Accounting System Design for Riau Province Sports Assets: Measuring rent system and Environment

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Abstract: The study aimed at conducting an analysis towards the operation of Athlete Homestead for the National Sports Week in 2012 belonging to Riau Province. Regarding the Finance Operation System in the form of Sub-district Development Program-Regional Public Service Agency (PPK BLUD), the researcher designed the Accounting System for the Regional Public Service Agency of the Rental Flats and Sports Venue. The data analysis in this study used the descriptive qualitative method by describing the accounting system design for the operation of Rental Flats and Sports Venue through the Sub-district Development Program-Regional Public Service Agency (PPK BLUD) with the procedure comprising: designing the rent system and procedure of the Rental Flats and Sports Venue, designing the system of cash management from the rent income, implementing focused-group discussion with the related parties and the government, working on the policy improvement draft for the operation of the Rental Flats and Sports Venue belonging to Riau Province. Based on the result of the study and discussion, it can be concluded that in order to improve the effectiveness of the service and operation of Rental Flats and Sports Venue with sound business practice, it is necessary to implement the Finance Operation System in the form of Sub-district Development Program-Regional Public Service Agency (PPK BLUD). The design system of the Sub-district Development Program-Regional Public Service Agency (PPK BLUD) comprising the organization chart, the transaction proof document, and the financial management procedure.

Keywords: Athlete, Regional Asset, Rent, and Cash Management System

1. Introduction

Regarding to optimizing the athlete homestead utilization after the National Sports Week XVIII conducted in Riau Province in 2012, Riau Governor Regulation Number 53 in relation to the Formation of Technical Implementation Unit (UPT) in Youth and Sports Services of Riau Province Article 2, stating that the Technical Implementation (UPT) in Youth and Sports Services focusing on the Operation of Rental Flats and Sports Venue Grade A was established, had been ratified on November 2017. It implies that the Athlete Homestead which had previously been used as a dormitory for the athletes without the rental cost and the sports facilities which had previously been used for exercise by them had been transferred into Rental Flats. In addition, the Sports Venue was used to provide services for the public.
The Rental Flats and the Sports Venue were demanded to be able to serve the society, to
develop themselves, to be independent, to be able to cope up with their competitors and to provide
high-quality and affordable services for the society. The Rental Flats and the Sports Venue are
expected to be able to improve their services for the public by providing adequate facilities and
infrastructure. When the Financial Operation System for the Rental Flats and for the Sports Venue is
in the form of current Technical Implementation Unit (UPT) or in line with the ratified Governor
Regulation, the system will deal with a lot of problems in terms of the budget use flexibility for the
operation.

Indonesia has adopted the thought of New Management Reform by reforming the state
finances which has been prevailing since the end of 2003 by issuing three recent state financial
regulations, namely, Law No. 17 on the state finances, Law No. 1 in 2004 on the State Treasury, and
Law No. 15 in 2005 on the State Financial Audit. The three state financial regulations have changed
people’s mindset and way of thinking to be more efficient, professional, accountable, and transparent
by applying some changes from traditional budgeting into performance-based budgeting which gives
an opportunity to the implementation of performance basis in the government circles. With this
performance basis, the use of government funds becomes more transparent than merely funding the
input. Thus, the process will be output-oriented. This change is crucial considering the more
increasing needs towards fund and the very limited government resources.

Based on the constitution, the government institutions, having major responsibilities and
functions to give services to the society, can implement the flexible financial operation in the form of
freedom to apply sound business practices for the sake of maximizing the services for the society by
still accentuating productivity, efficiency, and effectiveness through Public Service Agency (BLU). The
Regional Public Service Agency (BLUD) is basically a means of improving the public service
performance through the implementation of professionalism, accountability, and transparency-based
financial operation. Therefore, the researcher recommended that the financial operation system for
Rental Flats and Sports Venue should be in the form of Regional Public Service Agency (BLUD). In
relevance to the Financial Operation System in the form of Sub-district Development Program-
Regional Public Service Agency (PPK BLUD), the researcher intended to design the financial
operation accounting system of Regional Public Service Agency (BLUD) for Rental Flats and Sports
Venue.

2. Theory

According to the Government Regulation No. 71 in 2010 regarding to the Government Accounting
Standards, fixed assets are any tangible assets with the period of use of more than twelve months or
which are intended to be used during governmental activities or the ones used by the general public.
Fixed assets are classified based on what they have in common in terms of characteristics and functions
in entity operation activities. Fixed assets include land, equipment and machinery, buildings, roads,
irrigation, networks, and on-going constructions. Based on the Minister of Home Affairs’ Regulation
No. 17 in 2007 Article 4 about the operation of state/ regional assets or property, the operation of
regional property must be done based on the principles of functions, legal certainty, transparency and
openness, efficiency, accountability and value certainty.

Considering the urgency of asset operation for the government and the amount of regional
expenditure regarding to the asset operation, it is compulsory for the government to manage the
regional assets/ property professionally and effectively by accentuating economic aspects, so that the
expenditure can be right on target and efficient. This attempt has been done by the Department of
Religion regarding the operation of the Pilgrim/ Hajj Dormitory. In operating the Hajj Dormitory as a
national asset, Department of Religion has organized the Management Body of Hajj Dormitory in the
circles of Religion Department abbreviated as BPAH for Embarkation and BPAH for Transit. BPAH
was established for securing and maintaining the government assets to make them effectively useful,
particularly in implementing the hajj service mission, and to manage its operation outside of the Hajj
season using self-management and self-financing. Outside of the Hajj season, the Hajj Dormitory can be utilized by the society, particularly the Moslems, social institutions, and government institutions such as for wedding events, seminars, congress, training, athlete accommodation, universities’ research purposes, conferences and some other activities proportionally. The provisions in utilizing Hajj Dormitory outside of hajj season are technically conducted by BPAH organizers [7].

Siama (2008: 2) conducted a study on regional asset management in the Office of Revenue and Financial Operation of Regional Assets of Tanah Toraja Regency. This study was conducted to investigate the regional asset operation in the Office of Revenue and Financial Operation of Regional Assets (PPKAD) of Tanah Toraja Regency. The result of the study indicated that the operation of the regional asset in the institution in regards to its implementation towards providing and planning the assets, the practice of asset inventory, maintenance, and supervision has not been effectively and efficiently conducted. Mustika (2012) also sees that the relevance of the asset operation refers to the Ministry of Home Affairs’ Regulation No. 17 in 2007 in terms of its system and implementation procedure.

The implementation of public administration reformation comes into existence in some countries including Indonesia. The doctrine of New Public Management (NPM)/ Reinventing Government, initiated based on the experience of European, American, and Australian countries and New Zealand, was gradually adopted by the government management in some countries including Indonesia. The transformation of government management into New Public Management has started from Institutional Arrangement, Civil Servant Reform, and State Financial Management Reform/ New Management Reform (Mahmudi, 2011). In the NPM doctrine, the government is suggested to abandon the traditional administration paradigm which tends to accentuate inefficient bureaucracy system and procedure and slow and ineffective service and to replace it with the orientation to work performance and results. The government is suggested to abandon conventional bureaucracy by encouraging organizations and employees to be more flexible and by determining the organization goal and target to be more distinct to make the outcome measurement possible.

Indonesia has adopted the NPM view by reforming the state finances which has been prevailing since 2003 along with the issuance of three recent state financial regulations, namely, Law No. 17 in 2003 regarding to the state finances, Law No. 1 in 2004 regarding to the state treasury, and Law No. 15 regarding to state financial audit. Based on the three constitutions, the government institution, whose major responsibilities and functions are to give services to the society, can implement a flexible financial management system in the form of freedom to apply sound business practices in maximizing services to the society by still accentuating productivity, efficiency, and effectiveness through Public Service Agency (BLU).

Based on the Minister of Home Affairs’ Regulation Number 61 in 2007, the Regional Public Services Agency (BLUD) is Regional Working Unit in the regional government circles established to give services to the society by providing sold goods and/or services without accentuating profit and by believing in the efficiency and productivity principles in doing their activities. BLUD has a flexible management system in promoting the general welfare and educating the nations based on the economics and productivity principles and the implementation of sound business practices (BLUD Team, Syncore, 2018: 6). The Regional Public Services Agency (BLUD) implemented the information system of financial management in relevance to the needs for sound business practices. Therefore, every BLUD financial transaction is noted in the supporting documents managed in an orderly manner. The evidence collected reveals the absence of a well-defined template for implementing accrual accounting in government. These results reveal an elaborate process of improvisation and fabrication in the design of this accounting system and a fragile network in action [1].
3. Research Methods

This study was conducted in Pekanbaru City. According to the purposes of this study, it emphasized the utilization of Riau Provincial Government Asset. Riau Province was selected because the provincial assets were not well-managed and tended to consume the Regional Revenue and Expenditure Budget for their maintenance after the grand event of the National Sports Week. The asset selected as the object of the study was the Athlete Homestead which was then called as the Rental Flats and Sports Venue according to the Riau Governor Regulation No. 53 in 2017 regarding the Formation of Technical Implementation Unit (UPT) in Youth and Sports Services of Riau Province.

The data analysis technique used descriptive qualitative method in describing the accounting system design of the operation of Rental Flats and Sports Venue with the Sub-district Development Program-Regional Public Service Agency (PPK BLUD) with the following procedure: designing the system and procedure for the rent of both infrastructures, designing the cash management system for the profit earned from the flat rent, conducting focused group discussion with the related parties and the government, and working on the revision draft for the operation policies of the Rental Flats and Sports Venue belonging to Riau Provincial Government.

4. Result and Discussion

The Athlete Homestead as Riau Provincial asset after the implementation of National Sports Week XVIII in 2012 which is currently managed by the Youth and Sports Services as the BMD users. Based on the result of the study in the first year, it was found out that the utilization of the Athlete Homestead has not been optimized. The homestead has recently been used as the free dormitory for the athletes. On the other hand, based on the result of the study in the first year, the athlete homestead maintenance has not been adequate. To optimally utilize the Athlete Homestead, the researcher team recommended to Riau Provincial Government through Youth and Sports Services that the homestead should be commercially operated by leasing it to the public. In other words, the homestead should be utilized for the sake of serving the society. The commercial operation of the homestead will certainly earn non-tax income which can be used by the Riau Provincial Government. The non-tax profit earned from the homestead rental income can be used to fund its maintenance.

In relevance to the researcher team’s recommendation and in line with the studies conducted by Youth and Sports Services of Riau Province, Riau Governor Regulation Number 53 in 2017 regarding the Establishment of Technical Implementation Unit (UPT) in Youth and Sports Services of Riau Province had been ratified on November 2017. Article 2 of this regulation states that responding to this Government Regulation, Technical Implementation Unit (UPT) is established in Youth and Sports Services, namely, Technical Implementation Unit of Rental Flats and Sports Venue, Class A. It means that the athlete homestead, which was previously used as free dormitory for the athletes, and the sport facilities used merely for exercises, has been changed into Rental Flats and Sports Events which will be utilized to give services to the public.

Rental Flats and Sports Venue are demanded to be able to serve the society, to be developed and autonomous, and to cope with the competitors, and to give qualified and affordable services to the society. Rental Flats and Sports Venue are expected to improve their services to the public. However, the available facilities and infrastructure must be adequate. When the Financial Management System of the Rental Flats and Sports Venue in the form of Technical Implementation Unit sticks to the status quo or is in line with the ratified Governor Regulation, both infrastructures will face a lot of problems in terms of budget use flexibility for operating the Rental Flats and the Sports Venue. Therefore, the researcher recommended that the Rental Flats and Sports Venue management should be in the form of Sub-district Development Program-Regional Public Service Agency (PPK BLUD).
The status change from UPT into BLUD will certainly be followed by the change in the organization chart. The organization chart of the Technical Implementation Unit (UPT) in Riau Governor Regulation Number 53 in 2017 regarding the establishment of Technical Implementation Unit (UPT) in Youth and Sports Services of Riau Province is illustrated as follows:

**Figure 1:** Organization Chart Technical Implementation Unit

In can be summarized from figure 1 that the organization chart of UPT of rental flats and sports venue operation consists of: 1) head of UPT of rental flats and sports venue management, 2) sub-division of administration, 3) division of rental flats and sports venue management, and 4) group of functional positions. If the operation of rental flats and sports venue is in the form of BLUD, the organization chart of UPT above will change into the organization chart of BLUB. The design for the BLUD organization chart of rental flats and sports venue operation can be illustrated as follows:

**Figure 2:** Organization Chart BLUD of Rental Flats and Sports Venue Management
Based on Figure 2, it can be elaborated that the rental flats and sports venue operation of Riau Province uses BLUD Finance Operation System consisting of BLUB owner, head of BLU, Finance Manager, Technical Manager, BLU Supervisor Board, and Internal Supervisory Unit (SPI). Technical Manager supervises the General and Personnel Section consisting of Human Resources, Program, and Provision. Meanwhile, Finance Manager supervises the Finance and Accounting Section comprising Budgeting, Treasury, and Accounting. Documents needed in PPK BLUD for rental flats and sports venue belonging to Riau Province consist of cash receipt book, bank account book, reception register, and register for deposit letter.

5. Conclusion
Based on the result of research and discussion, the conclusion of this study is that in order to improve the effectiveness of services and operation of rental flats and sports venue with sound business practices, the rental flats and sports venue operation should be in the form of Sub-district Development Program-Regional Public Service Agency (PPK BLUD). The system design for PPK-BLUB comprises organization chart, transaction proof documents, and financial operation procedure.

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