

Implementation of Accrual Based Accounting on Regional Property in Indonesia: Competence Employees and Organizational Commitments Perspective

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Abstract--- *This study aims to examine the effect of employee competence and organizational commitment on the implementation of accrual accounting on the regional property in Indonesia. There was a change in the accounting system from cash to accruals to full accruals in 2015 in Indonesia Government. It has a significant impact on the adoption of accounting for regional assets dominated by fixed assets.*

The testing method employed in this research is quantitative. This study used a questionnaire as a tool to collect data from the respondents. The population in this study is the manager of regency/city government goods in the Province of Bali/Yogyakarta Special Region. The sample that can be used in this study amounted to 241 respondents regarding the number of questionnaires that have been filled by respondents through Google form.

The findings of this study suggest that employee competence is associated with the implementation of accrual-based accounting on regional property. In contrast, organizational commitment is not associated with the implementation of accrual-based accounting on regional property. The result of this study indicates that increasing the competence of regional property management employees is essential to be conducted by local governments in Indonesia to support the improvement of the quality of financial statements. Also, the employees have no choice when working as civil servants in the area so that employees feel that in whatever institution they are placed in, they assume that the agency is the best in their work.

Keywords--- *Accrual Based Accounting, Competence, Organizational Commitments.*

I. INTRODUCTION

The Republic of Indonesia (RI) State Financial Reform began in 2003 with the publication of 3 (three) packages of the State Finance Act, namely Act Number 17 of 2003 concerning State Finance, Act Number 1 of 2004 concerning State Treasury, and Law Number 15 of 2004 concerning Examination of Management and Accountability of State Finances. Financial reform aims to restructure the structure and management of state finances both in terms of the Central Government and Regional Governments. The Government of Indonesia is committed to improving the quality of state financial information, both in terms of assets, debt, and government investment.

One of the rules listed in the three packages of the State Finance Act is the mandate to implement full accrual-based accounting. The implementation of accrual-based accounting implementation is further elaborated in Government

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Regulation Number 71 of 2010 concerning Government Accounting Standards. The regulation confirms that accrual-based government accounting must be applied no later than in 2015. The implementation of accrual-based accounting in the government sector significantly affects the implementation of the management of State Property (BMN)/Regional Property (BMD), among others, because of the income and expenses arising from the management of government assets began to be presented in the Operational Reporting. Therefore, accrual-based accounting is essential to review, given the change in the accounting system from one rule to another, has an impact on financial reporting that is presented, including information related to BMD. Indonesia Government Regulation Number 27 of 2014 concerning Management of State/Regional State-Owned Property regulates the management of State/Regional Property in its entirety, from planning to the elimination. The regulation also regulates the determination of the value of State/Regional Property, which states that the determination of the value of State/Regional Property in the framework of preparing the central government balance sheet is based on Indonesia's Government Accounting Standards. The presentation of accrual-based financial statements is intended to present reliable financial reporting to provide better benefits for stakeholders, both users, and auditors of government financial statements.

The Asian Development Bank stated that the implementation of accrual-based government accounting in developing countries must be planned realistically and practically according to the capabilities of available resources and capacities (Athukorala, 2003). Also, the advantage of the implementation of accrual-based government accounting, including increasing transparency, encouraging better financial planning to ensure that the government can meet its obligations, to determine costs arising from a government activity, to measure assets and debts relevant to fiscal policy, and fiscal sustainability (Khan & Mayes, 2009). Meanwhile, some factors that can support the successful implementation of accrual-based government accounting are well-planned implementation strategies, commitments, clearly communicated goals, reliable human resources, and information systems (Khan & Mayes, 2009).

The current BMD regulation is regulated in Government Regulation No. 27 of 2014 concerning Management of State/Regional Property. The regulation stipulates that BMD includes goods purchased or obtained at the expense of the Regional Revenue and Expenditure Budget, goods originating from other legitimate acquisitions that include goods obtained from grants/donations or the like, goods obtained as the implementation of agreements/contracts, goods obtained following statutory provisions, and goods obtained based on court decisions that have permanent legal force. BMD is essential in the implementation of regional government and in providing the basic needs of the community.

In Indonesia, research related to the implementation of accrual-based accounting is mostly conducted on one entity of the Central Government and Local Government. Also, there are still rarely studies that review accrual-based accounting on BMN/ BMD. Based on the literature review that has been carried out, topics related to the implementation of accrual-based accounting for BMD are still rarely covered in previous studies. Research approaching the topic was only conducted by Puspitarini et al. (2017), which examines the competence of human resources on the implementation of accrual-based accounting for BMN. The study concludes that human resource competence has a positive influence on the implementation of accrual-based accounting on BMN.

Meanwhile, Arlini et al. (2017) stated that human resource competencies have a positive effect on asset management in the work unit of the National Family Planning Coordinating Board in Indonesia. It is in line with research conducted by Gunawan et al. (2017), which concluded that employee competence has a positive effect on the quality of asset management. It shows that employee competence in managing assets in a government agency plays a vital role in producing reliable financial reports on these assets. Meanwhile, Sari et al. (2016) proved that human resource

competencies do not affect the implementation of accrual-based accounting in the Ministry of Religion of the Province of Bali. Therefore, there are inconsistencies in the results of the role of employee competence in asset management that needs to be reexamined with different objects.

According to Afrarudin & Kurniati (2016), obstacles that may be faced by the Regional Government related to the implementation of accrual-based accounting are the ability of human resources who do not understand accrual-based Accounting Standard Principles, the number of accounting personnel is still small, the accounting system and implementations are still challenging to understand, lack of ongoing dissemination and coordination. Meanwhile, Afiqoh (2018) stated that an important thing needed in the implementation of accrual-based accounting is the existence of commitments related to the implementation of accrual-based SAP. Aprianti et al. (2018) stated that employee competency development is a supporting factor for the successful implementation of BMD management. Therefore, employee competencies are expected to play an essential role in the implementation of accrual-based accounting in BMD.

Another critical component to explain accrual-based accounting in BMD is organizational commitment. Ekayanti et al. (2017) proved that organizational commitment does not affect the effectiveness of fixed asset management. In contrast to these studies, Gunawan et al. (2017) found that organizational commitment negatively affected the quality of asset management. Meanwhile, Marsdenia & Arthompet (2016) and Safitri (2017) provide evidence that organizational commitment has a positive effect on the implementation of accrual-based accounting systems. Siregar (2015) concluded that leadership commitment influences the implementation of the BMN accounting management information system. Differences in the results of research with various objects in the sphere of government encourage testing again with different objects.

Based on the description above, this study aims to examine the effect of employee competences and organizational commitments on the implementation of accrual accounting on regional property. The object of this study used is BMD managers/users in regencies/cities in Yogyakarta Special Province and Bali Province. The regencies/city government in the Special Province of Yogyakarta and the Province of Bali obtained an unqualified opinion in the last few years so that the use of the object can represent the government/regency city in Indonesia with the level proper regional financial management (BPK, 2019). Thus, the use of the object is more likely to be able to capture the factors that support the successful implementation of accrual-based accounting in BMD.

AI. LITERATURE REVIEW

The implementation of accrual-based accounting on government assets is an interesting issue to be examined. Government assets, especially fixed assets, are the most significant component in the government balance sheet. Government expenditure related to fixed assets, both related to maintenance costs and the continued capitalization of the related fixed assets, often lead to severe problems. The dichotomy of goods and capital expenditure is an issue that is often raised by users of goods. Accrual information in fixed assets is expected to provide valuable input for policymakers, especially in the case of expenditure budgeting related to the procurement and maintenance of fixed assets in the future. Christiaens et al. (2012) explained that the capitalization of government assets is an essential element of applying the accrual accounting model and has attracted significant interest from both the standard builder and researchers. Accrual accounting will provide useful information to appraise assets appropriately and assess whether the government operates efficiently. Therefore, the introduction of the general purpose of financial reporting is the first step in improving management and accountability.

Puspitarini (2017) stated that the implementation of accrual-based accounting consists of several stages. In the 2010-2012 period, the government still applied cash-based government accounting. In the 2013-2014 period, the government adopted cash towards accrual-based government accounting in which the government had started to apply depreciation for fixed assets and present them at book value, namely the acquisition value of fixed assets plus the capitalization arising from those assets less depreciation. Finally, in 2015, the government began to apply full accrual-based government accounting. Starting from 2015, depreciation and amortization of intangible assets must be reported in Government Financial Statements.

BMD management is a critical note in the Audit Report of the Supreme Audit Agency (BPK) in recent years. This issue was among others raised by the BPK in the 2019 Inspection Reports of several Local Government Financial Statements (LKPD). In the Semester Inspection Results Summary (IHPS) I/2019, it is mentioned that the problem of fixed assets is found in 78 local governments. These problems include inaccurate recording of fixed assets, unknown existence of fixed assets, unclear fixed asset mutations, and migration of fixed asset data from the Regional Financial Management Information System (SIPKD) to the Regional Management Information System (SIMDA) of Regional Owned Properties. It results in a lack of reliable local government financial reports related to asset disposal and asset recognition. According to BMD, management is a critical note in the Audit Report of the Indonesia Supreme Audit Agency (BPK) in recent years. This issue was among others raised by BPK in the 2019 Inspection Reports for several Local Government Financial Statements (LKPD). In the Mid-Term Inspection Results Summary (IHPS) of 2019, it is mentioned that the problem of fixed assets is found in 78 local governments. These problems include inaccurate recording of fixed assets, unknown existence of fixed assets, unclear fixed asset mutations, and migration of fixed asset data from the Regional Financial Management Information System (SIPKD) to the Regional Management Information System (SIMDA) of BMD. It results in a lack of reliable local government financial reports related to asset disposal and asset recognition. The quality of government asset management can be seen from the quality of the data provided to the public and the strength of the asset management itself (Garmendia & Kapur, 2013). Also, to obtain useful data quality and high-quality asset management is the existence of proper planning to establish a government asset management agency, clear and supportive regulations, and involvement of stakeholders (Garmendia & Kapur, 2013).

The existence of asymmetric information between the local government and the community has resulted in community demands for the management of local government assets that must be presented transparently and accountably. This information can reflect the position of BMD in a regency/city that is useful in decision making both by the local government itself and the community and other stakeholders. Arlini et al. (2014), Ekayanti et al. (2017), and Gunawan et al. (2017) concluded that to obtain the quality of asset management in a government agency, the placement of employees in managing these assets is critical because qualified employees can improve the quality of asset management in an agency. Therefore, employee competence plays an essential role in asset management, including BMD management, which has used accrual basis accounting.

Human resources have essential roles in the successful implementation of accrual-based government accounting. Likewise, with the management and administration of BMD, which is conducted on an accrual basis, considering that before 2015 in Indonesia, BMD accounting rules used different rules. Thus, competent human resources are needed for the management and administration of BMD under government accounting standards in the transition period. The use of the new government accounting standards implemented in 2015 in Indonesia for BMD management requires employee competence, both through an understanding of government accounting standards and through related training. The use of

competent human resources in managing BMD is closely related to the low misstatement of BMD presentation. Therefore, the higher the competence of employees in managing BMD will significantly determine the quality of BMD information presented by regency/city governments to the public. Based on this, the hypotheses in this study are as follows:

H₁: The competence employees are positively associated with the implementation of accrual accounting on regional property

Organizational commitment in providing financial statement information from local governments encourages employees to work optimally in providing financial statement information, including the provision of reliable BMD information. High organizational commitment can also reduce information asymmetry between regency/city governments as providers of BMD information and the public as users of BMD information. Through organizational commitment, agency leaders and employees feel to be a unity in the organization. They always strive to improve organizational performance, including providing reliable local government financial statements, including information about BMD.

Organizational commitments in the implementation of accrual-based accounting imply that the parties involved strive for the organization to be able to anticipate changes in accounting standards and accounting systems in the government sector. Safitri (2017) found that ethical organizational commitment can improve the quality of the implementation of accrual-based accounting. Therefore, organizational commitment has a crucial role in the implementation of accrual-based accounting in BMD. The implementation of accrual-based accounting in BMD includes the acquisition, depreciation, and disposal of BMD. The process is not an easy thing to implement according to the rules. However, high organizational commitment can play a role in providing quality financial information, including BMD information provided by regency/city governments. Based on this, the hypotheses in this study are as follows:

H₂: the organizational commitments are positively associated with the implementation of accrual accounting on regional properties.

BI. DATA COLLECTION

The research method used in this study is quantitative. The primary data was obtained directly from the object of research as data in this study. It was conducted by giving questionnaires to the manager of regency/city properties. The respondents used in this study were BMD managers in the Regency/City Governments in the Special Province of Yogyakarta and the Province of Bali. The dependent variable used in this study is the Implementation of Accrual-Based Accounting on Regional Properties. The proxy of this variable follows the dimensions and indicators used by Puspitarini et al. (2017) with several justifications. Puspitarini et al. (2017) employed state properties as the object, but this study uses regional properties as the object. The dimensions used in this study are the accrual accounting provisions based on Indonesia Government Regulation Number 71 of 2010 concerning Government Accounting Standards, particularly those related to aspects of regional property management namely presentation of BMD depreciation reports, BMD depreciation in the form of inventory, BMD records in the form of land, BMD depreciation in the form of buildings, buildings, bridges, irrigation, networks, renovated fixed assets, modern musical instruments with asset categories for more than 12 months, recognition of assets obtained from the regional budget, recognition of assets obtained from grants and transfers between identities recorded, inventory costs in operational reports, depreciation expense in operational reports, surplus/deficit for disposal of fixed assets in the operational report, loss of fixed assets in the operational statements.

The independent variables in this study are employee competencies and organizational commitments. The employee competencies dimension in this study uses the dimension used by Puspitarini et al. (2017) divided into employee understanding and employee knowledge. Employee understanding consists of retention of compiling regional properties

reporting, understanding of the preparation of regional properties reporting, understanding of the impact of applying accrual-based accounting to regional properties reporting, understanding of responses to Indonesia Supreme Audit Agency follow-up to findings in regional property management understanding of regulations related to regional property, and understanding of regional property BMD disclosures in the Notes to Financial Statements. Employee knowledge consists of a level of employee knowledge in operating accounting implementations related to the regional property, the accuracy of the presentation of regional property reporting, and the ability of employees in the preparation of the Notes to Financial Statements. Furthermore, organizational commitments in this study follow Ekayanti & Gunawan et al. (2017) with indicators namely strong belief in the organization, desire to keep working in the organization, trying to be part of the organization's members, awareness of doing work obligations, and belief that the organization at work is the best.

The instrument used in this study was a questionnaire. The questionnaire in this study consists of five parts in which the first part is the respondent's data, the second part is the respondent's perception related to Implementation of Accrual-Based Accounting on Regional Properties, the third part is the respondent's perception related to the employee competencies, and the fourth part is the respondent's perception related to the organizational commitments. Data analysis methods used in this study are descriptive analysis methods using SPSS 22 and structural equation models using STATA 13.

IV. DATA ANALYSIS

This research was conducted in the period of September-November 2019 using primary data through questionnaires. The distribution of questionnaires was done by distributing directly via email to respondents using internet media via the link address <http://bit.ly/KuesionerPKNSTAN>. Questionnaires were given to BMD users in Badung Regency, Denpasar City, Gianyar City, Bangli Regency, Klungkung Regency, Tabanan Regency, Yogyakarta City, Sleman Regency, Gunung Kidul Regency, Kutoarjo Regency, and Bantul Regency. The number of questionnaires included in the link is 241 respondents, and all questionnaire items can be used (valid). This number has fulfilled the minimum number of samples in a study because more than 30 questionnaires or five times the number of variables in the study are more than 50 questionnaires.

Table 1 is a recapitulation of the results of the questionnaire item validity test for the variable of Accrual Based Accounting Implementation on BMD.

Table 1
The results of the validity test for the variable of the Implementation
of Accrual Based Accounting on Regional Properties

Code	Pearson Correlation	r _{table}	Remark
Q1	0.699	0.128	Valid
Q2	0.475	0.128	Valid
Q3	0.551	0.128	Valid
Q4	0.740	0.128	Valid
Q5	0.646	0.128	Valid
Q6	0.743	0.128	Valid
Q7	0.787	0.128	Valid
Q8	0.777	0.128	Valid
Q9	0.778	0.128	Valid
Q10	0.683	0.128	Valid

Source: Processed from the Respondents Answer Recapitulation

Furthermore, Table 2 shows a recapitulation of the validity test results for employee competencies variable questionnaire items.

Table 2
The Results Of The Validity Test For The Variable Of Employee
Competencies

Code	Pearson Correlation	r _{table}	Remark
Q1	0.890	0.128	Valid
Q2	0.921	0.128	Valid
Q3	0.885	0.128	Valid
Q4	0.885	0.128	Valid
Q5	0.853	0.128	Valid
Q6	0.864	0.128	Valid
Q7	0.836	0.128	Valid
Q8	0.874	0.128	Valid
Q9	0.804	0.128	Valid

Source: Processed from the Respondents Answer Recapitulation

The recapitulation of the validity test results for the organizational commitments variable is shown in Table 3 as follows:

Table 3
The Results Of The Validity Test For The Variable of Organizational
Commitment Test

Code	Pearson Correlation	r _{table}	Remark
Q1	0.911	0.128	Valid
Q2	0.888	0.128	Valid
Q3	0.785	0.128	Valid
Q4	0.800	0.128	Valid
Q5	0.871	0.128	Valid

Source: Processed from the Respondents Answer Recapitulation

Furthermore, Table 4 presents the results of the reliability test of the variables in this study. Based on Table 4, all of the questionnaire variables in this study had a Cronbach Alpha (α) value > 0.7. The lowest value of the Cronbach's Alpha (α) of the questionnaire variables in this study was the implementation of accrual-based accounting variables on BMD of 0.853. Therefore, it can be concluded that all of the questionnaire variables in this study were declared reliable.

Table 4
The Results of Reliability Test

Variable	Cronbach Alpha (α)	Remark
Implementation of Accrual Based Accounting on Regional Properties	0.853	Reliable
Employee Competencies	0.958	Reliable
Organizational Commitments	0.905	Reliable

Source: Processed from the Respondents Answer Recapitulation

In this study, descriptive statistics are used in the form of minimum, maximum, median, mean, and standard deviation.

Table 5 presents descriptive statistics for all variables in this study is as follows:

Table 5.
Descriptive Statistics of the Implementation of Accrual Based Accounting on Regional Properties, Employee Competences, and Organizational Commitments

Variable	N	Mean	Med	Std Dev.	Min	Max
Implementation of Accrual Based Accounting on Regional Properties	241	4,058	4	0.526	2.20	5
Employee Competencies	241	3,994	4	0.626	1.56	5
Organizational Commitments	241	3,915	4	0.698	1.60	5

Source: Processed from the Respondents Answer Recapitulation

Furthermore, Table 6 shows the hypothesis test results, as follows:

Table 6.
Summary of Hypothesis Test Results

Variable	Coeff	z	Prob
Employee Competency	0.181	2.57	.010 **
Organizational Commitment	-0.004	-0.10	.920

Note: ***) significant at $\alpha = 1\%$, **) significant at $\alpha = 5\%$

Source: Processed based on STATA *software output*

The Association between Employee Competencies and the Implementation of Accrual Based Accounting on Regional Properties

Based on the results of hypothesis testing, it is known that employee competence is positively associated with the implementation of accrual-based accounting on regional properties. The finding is in line with research conducted by Puspitarini et al. (2017) and Arlini et al. (2014), but not in line with Marsdenia & Arthompet (2016). The ability and expertise of employees in preparing BMD reports can improve the quality of the implementation of accrual-based accounting. Employee competence includes an understanding of accrual-based accounting at regency/city government. Human resource competencies include the ability of employees to understand the preparation of BMD reports and the preparation of BMD reports. Related to this, the ability of accounting is essential for employees who have obligations in administering/managing BMD because the employee can understand the truth and accuracy of the BMD reports presentation. The capacity of accounting that includes the preparation of financial statements and notes to financial statements. This ability can be obtained through educational background or training in accounting for regency/city government employees.

Besides, BMD managers need to understand government accounting standards as a guide in administering BMD information. This requirement is important in ensuring that BMD information provided to the public has carried out applicable government accounting standards. Therefore, this information can be used in financial statement user decision making. BMD employees who understand accounting standards are also expected to be able to do an analysis related to the impact of the implementation of accrual-based accounting. This analysis can be used as a basis for allocating the BMD maintenance budget and the budget for providing future BMDs.

BPK's finding and recommendation on the financial statements of local governments, especially in the management of BMD is generally a thing that happens every year. Follow-up related to BPK's findings on BMD management is a reflection of the public related to the capacity and performance of local government officials. If the BPK follow-up can be completed or can be minimized shows that the public can trust the quality of work carried out by the local government apparatus. It can also be reflected in the completion of the BPK follow-up findings on BMD. The human resource quality

factor in the process of completing the follow-up has an impact on the output produced, namely the BMD reports, which is published. Reliable employee competence in completing BMD follow-up can provide high confidence for users of financial statements, including BMD information. The use of reliable human resources in managing BMD can encourage improvement in the quality of BMD information to the public.

Furthermore, employee competencies can be demonstrated by a good understanding of the rules in managing BMD in addition to an understanding of government accounting standards. However, the implementation of government accounting, including accounting for BMD, is inseparable from the most important regulations. Synchronizing employee understanding of both regulations and financial accounting standards can produce competent HR in managing BMD. A good employee understanding can provide clear direction in managing BMD, including in treating the implementation of every BMD transaction. The BMD information provided can be more accurate if it is managed by competent employees who can understand the rules. As a result, information on BMD provided to the public can produce reliable information that is useful for stakeholders in making decisions.

The Association between Organizational Commitment with the Implementation of Accrual Based Accounting in Regional Properties.

Based on the results of hypothesis testing, it is known that organizational commitment is not associated with the implementation of accrual-based accounting in BMD. The finding is in line with Ekayanti et al. (2017), but not in line with Marsdenia & Arthaing (2016) and Karyogis & Putra (2017). Organizational commitment can be shown by the belief of employees that the agency where they work who has the authority in managing BMD is the best agency for them. Although employees feel that the agency provides employees with opportunities to work optimally, this does not guarantee the reliable quality of regional properties information. Perspectives of employees who work in BMD management agencies as well as working in other agencies. Local government employees, including BMD managers, are generally indigenous people of the area, so they assume that working in any agency as long as in the area is not a problem for them because they consider working in any agency is the best job choice for them. Therefore, no matter how big the employee's confidence in the BMD management agency is allowed to be the same as that of employees who are placed in other agencies. As a result, the high level of employee confidence associated with BMD management organizations does not result in the output of financial statements, including BMD information being of higher quality.

Also, the organizational commitment that can be demonstrated through a comfortable workplace for employees does not have an impact on increasing the accounting-based account for BMD. The large number of regency/city government apparatuses originating from the area results in the sense of comfort because these employees did not leave their place of origin. Therefore, the regency/city government apparatus feel comfortable being placed in any agency, including the BMD management agency. Feeling comfortable is in the works resulted in employees can work well. The feeling of comfort is not an impact on improving the quality of output or the quality of work produced at the agency. Still, it only has an impact on the completion of the quantity of work that is routine to be conducted.

Also, employees feel part of the organization's members in the BMD management agency. Some employees are suspected of not having the pride of working in asset management. Asset management is considered not a strategic field of work, among other task fields carried out by the Regency/City Government. Furthermore, organizational commitment is demonstrated by the awareness of BMD management employees of their obligations when placed in BMD management agencies. Awareness of the obligation to manage BMD encourages employees to continue to improve their abilities by attending training related to BMD management. Many tasks to be performed in the management of BMD may

result in employees often do not have enough time to improve its ability or update to the issue-issue management BMD. Besides, the limited budget of the APBD to conduct training also becomes an obstacle for the Regency/City Government to provide training for employees who manage BMD. To overcome this obstacle, some regency/city governments chose to have their employees update one another among their colleagues.

Also, this finding suggests that BMD management employees felt that their place of work was not the best organization. Asset management is considered not a strategic area of work, among other fields of tasks performed by the regency/city government. On the other hand, work as a BMD manager is not easy work, especially related to the follow-up to BPK's findings and recommendations. The regency/city government still believes that BPK's findings and recommendations put a heavy burden on the regency/city government in completing them. Therefore, the job as a manager of BMD is fairly complicated, so this results in one that reduces the employee's work. As a result, such conditions do not contribute to improving the quality of the implementation of accrual-based accounting, especially in the management of BMD.

V. STUDY RESULTS, SUMMARY AND CONTRIBUTION

This study finds that employee competence influences the implementation of accrual-based accounting on Regional Property in Indonesia. At the regency/city government level, employee competencies in understanding the laws and regulations, and government accounting standards significantly affect the reliability of accounting information generated, especially BMD information. The implementation of accrual-based accounting starting in 2015 is not an easy thing for local governments to provide BMD information to the public. Changes in accounting rules that cannot be anticipated by employees can result in the unreliable provision of information on BMD. In contrast, organizational commitment does not affect the implementation of accrual-based accounting in BMD. Working as a Regional Civil Servant is the biggest desire for employees. Employees have no choice when working as Regional Civil Servants, so employees feel that in whatever institution they are placed in, they assume that the agency is the best in their work. However, this does not result in employees having to fulfill their competence when working and placed in BMD management agencies. Employees consider that working in any agency is the best agency so that employees lack value when they are placed in BMD management agencies. As a result, such conditions do not support the improvement of accrual-based accounting in BMD.

This study still has limitations because this study only uses a sample of regencies/cities in the Province of Bali and Yogyakarta Special Region Province so that it cannot be generalized to all regions in Indonesia. Besides, sample selection is only based on regencies/cities that have unqualified BPK audit opinions. Based on these findings and limitations, future studies can use other independent variables such as the role of internal auditors and the coaching/coordination of related agencies. The development of moderation variables such as leadership in the implementation of the accrual basis for local government assets can also be considered for further research. Also, the research sample can use regency/city governments that have a reasonable BPK audit opinion without exception, are reasonable with exceptions, and are not fair to get more comprehensive results so that the results of subsequent studies can be compared with the results of this study.

This study suggests to The Indonesia Ministry of Home Affairs to regulate the functional positions of BMD managers professionally so that BMD managers are competitive professions with the requirements of employees with suitable qualifications. Also, The Indonesia State Assets Office as the regulator in the field of BMN and BMD needs to continually make improvements based on the research of government asset accounting to create a link and match between the theoretical concept and the practical level. Furthermore, regency/city governments need to set detailed criteria related

to BMD managers. Considering that the work of BMD management is not easy, it is necessary to have an employee placement policy taking into account the educational background and certification of the competency of the relevant employees. Regency/city governments can also consider providing individual remuneration for BMD management employees.

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