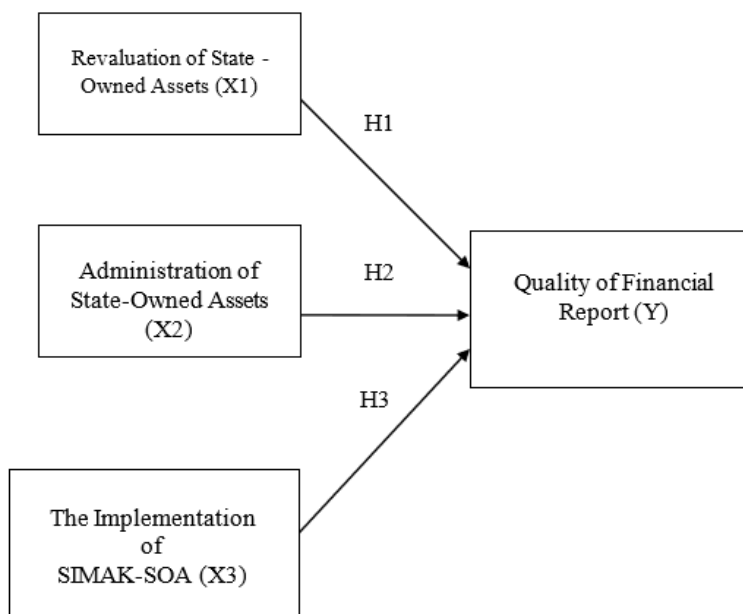
### **2.1.7 SIMAK of State-Owned Assets**

In the Regulation of the Minister of Finance of the Republic of Indonesia, No.118/PMK.06/2017 on Guidelines for the Implementation of Reassessment of State Property explained that SIMAK-SOA is a subsystem of the Agency Accounting System (SAI). It is a collection of connected steps for processing primary sources to generate data for balance sheets and statements of state assets. Based on The Republic of Indonesia's Minister of Finance's Regulations No.171/PMK.05/2007, which was revised into The Republic of Indonesia's Minister of Finance's Regulations No.233/PMK.05/2011 on Central Government Financial Accounting and Reporting System in the fourth section mentions that SIMAK State-Owned Assets produces information as the foundation for creating the Ministry of State's or Institution's balance sheet as well as data for planning, budgeting, obtaining, utilizing, maintaining, and revaluing demands, as well as for teaching, supervising, and controlling. Units with obedience, consistency, incomparability, materiality, objective, and completeness organize SIMAK-SOA. State-Owned Assets

are organized by accounting management information system with principles:

- a. Compliance SIMAK-SOA is maintained in compliance with recognized legal and accounting standards. If the accounting principle is contrary to the laws and regulations, then what is followed is the provisions of the legislation.
- b. Consistency is SIMAK-SOA implemented continuously under applicable regulations.
- c. The Ability SIMAK-SOA uses standard classification to produce reports that can be compared between accounting periods.
- d. Materiality is SIMAK-SOA carried out orderly so that all information influencing decisions can be disclosed. The objective is SIMAK-SOA carried out by the actual circumstances.
- e. Completeness, SIMAK-SOA covers State-Owned Assets transactions that occur.

## 2.2 Framework



**Figure 2.1 Framework**

## 2.3 Hypothesis

### 2.3.1 The Effect of Revaluation of State-Owned Assets on the Quality of Financial Reports

Based on PMK No.173 of 2020, it is stated that the SOA Assessment is an activity that supports the preparation of the Central Government balance sheet. It is proven that in 2017-2018 the Ministry of Finance carried out Revaluation activities on state assets in the form of land, buildings, roads, networks, and bridges. From the results of the revaluation, it is known that the state's fixed assets increased so that it



increased by 3.9 trillion Rupiah (147%). In the Central Government Financial Statements, the Fixed Asset Value as of December 31, 2019, compared to December 31, 2018. The similarity results of research by Fitriawati (2021) that the revaluation positively affects the quality of financial reports.

The revaluation of SOA activity carried out by the Ministry of Finance in the context of SOA management is the implementation of actions to support value certainty, namely the accuracy of the quantity and value of assets in order to optimize the utilization and transfer of SOA, in addition to creating the government's balance sheet. The SOA value in the initial balance sheet has an essential role because it will be carried over and used as a basis for determining the government's financial position so that SOA assessment becomes very important to realize better quality financial reports (Fitriawati, 2021). Other studies that show the similarity of research results are researched by Poae (2018) and Anshari (2016), which state that Revaluation has a positive and significant effect on the quality of financial reports. Thus, based on that, the author concludes the following hypothesis:

H1: There is a positive effect between the revaluation of state-owned assets on the quality of financial reports in KPKNL Bandar Lampung.

### **2.3.2 The Effect of Administration of State-Owned Assets on the Quality of Financial Reports**

Accounting, inventorying, and reporting regional property in compliance with applicable requirements are all part of the administration process. The administration of assets owned by local governments is carried out to support that data from reported assets is correct, complete, and can be accounted for. Based on this, it is necessary to develop asset administration that is regulated in such a way (Imbiri, 2018).

According to Andiani (2017), administration of SOA management is SOA reports included in the presentation of financial statements. They are intimately tied to the financial statements that will be generated later. This becomes a reference for the Supreme Audit Agency (BPK) in assessing whether or not the quality of information from a financial report is good or not so that later it can determine the opinion that BPK will issue on LKPP with a choice of opinions ranging from Disclaimer of Opinion (Tidak Menyatakan Pendapat), Qualified Opinion (Wajar Dengan Pengecualian) or Unqualified Opinion (Wajar Tanpa Pengecualian).

Suppose the value of the fixed assets provided in the balance sheet needs to be fully and properly described in the notes to the financial statements. In that case, the quality of the financial statements will be compromised, and it may even be argued that the financial statements are not fair.

Suppose the fixed asset administration needs to be done correctly. Because the management of fixed assets is a crucial component that will yield information on the state of the economic Assets possessed by the government, it impacts the quality of financial statements. If the presentation of information in the management of fixed assets, especially the administration of fixed assets, is adequate and presented relatively, it will produce information in quality financial statements (Widiati, 2021). Thus, based on that, the author will conclude the following hypothesis:

H2: There is a positive effect between the administration of state-owned assets on the quality of financial reports in KPKNL Bandar Lampung.

### **2.3.3 The Effect of Implementation of SIMAK SOA on the Quality of Financial Reports**

According to Mahsun (2011), SIMAK SOA is a subsystem of the Agency Accounting System (SAI) of a set of interrelated processes used to process source documents in order to generate data for balance sheets, State Assets Reports (LMBN), and other managerial reports that must be prepared in compliance with the law. According to the fourth section of The Republic of Indonesia's Minister of Finance's Regulations No.171/PMK.05/2007 regarding SIMAK-SOA, the Accounting and Financial Reporting System of the Central Government, produces data for planning needs and budgeting, procurement, use, utilization, security and maintenance, assessment, elimination, transfer, development, supervision, and control. These data also serve as the basis for building

the balance sheets of State Ministries and Institutions. The concepts of obedience, consistency, comparability, materiality, objectivity, and completeness are used to organize the SIMAK SOA into a unit.

Based on research by Handayani Amaliah (2019), the implementation of SIMAK SOA has a significant effect on the quality of financial reports. The application of SIMAK SOA is mainly used to obtain information, including the purchase and procurement of assets, as well as to manage state property and compile reports on these activities in each government agency. The government hopes that the SIMAK SOA software can improve the efficiency of each government agency, both in recording and carrying out an inventory of SOA. The SIMAK SOA application aims to improve SOA reports, which will later affect the quality results of financial reports of various ministries and state institutions (Sabario, 2017). Thus, based on that, the author will conclude the following hypothesis:

H3: There is a positive effect between the implementation of SIMAK-SOA on the quality of financial statements in KPKNL Bandar Lampung.

### **III. METHODOLOGY**

#### **3.1 Research Object and Type of Research**

The objectivity-focused quantitative research is particularly suitable when it is possible to collect quantifiable measures of variables and inferences from samples of a population. For the purpose of collecting data, quantitative research uses proper tools and systematic processes. The information is systematically and impartially gathered (Queirós, 2017).

#### **3.2 Research Population and Sample**

This study used saturated sampling, in which general populace served as the research sample. The technique used for sampling is total sampling/incomplete sampling. Sampling is a method used to represent the quantity and characteristics of the sampled population (Sugiyono, 2017).

#### **3.3 Research Instrument Test**

Based on the explanation of regression method is the most frequently used method to conduct quantitative research. With the development of research methods in the field of business and management, the regression analysis method is considered unable to answer the research problems raised by

researchers. In the regression method, some areas could be improved that reduce the comprehensiveness of the analysis. In the analysis method using regression, there are assumptions that the researcher must examine to ensure that the regression equation is formed by BLUE (Best Linear Unbiased Estimate). One of the assumptions that researchers often stumble upon is the assumption of normality. PLS uses a random bootstrapping or duplication method. Therefore, PLS will be fine with the assumption of normality. In addition to being related to data normality, PLS is enabled by bootstrapping and does not call for a specific minimum sample size. PLS can still be used in studies with limited sample sizes. PLS is employed in order to create predictions. The prediction discussed here is a forecast of how the constructs will interact. PLS is categorized as a non-parametric kind based on its statistical presumptions. Therefore, no data with a normal distribution is needed for PLS modeling. Using many samples is optional because PLS is based on variance. The sample size might be between 30 and 100. The SmartPLS, a PLS program that is often employed, was used in this investigation (version 3.3.9). The SmartPLS can produce solutions with very small sample sizes when models have many items and many different constructions (Fornell, 1982). When models have many constructions and many objects, SmartPLS can produce solutions with tiny sample sizes (Rigdon, 2016).

### 3.4 Operational Variables

#### A. Dependent Variable (Y)

Government Regulation (PP) No.71 of 2010 states that for accounting information to achieve its objectives, the qualitative qualities of financial statements must be recognized. The government's financial statements must have these four normative conditions in order to be of the desired caliber. The four characteristics are relevant, reliable, comparable, and understandable.

#### B. Independent Variables (X)

##### 1) Revaluation (X1)

The revaluation of assets will impact the accuracy of financial accounts by fair value. One of the tasks in the management of SOA is SOA revaluation. When an SOA assessment item is revalued, an opinion of value is given regarding its value within the context of preparing the government's balance sheet and deciding whether to use it or transfer it. Follow-up Revaluation may cause the value of state-owned assets to be adjusted in the overall financial accounts of the government.

##### 2) Administration (X2)

Government Regulation No. 28 of 2020 reveals that Bookkeeping is the registration and recording of SOA into the List of Assets in

the Assets User /Assets Manager according to the classification and codification of assets. Bookkeeping is intended so that all SOAs that are in the control of The User of Assets and SOA in the management of Assets Managers are well recorded. The purpose of Bookkeeping is the availability of SOA data and the realization of an effective, efficient, and optimal SOA administration order.

### 3) Implementation of SIMAK SOA (X3)

The SIMAK-SOA is a subsystem that consists of a number of related processes for processing source documents to generate data for the creation of balance sheets, State Property Reports (LMBN), and other managerial reports in line with applicable laws. In the fourth section of the annex to The Central Government Financial Accounting and Reporting System is governed by Minister of Finance Regulation No. 171/PMK.05/2007., it is stated that SIMAK SOA generates data that serves as the foundation for the creation of the Ministry of State or Institution's balance sheet as well as data for the planning of needs and budgeting, procurement, use, utilization, security and maintenance, assessment, removal, transfer, coaching, supervision, and control. Units with obedience, consistency, incomparability, materiality, objectivity, and completeness organize SIMAK-SOA.



**Table 3. 1 Operational Variable**

No.	Variables	Dimensions	Indicators	Questionnaire Number
1.	Revaluation  - 173/PMK.062020 - (Fitriawati, 2021)	Revaluation	1. Fair Value 2. The Revaluation Result Report 3. The value of assets (SOA) effect to the balance sheet	1 2,3 4
2.	Administration  -181/PMK.06/2016 - (Fitriawati, 2021)	Bookkeeping	1. Accrual Based 2. Assets Codifications Conformity 3. Collected SOA data from Regional Office per Ministries/Government Agencies	1 2 3
		Inventory	1. Periodically at least once every 5 years 2. Inventory Result Report	4 5
		Reporting	1. Movements of Assets Reported in an Orderly Way 2. Systematic Reporting to The Vertical Unit	6 7
3.	Application ofSIMAK-SOA  - DeLone & McLeanModel - (Puja, 2019)	System Quality	1. Ease of Use 2. Security of Data	1 2

## Continues Table

		Information Quality	1. Completeness 2. Accurate	3 4
			3.	
		Service Quality	1. Respond of Problem/Failure System	5
		Use	1. Frequency of Use	6
		User Satisfaction	1. Efficiency 2. Effectiveness	7 8
		Organization Impact	1. Productivity 2. Reduce time information search	9 10
4.	Quality of Financial Report  -PP No.71 of 2010	Relevant	1. Have the benefit of predictive value 2. Present all complete accounting information in the financial reports in accordance with the	1 2
	-Puja (2019) - (Fitriawati, 2021)		applicable Government Accounting Standards.	

**Continues Table**

		Reliable	1. Presentation of information honestly and events presented with reasonable. 2. Information can be verified and can be tested. 3. Information must be directed to the public, no side with anyone.	3 4 5
		Can be Compared	1. Information can produce Revaluations, especially the application of government accounting policies in the previous and current periods.	6
		Understandable	1. Easy to understand and clear	7

**3.5 Data Collection Method**

The method of research used is literature and field research. This type of literature research is used because of the regular decipherment of the theory from data that explains the connection between independent and dependent variables, which results in theoretical approaches. This type of field study makes use of primary data collected via questionnaires directly from respondents and interviews. Distributing a list of inquiries or written

statements for respondents to react to is how a questionnaire is used to collect data (Sugiyono, 2009).

#### A. Questionnaire

The questionnaire is the collection of data conducted by providing questions to respondents with an oscopic guide. A questionnaire is a method of gathering data that involves asking participants to reply to a series of questions or written comments. The Likert scale is the measurement system in use. A person's or a group's attitudes, point of view, and perceptions on social phenomena are evaluated using the Likert scale. These social phenomena have been expressly identified by researchers and are therefore referred to as study variables. Respondents' answers to statements in this study by giving a sign (√) in a column representing a choice of answers. The following is an example of an indicator measurement of the above variable:

1 = Strongly Disagree

2 = Disagree

3 = Neutral

4 = Agree

5 = Strongly Agree

#### B. Interview

Interviewing is one of the strategies for gathering data for the study. In the most straightforward words, an interview is defined as direct communication between the interviewer and the source of the

information or the interviewee. (Yusuf, 2014). The interview method is also the face-to-face procedure of asking and answering questions from the respondent/interviewee while using or not following interview rules to gather information for research objectives. The interview is usually carried out individually or as a group.

### C. Literature Study

A literature review aims to gather pertinent information from books, scholarly journals, news stories, and other reliable sources connected to the research topic. The theory of all the data explaining the connection between the management and administration of state-owned assets and the accuracy of financial accounts is frequently elaborated through literature research.

## **3.6 Descriptive Analysis**

In order to analyze data management, descriptive statistics summarize or describe the data as it has been collected without attempting to make any generalizations or judgments (Yusuf, 2014).

## **3.7 Inferential Analysis**

Inferential statistics are statistical approaches that evaluate sample data and then apply the findings to the population. They are often referred to as inductive statistics or probability statistics (Yusuf, 2014). Measurement Model Revaluation (Outer Model) Latent constructs with formative and

reflective indicators can be used in research models. Validity and reliability tests for these indicators are required. In this study, a reflective indicator was used. If the indicators are reflective, highly connected, and interchangeable, it is essential to examine their validity and reliability thoroughly. The following tests test the validity and reliability of models that only use reflective indicators. This procedure will simultaneously produce the values of R<sup>2</sup>, f<sup>2</sup>, and Q<sup>2</sup> used in the assessment of the Inner Model.

### **3.8 Hypothesis Test (Resampling Bootstrapping)**

The value contained in the t-statistic result utilizing the SmartPLS output by comparing it with the t-table value is the studied value in hypothesis testing. The used theory is as follows: The following are the test criteria having a significant level ( $\alpha$ ) of 5%:

- a. The hypothesis is accepted if the t-count > t value in the table is greater than 1.96.
- b. The hypothesis is rejected if the count t of the table is less than 1.96.

## V. CONCLUSION AND SUGGESTIONS

### 5.1 Conclusion

In the end, the researcher has come to the final stage of this study, which is the formulation of the prolonged research process. The following are the conclusions that the researcher has compiled, namely:

1. Based on the results of hypothesis testing, the Revaluation of state-owned assets has a negative and statistically insignificant effect on the quality of financial report at the Office of State Asset and Auction Service in KPKNL Bandar Lampung. This is because the number of assets assessed is more than human resources who have competence and legality about revaluation.
2. Based on the results of hypothesis testing that the administration of state-owned assets has a positive but not statistically significant effect on the quality of the financial report at the Office of State Asset and Auction Service in KPKNL Bandar Lampung. This happens because the condition of many assets is still found to be inconsistent with the actual situation, such as the location of the asset in the form of land that was not found and the condition of damaged assets.

3. Based on the results of hypothesis testing, the implementation of SIMAK of SOA has a positive and statistically significant effect on the quality of the financial report at the Office of State Asset and Auction Service in KPKNL Bandar Lampung. The existence of SIMAK helps speed up and facilitate the implementation of revaluation, bookkeeping, inventory and reporting so as to reduce human error and help asset values be presented on time.

## **5.2 Research Limitations**

The researcher is aware of this study's flaws, limits, and faults. According to researchers, it merits occurring as part of their education and subsequent research. The researcher explained the flaws, faults, and limitations in this instance, namely:

1. The object of this study is only limited to work units in The State Assets Management and Auction Service Office in Bandar Lampung.
2. Limited research experience in managing assets makes researchers feel less than optimal in describing the actual conditions of the study.
3. This study only focuses on three independent variables, namely Revaluation, Administration, and Application of the Accounting Management Information System of State-Owned Assets (SIMAK SOA), and one dependent variable, namely the Quality of Financial Statements which can elucidate how independent and dependent variables are related of 67.7% and the rest has not been explained in this study.



### **5.3 Suggestions**

After conducting this study, the researcher ventured to give suggestions and criticisms even though this study still needed improvement. Here's the advice the researchers gave:

1. The further researcher should be able to increase the topic and scope of the research time to get more accurate results
2. It should go deeper into the technicalities of related variables through questionnaires and interviews by further improving literacy and experience in asset management.
3. Further research could add variables other than this study to provide variations in the research.

### **5.4 Implications**

Based on the study's findings, the following implications can be taken:

#### **1. Implications for Government**

The results of this study have implications for the government to increase understanding of the revaluation and administration of state-owned assets so that it will describe the condition of assets owned by the state reasonably and transparently. The revaluation can be carried out in a good way in that the administration of each asset is carried out in a disciplined manner and in compliance with applicable regulations. The government can also maximize the use of information systems around state-owned assets to reduce the risk of asset data input errors

and human errors during the implementation of state asset management and increase effectiveness and efficiency in work so that they can produce maximum performance and can serve as a foundation for making decisions in optimizing state-owned asset.

## 2. Implications for The Office of State Assets Management and Auctions Services Bandar Lampung (KPKNL Bandar Lampung)

The results of this study have implications for the Office State Assets Management and Auction Service as a state asset manager to improve services around the revaluation and administration of state-owned assets by using the state-owned assets information system (SIMAK SOA) provided. Socialization of state-owned assets to asset users can be carried out to facilitate administration and assessment because it is realized that the number of assets that are not following the number of existing human resources so that socialization about the state-owned assets carried out can help managers in carrying out asset management so that the data produced is more accurate so that it can serve as a foundation for making decisions.

## 3. Implications for society

The results of this study encourage people to add literature about state-owned assets. It is hoped that the public will better understand state-owned assets and can help the government and institutions that are given the authority to manage state-owned assets to supervise and control the use of state-owned assets as a form of accountability aimed at the welfare of the community.

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