

Factors Affecting Quality of Accounting Information and its impact on local government fixed assets management's effectiveness: A study on Local Government of Indonesia

FITRA DHARMA
MEGA METALIA*
SARI INDAH OKTANTI SEMBIRING
Lampung University, Indonesia

Abstract: *Inseparable from managing regional fixed assets is the quality of information or data utilized by each unit. The quality of accounting information in government is heavily dependent on the leadership's commitment, the effectiveness of internal control, and the execution of good governance, according to various published works; nevertheless, this must be demonstrated further. Consequently, this study aims to investigate the link and size of the influence of these three elements on the quality of accounting information and their impact on the efficacy of local government fixed asset management. In Indonesia, 34 provincial governments, 416 district governments, and 98 city governments were surveyed for this quantitative research. This study included 529 participants. The research data was gathered using a questionnaire instrument that included in-person interviews—data analysis using the Structural Equation Modeling (SEM) method with Lisrel 8.8 statistical software. The explanation of research findings is both descriptive and causally explanatory. In general, local governments in Indonesia have excellent accounting data and management of fixed assets. In carrying out local government tasks, the local government has also built an effective internal control system and excellent governance. The study's findings demonstrate that the effectiveness of internal control and the function of good governance substantially impact the quality of accounting data. Similarly, leadership commitment, the importance of good governance, and the accuracy of accounting information substantially impact the success of fixed asset management. However, internal control efficacy does not significantly impact managing local governments' fixed assets.*

Keywords: *Leadership Commitment, Internal Control System, Governance, Governance, Quality of Accounting Information, Effectiveness of Fixed Asset Management.*

Abstrak— *Tidak terlepas dari pengelolaan aset tetap daerah adalah kualitas informasi atau data yang dimanfaatkan oleh masing-masing unit. Kualitas informasi akuntansi di pemerintahan sangat bergantung pada komitmen pimpinan, efektivitas pengendalian intern, dan pelaksanaan tata kelola yang baik, menurut berbagai karya yang diterbitkan; namun demikian, hal ini harus dibuktikan lebih lanjut. Oleh karena itu, tujuan dari penelitian ini adalah untuk menyelidiki keterkaitan dan besarnya*

pengaruh ketiga elemen tersebut terhadap kualitas informasi akuntansi dan dampaknya terhadap efektivitas pengelolaan aset tetap pemerintah daerah. Di Indonesia, 34 pemerintah provinsi, 416 pemerintah kabupaten, dan 98 pemerintah kota disurvei untuk penelitian kuantitatif ini. Studi ini melibatkan 529 peserta. Pengumpulan data penelitian menggunakan instrumen kuesioner yang meliputi wawancara langsung. Analisis data menggunakan metode Structural Equation Modeling (SEM) dengan software statistik Lisrel 8.8. Penjelasan temuan penelitian bersifat deskriptif dan bersifat kausal. Secara umum, pemerintah daerah di Indonesia memiliki data akuntansi dan pengelolaan aset tetap yang sangat baik. Dalam menjalankan tugas pemerintah daerah, pemerintah daerah juga telah membangun sistem pengendalian intern yang efektif dan tata kelola yang unggul. Temuan penelitian menunjukkan bahwa efektivitas pengendalian internal dan fungsi tata kelola yang baik memiliki dampak yang besar terhadap kualitas data akuntansi. Demikian pula, komitmen kepemimpinan, pentingnya tata kelola yang baik, dan keakuratan informasi akuntansi berdampak besar terhadap keberhasilan manajemen aset tetap. Namun, efektivitas pengendalian internal tidak berdampak besar pada pengelolaan aset tetap pemerintah daerah.

Kata Kunci: *Komitmen Pimpinan, Sistem Pengendalian Internal, Tata Kelola, Kualitas Informasi Akuntansi, Efektifitas Pengelolaan Aset Tetap.*

1. Introduction

Providing better community services and boosting regional competitiveness are two ways local governments strive to better the lives of their constituents. Local governments are given the authority to administer all regional financial resources for the fulfillment of their objectives in a way that is effective, efficient, and economically viable and that does not contradict the terms of existing laws and regulations (Law No. 23 of 2014 concerning Local government).

The implementation of regional autonomy is inextricably linked to regional property management policy implementation because of the central role property plays in regional financial management. The Minister of the Interior's Regulation No. 17 of 2007 on the Technical Management of Regional Property stipulates that proper organization of fixed assets or regional property is essential for its effective administration (Ratnasari, 2015). Mahmudi (2010) argues that a successful regional financial management system requires elements of an effective and efficient regional

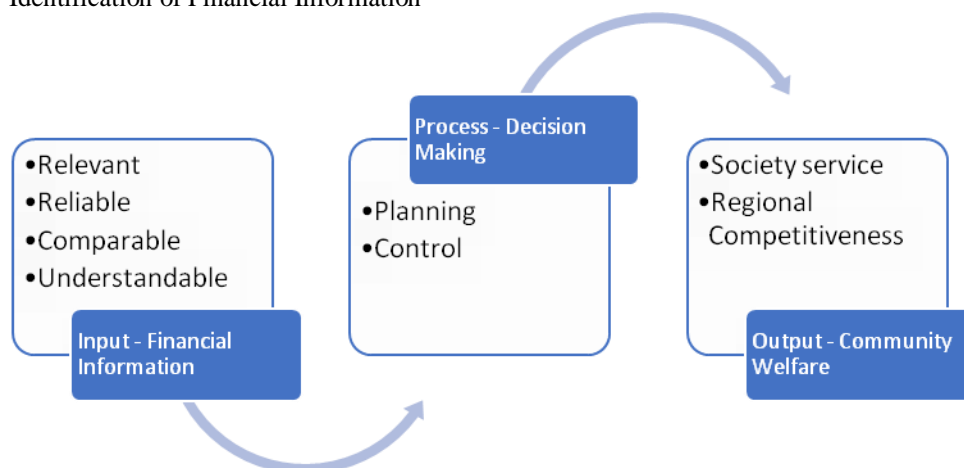
asset management system. The assets of a region are an integral part of the infrastructure of governance and public services. As such, they must be managed in a way that is effective, efficient, transparent, and accountable.

For regional assets and/or goods to be managed in a way that satisfies accountability, they must be handled with care as a crucial part of the framework for administering government and public services. Problems may arise due to the tremendous variety and quantity of municipal assets. A lack of a comprehensive inventory of all regional assets that are still dispersed and/or a lack of clarity regarding ownership of various types of assets, such as vehicles, machine tools, land, and buildings, are common contributors to the issue of asset management and property belonging to the region (Ratnasari, 2015).

To manage regional assets efficiently, it is vital to have access to all pertinent information and data. According to Cohen et al. (2011), regional financial managers need access to various data and information, including answers to data issues and measurable results, to do their tasks efficiently. The administration of the Regional Government will utilize the financial data to influence their planning and budgeting, in addition to implementing government programs and delivering outputs in the form of regional wealth positions used to improve community welfare. Examining the operational procedures of a regional government, as depicted in Figure 1, can help Regional Financial Managers locate financial data that can aid in making sound decisions. Consider the following business process chart to understand the framework for retrieving information better.

As part of the PWC Global Survey on Accounting and Reporting by Central Governments, PWC published in April 2013 the results of a survey titled "Towards a New Era in Government Accounting and Reporting." It has been observed that strengthening planning and control skills based on financial information might increase timely and relevant decision-making inside an organization. According to PWC, "better accounting leads to better reporting, which provides the financial knowledge required for enhanced decision-making," which should result in the more effective use of public monies.

Figure 1
Identification of Financial Information



Source: PWC, April 2013

Article 1 Number 10 of the Minister of Finance's Regulation No. 04/PMK.07/2011 on the Procedures for the Submission of Regional Financial Information defines regional financial information as "all information related to regional finances required within the framework of the implementation of the Regional Financial Information System," which includes details on the administration of regional assets and profits. Beneficial effects on regional asset management may result from the display of high-quality accounting information. This demonstrates that the quality of the internal controls influences the accuracy of the accounting data in the financial statements. Future research should broaden the research object by incorporating other predictor factors through qualitative evaluation of specific loci that exhibit the same behavior as this study. This should be feasible to widen the scope of the research. This study aims to find additional elements that impact the quality of accounting information and local governments' efficiency in managing their fixed assets. These variables are in addition to the leadership's commitment, the effectiveness of internal control, and the execution of good governance.

Good governance and internal control both play crucial roles in determining the accuracy of financial statements. Good governance and the accuracy of financial reports are inextricably linked, as evidenced by the findings of Krismiaji et al. (2016). The dedication of top-level management is essential for generating accurate financial reports. When it comes to accomplishing corporate goals, leaders need to be more hands-on in the creation and execution of programs, as stated by Elkeles and Philips (2007).

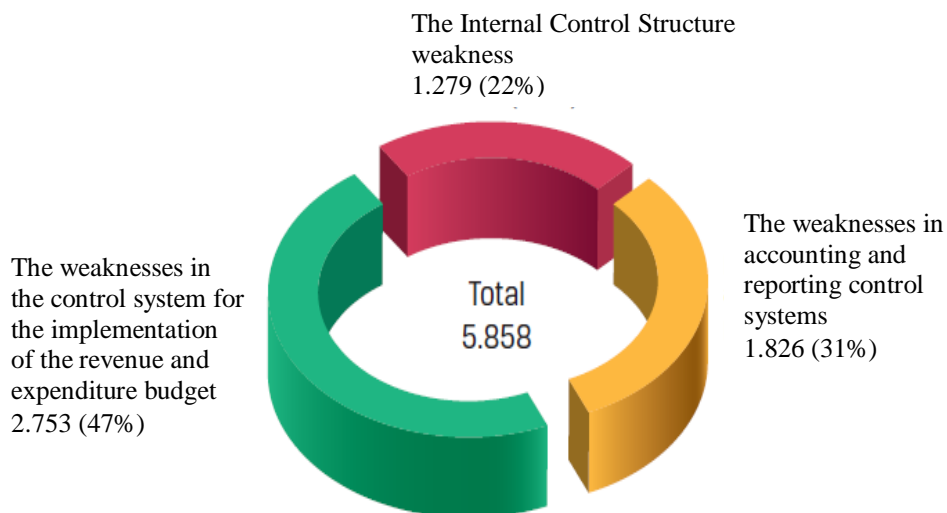
Leadership endorsement is a significant factor in the success of an organization, as discovered by Belout and Gauvreau (2004). As Ratnasari (2015) argues, obtaining the WTP opinion predicate might indicate high-quality accounting information and efficient asset management in local government financial reports. The regional director and his team must give their full attention and effort. BPK has empirically analyzed 542 (one hundred percent) 2018 LKPDs in the first semester of 2019. Among these, 443 LKPDs (82%), 86 LKPDs (16%), and 13 LKPDs received a Not Giving Opinion from BPK (2%). The regional financial performance target in bolstering local government governance outlined in the 2015-2019 RPJMN has been surpassed, according to the WTP view, due to the level of government's success.

Local government financial reports (LKPD) do not contain fully qualified accounting information. There were 15 of the 542 LKPD (or 3 percent) that saw a decrease in opinion; thus, while the overall quality of the 2018 LKPD was higher than the 2017 LKPD, there were still some low points. Internally, BPK identified 5,858 SPI flaws, including 1,826 issues with the accounting and reporting control system, 2,753 problems with the system for monitoring the budget implementation for income and expenditures, and another 1,279 with the organization's internal controls. Figure 2 depicts the makeup of the SPI vulnerability issues (BPK, 2018).

There are still accounts in the financial statements of 99 LKPDs that have not acquired a WTP opinion that is not presented following SAP and/or are not substantiated by appropriate evidence. One example is that goods managers and Regional Property Managers (BMD) have not administered and secured BMD under their control, including tracing fixed assets whose whereabouts are unknown and, if

not located, processing through the Compensation Claims Advisory Council (MP TGR), as well as controlling all BMD controlled by other parties. This has an effect on the presentation of Accounts that are not compliant with SAP and/or are not supported by appropriate evidence, as depicted in Figure 2 (BPK, 2019):

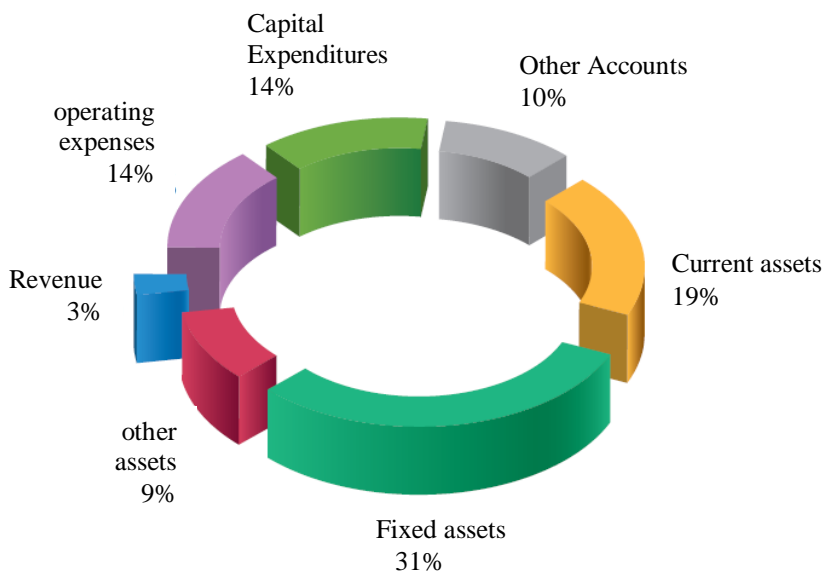
Figure 2
Composition of Internal Control System Weaknesses on Local Government Financial Reports 2018



From the various empirical phenomena described, we can deduce that local governments have not been able to optimize the presentation of accounting information that can encourage more effective asset management despite their leadership's dedication, internal control efficiency, and strong governance implementation. We do not understand why this keeps happening. To date, research has not been able to answer this topic. The research addresses the impact of leadership commitment on accounting information quality and asset management (Eriadi et al., 2018; Septarini, 2019; Kuraesin et al., 2019). In some studies, the sole factor considered is how internal controls affect information quality and asset management (Sari et al., 2018; Makawide & Pontoh, 2018). Several other studies over the last several years have focused on the consequences of good governance on the dependability of financial reporting and the efficacy of asset management

(Alsalam et al., 2018; Hari & Caturida, 2019; Jauhari et al., 2019). However, no study has been conducted to evaluate the direct or indirect benefits of great governance, effective internal controls, and devoted leadership on the precision of accounting information and fixed asset management. Despite the significance of this study, local governments in Indonesia continue to struggle with inadequate approaches to presenting accounting information and managing their fixed assets.

Figure 3
The Account Does Not Match on Local Government Financial Reports 2018



2. Theoretical Framework and Hypothesis Development

2.1. Theoretical Framework

2.1.1. Organizational Theory

Theories about organizations began to emerge and steal the attention of researchers after the 1850s. After some time, other theories were less attractive, making the concept of an "organization" feel more relevant to the public and unconsciously making humans more accepting and seeking a general definition of the organization (Holt et al., 1995). McCauley et al. (2007) explain that it is

challenging to define an organization because it must use a certain set of assumptions that lead to understanding this phenomenon from a certain and often very partial point of view. In their view, the organization is a social entity created and maintained by a group of people that allows achieving goals to meet needs that cannot be achieved individually. From the perspective of local government, the organization is a social entity created and maintained by the government to achieve the government's goals.

2.1.2 Leadership Commitment

The study of Tzempelikos (2015) explains that leadership commitment refers to the form of leadership belief about the importance of the main strategic orientation for the organization, meaning that the steps taken by the leadership are more concrete than just involvement. Direct leadership involvement is needed in matters that are strategic and have a direct bearing on the organization. Leadership commitment has a close relationship with leadership style. Fitrius (2016) explains that leadership commitment is a leadership style in which superiors and subordinates participate together in determining work goals, the level of responsibility, and clarifying performance commitments. With the presence of leaders in local government in these processes, the purposes of local government will be more clearly understood and translated into jobs that both superiors and subordinates will carry out in the local government structure.

2.1.3. Internal Control Effectiveness

According to Mulyani and Arum (2016), internal control is a method that provides reasonable assurance that operations are effective and efficient, financial statements are trustworthy, and laws and regulations are followed. While Kesuma (2020) said that an internal control system is, an integral process for actions and activities carried out continuously by the leaders and all employees to provide adequate assurance of organizational goals through effective and efficient activities, reliability of financial reporting, safeguarding state assets, and compliance with laws and regulations. The phrase "internal control" refers to a wide variety of subjects important to the management of each specific organization. The study by Ramos (2008) limits the area of consideration of entities from internal control to the

production of financial statements due to its near resemblance to the COSO definition of internal control. His research revealed a significant link between risk assessment and internal control. The effectiveness of the internal control system, which management uses to analyze whether or not operations have been operating as planned, directly affects the quality of the risk assessment. In local government, the effectiveness of internal control is used to analyze if the operation is operated based on the standard operating procedure and directly affects the quality of the risk assessment on the local government.

2.1.4. Implementation of Good Governance

Tjiptoherijanto's (2010) research demonstrates the critical nature of good governance as a foundational tenet for standing up to rivals in the modern, international economy. Through the construction of a stable, responsible, efficient, and effective state government, good governance will be attained, and the state's status in the international community will be enhanced and the promotion of constructive interactions between the public sector, the business sector, and society (Setiyawati & Doktoralina, 2019). The term "good governance" describes a political climate favorable to economic, social, and ecological development as well as the state's responsible use of its political power and resources (Bundschuh-Rieseneder, 2008). How local government agencies keep tabs on the government, manage public funds, and protect citizens' rights.

2.1.5. Quality of Accounting Information

The financial information shown in financial statements may significantly contribute to an improvement in the overall performance of an organization. The procedure that results in quality financial reports begins with accurate financial information input. The three parts of what Schiper and Vincent (2003) calls a "multidimensional concept" for describing the quality of accounting information are accounting conservatism, the value relevance of accounting information, and managerial profits. Schiper and Vincent (2003) say that this idea was made. Romney and Steinbart (2015) say that "quality accounting information" is data that has been analyzed and understood so that business decisions can be made more easily. Based

on a literature review, this study says that the Quality of Accounting Information is financial and non-financial data processed to meet user needs in each unit or SKPD in local government. This definition is derived from the notion that accounting information should be accurate and reliable (Mulyani & Arum, 2016; Hari & Caturida, 2016).

2.1.6. Effectiveness of Local Government Fixed Asset Management

Fixed assets play a vital role in achieving company goals. Fixed assets are long-term investments that, if not used, will become a burden and result in quite a heavy financing, either directly or indirectly. So, companies need to continue to analyze the needs and performance of their fixed assets from time to time by comparing them with previous performance and standards applicable in other places so that fixed asset management can provide maximum benefits for the company (Nagaraju, 2018). Based on a review of various kinds of literature (Cunningham, 2015; Ngwira & Manase, 2016; Nagaraju, 2018), in the context of this research, the effectiveness of local government fixed asset management is defined as a structured process starting from the process of maintenance, improvement, to operations in optimizing the economic value of assets. In comparison, the local government is in the context of fulfilling services to the community.

2.2. Hypothesis Development

2.2.1. The Effect of Leadership Commitment on the Quality of Accounting Information at Local Government

Xu's study (2015) proves that leadership commitment is crucial when an organization wants quality accounting information. Mulyani and Nurhayati (2015), through the results of a survey conducted on Islamic banks in Bandung, showed that leadership commitment directly influences the quality of accounting information. Fitrios's (2016) findings corroborate this idea, as they show that top-level management's dedication to hospitals in Riau Province has a major impact on the efficiency with which accounting information systems are put into place, which in turn affects how hospitals behave in terms of the quality of the accounting data they produce. Although there are other significant factors, such as user training, without

leadership commitment, these other factors are difficult to implement.

H1. Leadership commitment positively affects the quality of accounting information at local government

2.2.2. The Effect of Internal Control Effectiveness on the Quality of Accounting Information at Local Government

Fardinal (2014) conducted a literature study and developed a model to understand better how internal control influences accounting data quality. In his presentation, Fardinal stated that the purpose of internal control is to ensure that a company's financial transactions are recorded correctly, in the appropriate accounts, and within the appropriate accounting periods so that its financial statements can be prepared following accounting and legal standards. In other words, internal control aims to ensure that a company's financial activities are documented accurately, within the appropriate accounting periods, and in the proper accounts. Rahmatika (2014) discovered that an internal control system significantly impacts the Quality of Financial Reporting, a byproduct of accounting data analysis in local government. Rahmatika (2014) examined seven distinct local administrations in Central Java, formerly known as Pekalongan Residency.

H2. Internal control effectiveness positively affects accounting information quality at local government

2.2.3. The Effect of Good Governance Implementation on the Quality of Accounting Information at Local Government

Most research investigating the relationship between the requirements for implementing good governance and the quality of accounting information has discovered that the two factors are positively correlated. Klai and Omri (2010) analyzed the influence of corporate governance arrangements on the accuracy of financial reporting by examining a sample of Tunisian enterprises. In light of the expanding accounting debate, governance frameworks must be implemented to enhance the relevance of financial reporting. Alsalim et al. (2018) investigated how adopting good governance, which in this case was divided into two sections, accounting information governance, impacts the quality of accounting information.

They discovered that it significantly impacted the quality of accounting data. The authors reached this result after discovering that excellent governance significantly improves accounting information. A solid governance structure may favorably influence the accounting data quality (Alsalm et al., 2018; Setyawati & Doctoralina, 2019; Jauhari, Sari & Dewata, 2019).

H3. Good governance implementation positively affects the quality of accounting information at local government

2.2.4. The Effect of Leadership Commitment on the Effectiveness of Local Government Fixed Asset Management

Many studies have found a favorable correlation between leadership commitment and managing fixed assets efficiently. With this in mind, Tawhid et al. (2018) looked into what factors influence the efficient management of fixed assets in East Lombok's rural communities. Asset management and the commitment of the leadership are two of these components. According to the study findings, Leadership Commitment significantly affects the management of fixed assets. Furthermore, it is stated in the study that the low commitment of village leadership makes the management of village assets worse. Research by Eriadi et al. (2018) examines and analyzes the factors that affect the quality of local government financial reports by using the effectiveness of regional asset management as a mediator in the North Sumatra Provincial government. The result is that the leadership ranks, such as power users of goods and regional heads, must be committed to adequately managing regional assets. According to research (Tauhid et al., 2018; Eriadi et al., 2018), leadership commitment positively affects the effectiveness of local government fixed asset management.

H4. Leadership commitment positively affects the effectiveness of local government fixed asset management.

2.2.5. The Effect of Internal Control Effectiveness on the Effectiveness of Local Government Fixed Asset Management

Most research exploring the relationship between internal control and fixed asset management has revealed a favorable association. According to the findings of Sari

et al. (2018), the presence of a sufficient internal control system will increase the quality and efficacy of fixed asset management. Mainar et al. (2017) examined the asset management of the Aceh Jaya district SKPD to identify the influence of internal control systems, legal knowledge, and information systems. According to 76 respondents, both individually and collectively, the outcomes of the internal control system have a substantial impact on asset management. Research (Sari et al., 2018; Mainar et al., 2017) indicates that the Effectiveness of Internal Control positively influences the Effectiveness of Local Government Fixed Assets Management.

H5. Internal control effectiveness positively affects the effectiveness of local government fixed asset management.

2.2.6. The Effect of Good Governance Implementation on the Effectiveness of Local Government Fixed Asset Management

The study by Awaludin et al. (2018) explains the effect of good governance implementation on the implementation of fixed asset management at the Regency/City Ministry of Religion Offices and Regional Offices of the Ministry of Religion in West Java Province, as well as the auditors of the Regional Inspectorate II Inspectorate General of the Ministry of Religion. Consequently, adopting good governance principles concurrently has a major favorable influence on the execution of fixed asset management. Camparano and Masic (2018) demonstrate that effective governance is essential to asset management in China's smaller towns. The extraordinary developments achieved by the Chinese government have made small cities in China face new challenges related to asset management, especially in terms of data availability and reporting, governance, capacity, and financial management. Camparano then uses the parameters of good governance to identify the maturity level of the cities' governance and formulate improvement solutions. It has been postulated from studies (Camparano et al., 2017; Awalluddin et al., 2018) that excellent governance improves the efficiency of local government fixed asset management.

H6. Good governance implementation positively affects the effectiveness of local government fixed asset management.

2.2.7. The Effect of Accounting Information Quality at Local Government on the Effectiveness of Local Government Fixed Asset Management

Researchers have demonstrated a significant association between accounting information quality and the effectiveness of fixed asset management. Using a 100-person sample and the classical test, Salmia (2018) shows that the quality of management accounting data positively affects P.T. Perkebunan Nusantara's asset management decisions. In addition, Paomey & Pamungkas (2019) compared the quality of East Nusa Tenggara Provincial Government's Local Government Financial Reports' information quality before and after adopting accrual accounting. The government uses the report to assess fixed asset management's effectiveness and inform policy decisions. The government hopes to boost the quality of fixed assets by boosting the user competency of local government-owned enterprises and the quality of the accounting information system. Studies imply that the quality of accounting information may improve the effectiveness of local government fixed asset management (Salmia, 2018; Paomey & Pamungkas, 2019).

H7: Accounting information quality at local government positively affects the effectiveness of local government fixed asset management.

2.2.8. The Effect of Leadership Commitment to the Effectiveness of Local Government Fixed Asset Management through the Quality of Accounting Information at Local Government.

Those that examine the effect of leadership commitment traits on asset management discover a favorable correlation between the two, as measured by the quality of accounting information. Tawhid et al. (2018) found that dedication from village leaders was the most critical factor in maximizing the management of village fixed assets in East Lombok. On the other hand, Al-Hiyari et al. (2013) discovered that leadership commitment strongly influenced the accuracy of financial reports. According to Sari et al. (2018), the results of their research in 17 regencies/cities in South Sumatra Province found that leadership commitment influences information on local government asset reports to facilitate regional asset management. This is important considering that local government assets have the greatest value in the

local government financial statements because almost 80% to 90% of total assets are fixed assets in local government financial statements. Thus, good asset management should help local governments classify and determine the content of their assets and be able to monitor and control functional and financial performance because it is supported by quality accounting information. It may be assumed that based on studies (Tauhid et al., 2018; Sari et al., 2018; Septarini, 2019). Through the integrity of accounting information, leadership commitment influences the performance of local government fixed assets management.

H8: Leadership commitment positively affects the effectiveness of local government fixed asset management through the quality of accounting information at local government.

2.2.9. The Effect of Internal Control Effectiveness on the Effectiveness of Local Government Fixed Asset Management through the Quality of Accounting Information at Local Government.

Sari et al. (2018) found that an effective internal control system may improve the efficacy of fixed asset management. This suggests that the effectiveness of internal control and asset management are significantly connected. Meanwhile, Le & Tran (2018) indicate that inadequate asset management might be the source of fraud and abuse, which can result in enormous economic losses. This conclusion is strengthened by Rahmatika's (2014) assertion that the efficacy of internal control must be backed by high-quality information. Consequently, the presence of an internal control system substantially affects the efficiency of asset management in local government. Research (Rahmatika, 2014; Sari et al., 2018; Le & Tran, 2018) suggests that it is feasible to hypothesize that Internal Control Effectiveness positively affects the Effectiveness of Local Government Fixed Asset Management through Quality Accounting Information.

H9: Internal control effectiveness positively affects local government fixed asset management through the quality of accounting information at local government.

2.2.10. The Effect of Good Governance Implementation on the Effectiveness of Local Government Fixed Asset Management through the Quality of Accounting Information at Local Government.

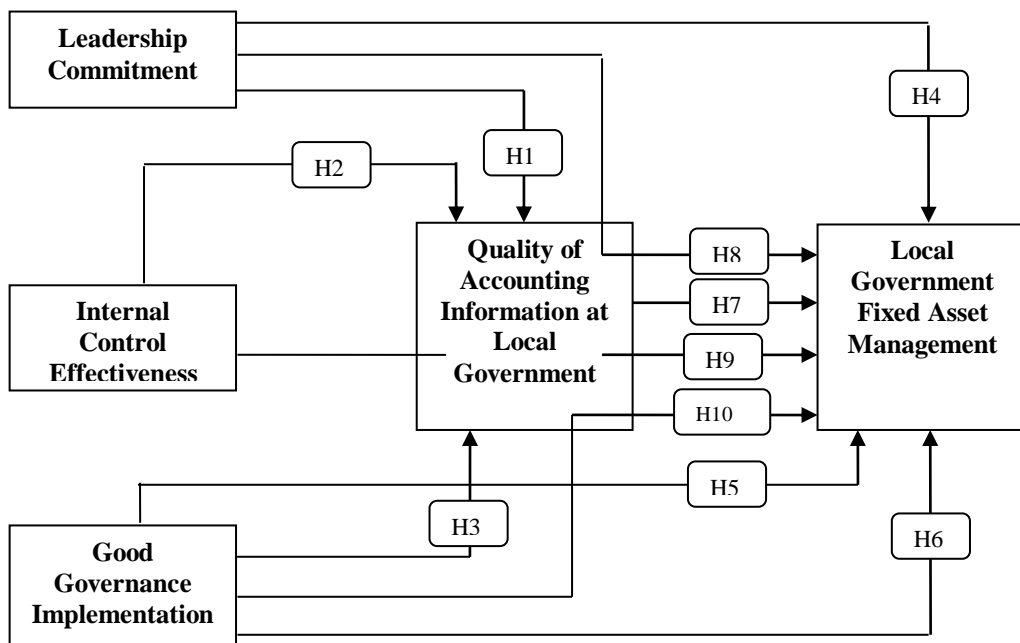
According to Mardiasmo (2012), the phenomenon that happens in Indonesia is a result of the adoption of good governance in the administration of public assets. Good governance must be implemented in asset management, although with fresh viewpoints and methods, so it is applied more than merely theoretically. According to Klai & Omri (2010), who performed research to assess the effect of governance mechanisms on the quality of financial reporting, the rise of accounting scandals has necessitated the preparation of a good governance structure to raise the relevance of financial reporting. Good governance can encourage effective asset management because it is supported by quality information in implementing governance. Quality information facilitates each activity implementation.

H10: Good governance implementation positively affects the effectiveness of local government fixed asset management through the quality of accounting information at local government.

2.3. Research Framework

In this study, we studied the effect of leadership commitment (H1), internal control effectiveness (H2), and good governance implementation (H3) on the quality of accounting information in local government. We also study the effect of leadership commitment (H4), internal control effectiveness (H5), and good governance implementation (H6) on the local government fixed asset management. After that, we examine the influence of the quality of accounting information at the local government on the local government fixed asset management (H7). And also we studied the effect of leadership commitment (H4), internal control effectiveness (H5), and good governance implementation (H6) on the local government fixed asset management when the quality of accounting information at local government influences it.

Figure 4.
Research Model



3. Research Methodology

This study examines Leadership Commitment, Internal Control Effectiveness, Good Governance Implementation, Accounting Information Quality, and Local Government Fixed Asset Management Effectiveness. This study employs a quantitative methodology and uses scientific research as its research design. This investigation utilizes primary data. This study utilizes primary data since the information obtained corresponds to the respondents' perspectives and experiences.

This study examines the connection between independent and dependent factors. Independent factors in this study are Leadership Commitment, Internal Control Effectiveness, and Implementation of Good Governance. This survey included 34 province governments, 416 district administrations, and 98 municipal governments obtained through purposive sampling. This study's data included both primary and secondary data. A questionnaire containing closed and open questions was deployed

through e-mail and filled out by the Head of the Local Government Unit to collect primary data. Secondary data are collected from the website of the municipal administration, media, and the internet, such as IHSG and BPS. They are used to augment primary data for more accurate analysis and conclusion. This research was conducted in the year 2021.

This study employed two methods to assess a research instrument: validity testing and reliability testing. The purpose of this test is to assess whether the utilized instrument is valid and dependable. The instrument will significantly impact the quality of the research findings. The data analysis employed a descriptive and validation strategy. In this study, the descriptive analysis attempts to characterize respondents and rank them according to the quality of their replies. This study's verification analysis employs the SEM method, including evaluating the measurement and structural models. The use of the SEM method in this study emphasizes the use of covariance compared to variance because the aim is to confirm theories and prove hypotheses built from previous research. Ghozali (2014) states that the success or failure of SEM analysis depends on the strength of the supporting theory. SEM can gather a better analysis between several independent variables and dependent variables when tested directly and simultaneously (Hair et al., 2014).

4. Result and Discussion

4.1. Result

4.1.1. Descriptive analysis

According to the results of the calculation of the total score for the variables in the research, it was obtained that the Leadership Commitment variable was the variable with the highest score, namely 4.25 out of a scale of 5. At the same time, the Information Quality variable was the variable with the lowest score of 3.98 on a scale of 5.

Table 1.
Descriptive Analysis of Research Variables

No	Indicator	Real Score	Max Score	Average Score	% Realization	%GAP	Criteria
1	Leadership Commitment	15739	18515	4.25	85.01%	14.99%	Very good
2	Effectiveness of Internal Control	10893	13225	4.12	82.37%	17.63%	Well
3	Implementation of Good Governance	19471	23805	4.09	81.79%	18.21%	Well
4	Quality of Accounting Information	16829	21160	3.98	79.53%	20.47%	Well
5	Effectiveness of Local Government Fixed Asset Management	21118	26450	3.99	79.84%	20.16%	Well
	Average Score	3689	103155	4.09	81.71%		Well
	% gap			0.91	18.29%		
	Maximum Score			5.00	100%		

Source: Research Results (2020)

4.1.2. Verification Analysis

This research assesses the connection between latent variables and between latent variables and indicators. Structural Equation Modeling (SEM) was utilized to conduct the investigation, including evaluations of the measurement and structural models. The measurement model analysis reveals that all variables' indicators have factor loadings greater than 0.50. All indications have been taken at face value. Similarly, the variance extracted and construct reliability values are more than 0.50. SEM was utilized to conduct the investigation, including evaluations of the measurement and structural models. The measurement model analysis reveals that all variables' indicators have factor loadings greater than 0.50. All indications have been taken at face value.

Similarly, the variance extracted and construct reliability values are more than

0.50, indicating that the measurement model's reliability value is greater than 0.50. This measurement's findings suggest that all variables' dependability is high. Therefore, it is safe to conclude that the indicators employed to gauge the leadership commitment variable in this research are reliable and accurate.

It is necessary to establish the level of fit of the structural model before proceeding to an evaluation of the model. The purpose of this questionnaire is to ascertain whether or not actual evidence from the field has corroborated the model based on sound theory. Table 2 displays the results of the model-fitting test.

The statistical analysis of the model's goodness of fit is displayed in Table 2. If the model's fit is deemed satisfactory by at least five of ten indications, or if the absolute fit index of the chi-square value or the RMSEA model is satisfactory, then the model is accepted. Test results show that all measures of model fit [NFI, NNFI, CFI, IFI, RFI, GFI] exceed the cut-off value of 0.90. It's OK to have an RMSEA of 0.078 or less than 0.08. As a result, the model's proportions are right. An SRMR of 0.041 (less than 0.05) means the model adequately fits the data. An AGFI under 0.90 suggests a good match between the model and the data. If the p-value is less than 0.05, then the level of similarity is quite low. The results of the model fit test show that the overall model for this study has a good degree of fit.

Table 2.
Model Fit Test Results

No	Match Criteria	Score Cut-off Value	Model Estimation Results	Model Conclusion
1	Chi-square	<i>p-value</i> 0.05	0.0000	Not good
2	RMSEA	RMSEA 0.08	0.078	Well
3	NFI	NFI 0.90	0.97	Well
4	NNFI	NNFI 0.90	0.97	Well
5	CFI	CFI 0.90	0.97	Well
6	IFI	IFI 0.90	0.97	Well
7	RFI	RFI 0.90	0.96	Well
8	SRMR	SRMR 0.05	0.041	Well
9	GFI	GFI 0.90	0.90	Well
10	AGFI	AGFI 0.90	0.87	Pretty good

4.1.3. Statistical Hypothesis Testing

Simultaneously or together, the variables of Leadership Commitment, Effectiveness of Internal Control, and Implementation of Good Governance affect the Quality of Accounting Information by 66 percent; Simultaneously or together, Leadership Commitment, Effectiveness of Internal Control, and Implementation of Good Governance affect Effectiveness of Local Government Fixed Asset Management by 89 percent.

Table 3.
Hypothesis Testing Results

Track	T-count	T-table (critical value)	Path Coefficient			R-square	Conclusion Hypothesis
			Direct	Indirect	Total		
Direct Influence							
KP → KIA	0.51	1.64	0.02	-	0.02	0.66	Rejected
EPI → KIA	3.54	1.64	0.41	-	0.41		Received
PTP → KIA	3.95	1.64	0.43	-	0.43		Received
K.P. → EPA	4.48	1.64	0.13	-	0.13	0.89	Received
EPI → EPA	1.18	1.64	0.10	-	0.10		Rejected
PTP → EPA	2.06	1.64	0.16	-	0.16		Received
KIA → EPA	14.02	1.64	0.63	-	0.63		Received
Indirect Influence							
K.P. → KIA → EPA	0.49	1.64	0.13	$0.02 \times 0.63 = 0.013$	0.14		Rejected
EPI → KIA → EPA	3.60	1.64	0.10	$0.41 \times 0.63 = 0.26$	0.36		Received
PTP → KIA → EPA	3.77	1.64	0.16	$0.43 \times 0.63 = 0.27$	0.43		Received

Source: Research Results (2020)

4.2. Discussion

4.2.1. *The Effect of Leadership Commitment on the Quality of Accounting Information at local government*

The hypothesis (H1) test findings reveal that leadership commitment has no meaningful impact on accounting data quality. The leadership's commitment has little effect on the accounting information of local governments. A variety of factors can cause this. First, the leadership in local government is not overly involved in accounting information management. Second, the leadership in local government needs to gain awareness that accounting information might be used as decision-making material. Thirdly, the leader in local government believes accounting information is limited to financial statements. However, accounting information has a broader scope than financial reports, as non-financial information, such as information related to personnel management, can be used for management decision-making. Meanwhile, regional leaders in local government merely examine the output of financial accounts to gain an unqualified assessment from the BPK without monitoring the accounting process from recording to reporting.

4.2.2. *The Effect of Internal Control Effectiveness on the Quality of Accounting Information at local government*

The hypothesis (H2) testing results show that internal control effectiveness positively affects the quality of accounting information by 41%. The results of this research corroborate those of Atikoh (2017), who concluded that examining financial statements using an information system is a crucial activity requiring close supervision because of the importance of accounting information management in the ministry. As a result of follow-up audits done by the functional supervisory apparatus on the results of supervision and control of accounting information at local government, reports containing crucial accounting information are sent to the management department.

4.2.3. *The Effect of Good Governance Implementation on the Quality of Accounting Information at local government*

The hypothesis (H3) test reveals that effective governance improves accounting

data quality by 43%. The results of this research corroborate and extend those of Klai and Omri (2010), who found that a company's accounting data might benefit from enhanced quality thanks to better corporate governance. Recent accounting scandals highlight the need for a strong governance mechanism to ensure the integrity of financial reports in local government.

4.2.4. The Effect of Leadership Commitment on the Effectiveness of Local Government Fixed Asset Management

The hypothesis (H4) test shows a positive and statistically significant correlation between leadership commitment and the effectiveness of local government fixed asset management by a margin of 13%. This study's findings provide empirical support for Tauhid et al. (2018)'s investigation into the drivers of optimizing village fixed asset management of local government in East Lombok. Among these criteria is leadership dedication. According to the study findings, Leadership Commitment significantly affects the management of fixed assets in local government. Furthermore, it is stated in the study that the low commitment of village leadership makes the management of village assets worse.

4.2.5. The Effect of Internal Control Effectiveness on the Effectiveness of Local Government Fixed Asset Management

According to the hypothesis (H5) test results, there is no correlation between the quality of internal controls and local governments' efficiency in managing their fixed assets. However, the results of this study run counter to those of Sari et al. (2018), who found that an effective internal control system correlates with better-fixed asset management. Therefore, the effectiveness of fixed asset management may be improved by adhering to the existing internal control system. This study differs from others in its field because its participants were privy to firsthand information on the results of the local government's efforts to design and execute internal controls.

4.2.6. The Effect of Good Governance Implementation on the Effectiveness of Local Government Fixed Asset Management

Alsalam et al. (2018) investigated the influence of good governance, separated into two components: governance of accounting information. They found that it

significantly affects the quality of accounting information. The authors reached this conclusion after determining that good governance significantly improves accounting data quality in local government (H6). Effective governance structure may positively influence accounting information quality in local government (Alsalim et al., 2018; Setyawati & Doctoralina, 2019; Jauhari, Sari & Dewata, 2019).

4.2.7. The Effect of Accounting Information Quality at Local Government on the Effectiveness of Local Government Fixed Asset Management

According to the hypothesis (H7) test results, the Quality of Accounting Information at local government significantly affects the efficiency with which local governments manage their fixed assets by 63%. Salmia demonstrates that improvements in the quality of accounting information have a favorable effect on the asset management decisions made by P.T. Archipelago Plantation (2018). Acceptable quality accounting information provides sufficient data for managing fixed assets in this research, from the planning process for asset procurement, use, and maintenance, to accountability for fixed assets and their disposal at the local government.

4.2.8. The Effect of Leadership Commitment on the Effectiveness of Local Government Fixed Asset Management through Quality of Accounting Information at local government

The hypothesis (H8) test results show no statistically significant association between leadership commitment and The Efficiency of Local Government Fixed Asset Management is Indirectly Affected by Accounting Information Quality in local government. Due to several factors, the effect of leadership commitment on the efficacy of fixed asset management as measured by accounting information is insignificant in the context of this study; namely, there are still many problems in managing fixed assets in the region, especially at the local government, the leadership does not immediately make the right and fast decisions on fixed asset problems, and there are several conditions that indicate that the management does not want fixed asset problems that arise to be resolved immediately.

4.2.9. The Effect of Internal Control Effectiveness on the Effectiveness of Local Government Fixed Asset Management through the Quality of Accounting

Information at local government

The hypothesis (H9) test findings indicate that the Quality of Accounting Information at local government indirectly affects the Efficiency of Local Government Fixed Asset Management by 36% owing to the effectiveness of Internal Control. Atikoh (2017) observed that system-based monitoring and oversight play an essential part in asset management, and this study lends credibility to that statement. The results of fixed asset monitoring and management are double-checked by the operational, supervisory apparatus of the local government, the results of which are sent to the management department in the form of asset management-related reports. If supervision is backed by accurate accounting information, it can function effectively.

4.2.10. The Effect of Good Governance Implementation on the Effectiveness of Local Government Fixed Asset Management through the Quality of Accounting Information at local government

The hypothesis (H10) test indicates that the Quality of Accounting Information at local government indirectly affects the Effectiveness of Local Government Fixed Asset Management by 43%. The results of this study lend empirical backing to Klai and Omri's (2010) investigation of the effect of governance arrangements on the credibility of financial statements. Good governance can encourage effective asset management because it is supported by quality information in implementing governance, in this case, the local government. Quality information facilitates each activity implementation by the local government.

5. Conclusion, Implication, and Limitations

5.1. Conclusion

Generally, the financial records and administration of fixed assets at the provincial and municipal levels of government in Indonesia are quite good. The number of local governments seeking advice from the BPK has increased dramatically due to the leadership's dedication to improving the efficiency of fixed asset management. Previously, fixed asset problems were a source of problems that prevented local government financial reports from receiving WTP opinions. However,

the findings of this study demonstrate that leadership commitment has no substantial impact on accounting data quality. The study also found that the quality of internal control had no appreciable effect on the efficiency with which fixed assets were managed at the regional level. This finding is exciting, considering that other studies reveal the opposite. This finding can be explained by empirical verification that some local governments have high leadership commitment and good internal control. However, there are still significant problems in the management of fixed assets which gives the impression that the management of fixed assets could have been more effective.

5.2. Implication and Limitation

This study uses the provincial government as a sample, so further researchers are advised to re-test this research model using the same method in different units of analysis and samples, for example, at the central government. If the results are the same, it will provide credibility to the previous research, allowing the results to be broadly accepted. Future research should expand the research object by including other predictor factors through qualitative examination of particular loci that display the same behavior as those examined in this work. This should be achievable to expand the scope of the study. This study aims to identify additional factors that influence the quality of accounting data and the efficacy with which local governments manage their fixed assets. In addition to the leadership's commitment, the effectiveness of internal control, and the implementation of good governance, these characteristics are also important.

References

- Alsalam, M., Amin, H., & Youssef, A. (2018). The Role of Corporate Governance in Achieving Accounting Information Quality (Field Study in the Mishraq Sulfur State Co.). *Studies and Scientific Researches. Economics Edition*, 27, 1–24. <https://doi.org/10.29358/sceco.v0i0.399>

- Anggadini, S. D. (2008). The Accounting Information Quality And The Accounting Information System Quality Through The Organizational Structure : A Survey Of The Baitulmal Wattamwil (BMT) In West Java Indonesia. *International Journal of Business and Management Invention ISSN* (Online, 2(10), 2319–8028.
- Belout, Adnane., & Gauvreau, Clotilde .(2004). Factors influencing project success: The impact of human resource management. *International Journal of Project Management* 22(1): pp. 1-11.
- BPK. (2019). *Ikhtisar Hasil Pemeriksaan Semester (IHPS) 1*. Badan Pemeriksa Keuangan Republik Indonesia. retrieve: <https://www.bpk.go.id/ihps#>
- Bundschuh-Rieseneder, F. (2008). Good Governance: Characteristics, methods and the Austrian examples. *Transylvanian Review of Administrative Sciences*, 24, 26–52.
- Carbonell, P., & Rodríguez-Escudero, A. I. (2009). Relationships among team’s organizational context, innovation speed, and technological uncertainty: An empirical analysis. *Journal of Engineering and Technology Management - JET-M*, 26(1–2), 28–45. <https://doi.org/10.1016/j.jengtecman.2009.03.005>
- Cohen, Steven et al. (2011). *Menjadi Manajer Publik Efektif*. Jakarta: Pmm Manajemen.
- Downing, J. A. (2018). Dimensions of Competitive Advantage. *Journal of New Business Ideas & Trends*, 16(2), 1–8.
- Ekayanti, S. M., Rifa, A., & Irwan, M. (2018). Determinants Effectiveness Fixed Asset Management of District Government on the Island of Lombok. *International Journal of Business Management and Economics Research (IJBMER)*, 9(1), 1219–1229.
- Fitrios, R. (2016). Factors That Influence Accounting Information System Implementation And Accounting Information Quality. *International Journal of Scientific & Technology Research*, 5(4), 192–198.
- Ghozali, I. (2014). *Structural Equation Modeling, Metode Alternatif dengan Partial Least Square (PLS)*. (Edisi 4). Semarang: Badan Penerbit Universitas Diponegoro.
- Hair Jr, J. F, Hult, G. T., Ringle, C. M., dan Sarstedt, M. (2014). *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)*. California: SAGE.
- Iskandar, D. (2015). Analysis Of Factors Affecting The Success Of The Application Of Accounting Information Systems. *International Journal of Scientific & Technology Research*, 4(2), 155–162.
- Jafari, M., Fathian, M., Jahani, A., & Akhavan, P. (2008). Exploring the contextual dimensions of organization from a knowledge management perspective. *Vine*, 38(1), 53–71. <https://doi.org/10.1108/03055720810870897>

- Jauhari, H., Sari, Y., & Dewata, E. (2019). Implementation of Good Governance, Utilization of Information Technology, and Reliability of Government Financial Statements. *Journal of Accounting and Strategic Finance*, 2(2), 117–126. <https://doi.org/10.33005/jasf.v2i2.59>
- Kesuma, Indra, & Irwan Taufiq Ritonga. (2020). Analysis of Relationship Between Effectiveness of Internal Control System and Audit Opinions on Local Government Financial Statements. *The Indonesian Journal of Accounting Research*, 23 (3), 467-490. <http://dx.doi.org/10.33312/ijar.497>
- Krippaehne, R. C., McCullouch, B. G., & Vanegas, J. A. (1992). Vertical business integration strategies for construction. *Journal of Management in Engineering*, 8(2), 153–166. [https://doi.org/10.1061/\(ASCE\)9742-597X\(1992\)8:2\(153\)](https://doi.org/10.1061/(ASCE)9742-597X(1992)8:2(153))
- Krismiaji, Aryani, Y. A., & Suhardjanto, D. 2016. International Financial Reporting Standards, board governance and accounting quality A Preliminary Indonesian Evidence. *Asian Review of Accounting*, 24 (4), 474-497.
- Mainar, Darwanis, & Abdullah, S. (2017). Pengaruh Sistem Pengendalian Intern , Pemahaman Regulasi , Dan Sistem Informasi Terhadap Manajemen Aset (Studi pada SKPK di Kabupaten Aceh Jaya). *Jurnal Akuntansi Pascasarjana Universitas Syiah Kuala*, 6(1), 41–50.
- Makaluas, J. L., & Pontoh, W. (2018). Analysis of Internal Control of Fixed Assets in Pt. Lumbang Berkat Indonesia. *Accountability*, 7(01), 1. <https://doi.org/10.32400/ja.19071.7.01.2018.1-10>
- Malawi Ngwira, David Manase Manase; Ngwira. (2016). *Public Sector Property Asset Management*.
- Nurhayati, N., & Mulyani, S. (2015). User participation on system development, user competence, and top management commitment and their effect on the success of the implementation of accounting information system. *European Journal of Business and Innovation Research*, 3(2), 56–68.
- Okoye, I. E., & Udeh, F. (1997). Fixed Asset Management in Public Sector Organisations: Economic Impact on a Developing Country. *Index on Censorship*, 26(3), 203–208. <https://doi.org/10.1177/030642209702600329>
- Paomey, J. M. D., & Pamungkas, B. (2019). Improving Quality of Information On Local Financial Statements and Its Utilization for Capital Expenditure Budgeting (Case Study at The Provincial Government of East Nusa Tenggara). 348(*APRiSH* 2018), 101–118. <https://doi.org/10.2991/aprish-18.2019.13>
- Robbins, S. P., Judge, T. A., & Breward, K. E. (2018). [BOOK] *Essentials of organizational behavior*.
- Romney, M. B., & Steinbart, P. J. (2015). *Accounting Information Systems (13th ed.)*. New York, United States of America: Pearson.

- Schipper, Katherine.,& Vincent, Linda. (2003). Earnings quality. *Accounting horizons*. Volume 17, pp.97-110
- Sekaran, Uma & Roger Bougie. (2017). *Metode Penelitian untuk Bisnis: Pendekatan Pengembangan-Keahlian*, Edisi 6, Buku 1, Cetakan Kedua, Salemba Empat, Jakarta Selatan 12610.
- Tzempelikos, N. (2015). Top management commitment and involvement and their link to key account management effectiveness. *Journal of Business and Industrial Marketing*, 30(1), 32–44. <https://doi.org/10.1108/JBIM-12-2012-0238>
- Old, I.G., M.G. Hunter, D.T.R. Wilson, S.M. Knight, C.A. Weatherston, R.E. Glass (1988). Cloning and characterization of the genes for the two homocysteine trans methylases of *Escherichia coli*. *Mol.Gen.Genet.* 211:78-87
- Valukonyte, S. &. (2012). *Implementation of Good Governance Principles in Local Self-government: the Case of Siauliai City*. 3(3), 98–112.
- Woodal, P., Parlikad, A., Gao, J., & Koronios, A. (2014). Classifying Data Quality Problems in Asset Management. *Lecture Notes in Mechanical Engineering*, 19(January 2013), 1095–1107. <https://doi.org/10.1007/978-3-319-09507-3>
- Xu, H. (2015). What are the most important factors for accounting information quality and their impact on AIS data quality outcomes? *Journal of Data and Information Quality*, 5(4), 14. <https://doi.org/10.1145/2700833>
- Zaena. (2016). *The Effect of Top Management Commitment, Organizational Culture on The Quality of Accounting Information Systems Management and Impact on User*.

Appendix

Questionnaire

Leadership Commitment

No.	Questions	Respondent's Answers					
01	Regional leaders have established policies for managing accounting information and fixed asset management so that each stage can be implemented properly.	<div style="text-align: center;"> <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 20px; text-align: center;">1</td> <td style="width: 20px; text-align: center;">2</td> <td style="width: 20px; text-align: center;">3</td> <td style="width: 20px; text-align: center;">4</td> <td style="width: 20px; text-align: center;">5</td> </tr> </table> </div> <p style="text-align: center;">Not Always Done Always Done</p>	1	2	3	4	5
1	2	3	4	5			
02	Regional leaders have allocated sufficient resources needed in the management of financial statements and management of regional property (BMD)	<div style="text-align: center;"> <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 20px; text-align: center;">1</td> <td style="width: 20px; text-align: center;">2</td> <td style="width: 20px; text-align: center;">3</td> <td style="width: 20px; text-align: center;">4</td> <td style="width: 20px; text-align: center;">5</td> </tr> </table> </div> <p style="text-align: center;">Not done yet Already done</p>	1	2	3	4	5
1	2	3	4	5			
03	Regional leaders show active involvement by systematically supervising problems in financial and asset management.	<div style="text-align: center;"> <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 20px; text-align: center;">1</td> <td style="width: 20px; text-align: center;">2</td> <td style="width: 20px; text-align: center;">3</td> <td style="width: 20px; text-align: center;">4</td> <td style="width: 20px; text-align: center;">5</td> </tr> </table> </div> <p style="text-align: center;">Not involved yet Already involved</p>	1	2	3	4	5
1	2	3	4	5			
04	Regional leaders actively participate in finding solutions to the problems of managing finances and assets found, even if necessary to intervene in these problems.	<div style="text-align: center;"> <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 20px; text-align: center;">1</td> <td style="width: 20px; text-align: center;">2</td> <td style="width: 20px; text-align: center;">3</td> <td style="width: 20px; text-align: center;">4</td> <td style="width: 20px; text-align: center;">5</td> </tr> </table> </div> <p style="text-align: center;">Not actively involved yet Already actively involved</p>	1	2	3	4	5
1	2	3	4	5			
05	Regional leaders actively participate in designing activities that must be carried out to solve financial and asset management problems that have been the findings of the BPK.	<div style="text-align: center;"> <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 20px; text-align: center;">1</td> <td style="width: 20px; text-align: center;">2</td> <td style="width: 20px; text-align: center;">3</td> <td style="width: 20px; text-align: center;">4</td> <td style="width: 20px; text-align: center;">5</td> </tr> </table> </div> <p style="text-align: center;">Not participating Have participated</p>	1	2	3	4	5
1	2	3	4	5			
06	Regional leaders have compensated or appreciated the efforts or initiatives their staff carried out, especially in financial and asset management.	<div style="text-align: center;"> <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 20px; text-align: center;">1</td> <td style="width: 20px; text-align: center;">2</td> <td style="width: 20px; text-align: center;">3</td> <td style="width: 20px; text-align: center;">4</td> <td style="width: 20px; text-align: center;">5</td> </tr> </table> </div> <p style="text-align: center;">Have not compensated Already compensated</p>	1	2	3	4	5
1	2	3	4	5			
07	Regional leaders continuously improve policies in financial management and management of fixed assets of local governments.	<div style="text-align: center;"> <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 20px; text-align: center;">1</td> <td style="width: 20px; text-align: center;">2</td> <td style="width: 20px; text-align: center;">3</td> <td style="width: 20px; text-align: center;">4</td> <td style="width: 20px; text-align: center;">5</td> </tr> </table> </div> <p style="text-align: center;">Not created yet Has been created</p>	1	2	3	4	5
1	2	3	4	5			

Internal Control Effectiveness

No.	Questions	Respondent's Answer					
08	governments have prepared/have regulations or internal control rules in the management of finances and assets	<table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="border: 1px solid black; padding: 2px 5px;">1</td> <td style="border: 1px solid black; padding: 2px 5px;">2</td> <td style="border: 1px solid black; padding: 2px 5px;">3</td> <td style="border: 1px solid black; padding: 2px 5px;">4</td> <td style="border: 1px solid black; padding: 2px 5px;">5</td> </tr> </table> <p style="text-align: center;">Very unconsidered Always consider</p>	1	2	3	4	5
1	2	3	4	5			
09	Each SKPD unit has assessed any risks that interfere with the continuity of the regional financial and asset management process periodically.	<table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="border: 1px solid black; padding: 2px 5px;">1</td> <td style="border: 1px solid black; padding: 2px 5px;">2</td> <td style="border: 1px solid black; padding: 2px 5px;">3</td> <td style="border: 1px solid black; padding: 2px 5px;">4</td> <td style="border: 1px solid black; padding: 2px 5px;">5</td> </tr> </table> <p style="text-align: center;">Not conducting a risk assessment Conducting a risk assessment</p>	1	2	3	4	5
1	2	3	4	5			
10	Local governments have established a set of policies and procedures to help ensure financial and asset management.	<table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="border: 1px solid black; padding: 2px 5px;">1</td> <td style="border: 1px solid black; padding: 2px 5px;">2</td> <td style="border: 1px solid black; padding: 2px 5px;">3</td> <td style="border: 1px solid black; padding: 2px 5px;">4</td> <td style="border: 1px solid black; padding: 2px 5px;">5</td> </tr> </table> <p style="text-align: center;">Not Established Have established</p>	1	2	3	4	5
1	2	3	4	5			
11	Local governments have prepared information channels and communication mechanisms to obtain, share and provide information from internal and external parties in implementing financial and asset management.	<table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="border: 1px solid black; padding: 2px 5px;">1</td> <td style="border: 1px solid black; padding: 2px 5px;">2</td> <td style="border: 1px solid black; padding: 2px 5px;">3</td> <td style="border: 1px solid black; padding: 2px 5px;">4</td> <td style="border: 1px solid black; padding: 2px 5px;">5</td> </tr> </table> <p style="text-align: center;">Did not set up Have set up</p>	1	2	3	4	5
1	2	3	4	5			
12	Local governments have established units that carry out ongoing evaluations to ensure each component of internal control exists and functions.	<table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="border: 1px solid black; padding: 2px 5px;">1</td> <td style="border: 1px solid black; padding: 2px 5px;">2</td> <td style="border: 1px solid black; padding: 2px 5px;">3</td> <td style="border: 1px solid black; padding: 2px 5px;">4</td> <td style="border: 1px solid black; padding: 2px 5px;">5</td> </tr> </table> <p style="text-align: center;">Have established Have not established it yet</p>	1	2	3	4	5
1	2	3	4	5			

Good Governance Implementation

No.	Questions	Respondent's Answers					
13	Local governments have provided channels to engage the community in formulating and implementing financial and asset management policies.	<table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="border: 1px solid black; padding: 2px 5px;">1</td> <td style="border: 1px solid black; padding: 2px 5px;">2</td> <td style="border: 1px solid black; padding: 2px 5px;">3</td> <td style="border: 1px solid black; padding: 2px 5px;">4</td> <td style="border: 1px solid black; padding: 2px 5px;">5</td> </tr> </table> <p style="text-align: center;">Not involving yet Very involving</p>	1	2	3	4	5
1	2	3	4	5			
14	Local governments apply the same regulations for each SKPD, especially in financial and asset management.	<table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="border: 1px solid black; padding: 2px 5px;">1</td> <td style="border: 1px solid black; padding: 2px 5px;">2</td> <td style="border: 1px solid black; padding: 2px 5px;">3</td> <td style="border: 1px solid black; padding: 2px 5px;">4</td> <td style="border: 1px solid black; padding: 2px 5px;">5</td> </tr> </table> <p style="text-align: center;">Have not been implemented yet Have implemented</p>	1	2	3	4	5
1	2	3	4	5			
15	Local governments always inform every financial and asset management decision taken and	<table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="border: 1px solid black; padding: 2px 5px;">1</td> <td style="border: 1px solid black; padding: 2px 5px;">2</td> <td style="border: 1px solid black; padding: 2px 5px;">3</td> <td style="border: 1px solid black; padding: 2px 5px;">4</td> <td style="border: 1px solid black; padding: 2px 5px;">5</td> </tr> </table>	1	2	3	4	5
1	2	3	4	5			

	implemented based on predetermined regulations.	Not always informing	Always inform					
16	Each SKPD unit has responded to public complaints regarding implementing financial and asset management.	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="width: 20px; text-align: center;">1</td> <td style="width: 20px; text-align: center;">2</td> <td style="width: 20px; text-align: center;">3</td> <td style="width: 20px; text-align: center;">4</td> <td style="width: 20px; text-align: center;">5</td> </tr> </table> <p style="text-align: center;">Slow to respond Very quick to respond</p>		1	2	3	4	5
1	2	3	4	5				
17	Regulations or policies implemented by local governments have accommodated the community's interests in managing local government finances and assets.	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="width: 20px; text-align: center;">1</td> <td style="width: 20px; text-align: center;">2</td> <td style="width: 20px; text-align: center;">3</td> <td style="width: 20px; text-align: center;">4</td> <td style="width: 20px; text-align: center;">5</td> </tr> </table> <p style="text-align: center;">Have not accommodated Has accommodated</p>		1	2	3	4	5
1	2	3	4	5				
18	Local governments already have or implement gender mainstreaming policies and regulations on each SKPD.	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="width: 20px; text-align: center;">1</td> <td style="width: 20px; text-align: center;">2</td> <td style="width: 20px; text-align: center;">3</td> <td style="width: 20px; text-align: center;">4</td> <td style="width: 20px; text-align: center;">5</td> </tr> </table> <p style="text-align: center;">Do not have one yet Already have</p>		1	2	3	4	5
1	2	3	4	5				
19	Local governments have implemented concepts of efficiency and effectiveness in financial and asset management, for example, one-stop service use of information systems and technology.	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="width: 20px; text-align: center;">1</td> <td style="width: 20px; text-align: center;">2</td> <td style="width: 20px; text-align: center;">3</td> <td style="width: 20px; text-align: center;">4</td> <td style="width: 20px; text-align: center;">5</td> </tr> </table> <p style="text-align: center;">Have not been implemented yet Have implemented</p>		1	2	3	4	5
1	2	3	4	5				
20	Local governments have presented information on implementing financial and asset management through various channels, such as websites, social media, and print media, as a form of accountability to the public.	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="width: 20px; text-align: center;">1</td> <td style="width: 20px; text-align: center;">2</td> <td style="width: 20px; text-align: center;">3</td> <td style="width: 20px; text-align: center;">4</td> <td style="width: 20px; text-align: center;">5</td> </tr> </table> <p style="text-align: center;">Have not presented yet Have Presented</p>		1	2	3	4	5
1	2	3	4	5				
21	Local governments have implemented systems, regulations, control, and financial and asset management supervision.	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="width: 20px; text-align: center;">1</td> <td style="width: 20px; text-align: center;">2</td> <td style="width: 20px; text-align: center;">3</td> <td style="width: 20px; text-align: center;">4</td> <td style="width: 20px; text-align: center;">5</td> </tr> </table> <p style="text-align: center;">Have not been implemented yet Have implemented</p>		1	2	3	4	5
1	2	3	4	5				

Quality of Accounting Information

No.	Questions	Respondent's Answers					
22	Data or information on asset planning, implementation, and supervision has been presented by each SKPD / asset management unit accurately and rarely revised.	<div style="text-align: center;"> <table border="1" style="margin: 0 auto;"> <tr> <td style="width: 20px;">1</td> <td style="width: 20px;">2</td> <td style="width: 20px;">3</td> <td style="width: 20px;">4</td> <td style="width: 20px;">5</td> </tr> </table> </div> <p style="text-align: center;">Not always revised Always revised</p>	1	2	3	4	5
1	2	3	4	5			
23	Each SKPD/asset management unit has periodically presented information on government fixed assets on the website or other information channels.	<div style="text-align: center;"> <table border="1" style="margin: 0 auto;"> <tr> <td style="width: 20px;">1</td> <td style="width: 20px;">2</td> <td style="width: 20px;">3</td> <td style="width: 20px;">4</td> <td style="width: 20px;">5</td> </tr> </table> </div> <p style="text-align: center;">Does not present Have Presented</p>	1	2	3	4	5
1	2	3	4	5			
24	SKPD / asset management unit has presented asset management information for the needs of inspection, planning, and community needs	<div style="text-align: center;"> <table border="1" style="margin: 0 auto;"> <tr> <td style="width: 20px;">1</td> <td style="width: 20px;">2</td> <td style="width: 20px;">3</td> <td style="width: 20px;">4</td> <td style="width: 20px;">5</td> </tr> </table> </div> <p style="text-align: center;">Does not present Have Presented</p>	1	2	3	4	5
1	2	3	4	5			
25	SKPD / Asset management unit has presented and recorded all asset data in full according to the provisions	<div style="text-align: center;"> <table border="1" style="margin: 0 auto;"> <tr> <td style="width: 20px;">1</td> <td style="width: 20px;">2</td> <td style="width: 20px;">3</td> <td style="width: 20px;">4</td> <td style="width: 20px;">5</td> </tr> </table> </div> <p style="text-align: center;">Does not present Have Presented</p>	1	2	3	4	5
1	2	3	4	5			
26	SKPD / Asset management unit has presented information that relies on and can be accounted for the correctness of the data	<div style="text-align: center;"> <table border="1" style="margin: 0 auto;"> <tr> <td style="width: 20px;">1</td> <td style="width: 20px;">2</td> <td style="width: 20px;">3</td> <td style="width: 20px;">4</td> <td style="width: 20px;">5</td> </tr> </table> </div> <p style="text-align: center;">Does not present information reliably Have presented information reliably</p>	1	2	3	4	5
1	2	3	4	5			
27	SKPD/asset management unit has presented asset information that is easy to understand for both managerial and inspection interests	<div style="text-align: center;"> <table border="1" style="margin: 0 auto;"> <tr> <td style="width: 20px;">1</td> <td style="width: 20px;">2</td> <td style="width: 20px;">3</td> <td style="width: 20px;">4</td> <td style="width: 20px;">5</td> </tr> </table> </div> <p style="text-align: center;">Have not presented yet Have Presented</p>	1	2	3	4	5
1	2	3	4	5			
28	The asset data presented by each SKPD / Asset management unit is verified and tested for correctness.	<div style="text-align: center;"> <table border="1" style="margin: 0 auto;"> <tr> <td style="width: 20px;">1</td> <td style="width: 20px;">2</td> <td style="width: 20px;">3</td> <td style="width: 20px;">4</td> <td style="width: 20px;">5</td> </tr> </table> </div> <p style="text-align: center;">Unverified Verified</p>	1	2	3	4	5
1	2	3	4	5			
29	Each SKPD / Asset management unit has presented information related to asset management, from planning to supervision, in a concise, concise, and informational manner so that all parties can understand it.	<div style="text-align: center;"> <table border="1" style="margin: 0 auto;"> <tr> <td style="width: 20px;">1</td> <td style="width: 20px;">2</td> <td style="width: 20px;">3</td> <td style="width: 20px;">4</td> <td style="width: 20px;">5</td> </tr> </table> </div> <p style="text-align: center;">Have not presented yet Have Presented</p>	1	2	3	4	5
1	2	3	4	5			

Local Government Fixed Asset Management

No.	Questions	Respondent's Answers					
30	Each SKPD/Asset management unit has implemented a precise mechanism with evidence of fixed asset recording procedures.	<div style="text-align: center;"> <table border="1" style="margin: 0 auto;"> <tr> <td style="width: 20px;">1</td> <td style="width: 20px;">2</td> <td style="width: 20px;">3</td> <td style="width: 20px;">4</td> <td style="width: 20px;">5</td> </tr> </table> </div> <p style="text-align: center;">Have not implemented the mechanism clearly Have clearly implemented the mechanism</p>	1	2	3	4	5
1	2	3	4	5			
31	Fixed assets purchased/held by local governments have been following strategic objectives and needs and have been included in the initial planning.	<div style="text-align: center;"> <table border="1" style="margin: 0 auto;"> <tr> <td style="width: 20px;">1</td> <td style="width: 20px;">2</td> <td style="width: 20px;">3</td> <td style="width: 20px;">4</td> <td style="width: 20px;">5</td> </tr> </table> </div> <p style="text-align: center;">Not yet as needed Has been as needed</p>	1	2	3	4	5
1	2	3	4	5			
32	Fixed assets owned and managed in each unit have provided clear benefits.	<div style="text-align: center;"> <table border="1" style="margin: 0 auto;"> <tr> <td style="width: 20px;">1</td> <td style="width: 20px;">2</td> <td style="width: 20px;">3</td> <td style="width: 20px;">4</td> <td style="width: 20px;">5</td> </tr> </table> </div> <p style="text-align: center;">Have not provided benefits yet Has provided benefits</p>	1	2	3	4	5
1	2	3	4	5			
33	There is a clear division of work between units in each SKPD in terms of managing fixed assets;	<div style="text-align: center;"> <table border="1" style="margin: 0 auto;"> <tr> <td style="width: 20px;">1</td> <td style="width: 20px;">2</td> <td style="width: 20px;">3</td> <td style="width: 20px;">4</td> <td style="width: 20px;">5</td> </tr> </table> </div> <p style="text-align: center;">No division of labor yet There has been a division of labor</p>	1	2	3	4	5
1	2	3	4	5			
34	SKPD/asset management unit has presented asset management information starting from the asset procurement process to elimination so that parties in need can access	<div style="text-align: center;"> <table border="1" style="margin: 0 auto;"> <tr> <td style="width: 20px;">1</td> <td style="width: 20px;">2</td> <td style="width: 20px;">3</td> <td style="width: 20px;">4</td> <td style="width: 20px;">5</td> </tr> </table> </div> <p style="text-align: center;">Have not presented yet Have Presented</p>	1	2	3	4	5
1	2	3	4	5			
35	The maintenance of fixed assets has been carried out optimally by each asset manager.	<div style="text-align: center;"> <table border="1" style="margin: 0 auto;"> <tr> <td style="width: 20px;">1</td> <td style="width: 20px;">2</td> <td style="width: 20px;">3</td> <td style="width: 20px;">4</td> <td style="width: 20px;">5</td> </tr> </table> </div> <p style="text-align: center;">Not done yet Has been done</p>	1	2	3	4	5
1	2	3	4	5			
36	A revaluation of fixed assets has been carried out or assessed with market value.	<div style="text-align: center;"> <table border="1" style="margin: 0 auto;"> <tr> <td style="width: 20px;">1</td> <td style="width: 20px;">2</td> <td style="width: 20px;">3</td> <td style="width: 20px;">4</td> <td style="width: 20px;">5</td> </tr> </table> </div> <p style="text-align: center;">No revaluation has been carried out Revaluation has been carried out</p>	1	2	3	4	5
1	2	3	4	5			
37	There is already a clear mechanism for the supervision and control of existing fixed assets, from the beginning of the asset procurement process to the elimination of	<div style="text-align: center;"> <table border="1" style="margin: 0 auto;"> <tr> <td style="width: 20px;">1</td> <td style="width: 20px;">2</td> <td style="width: 20px;">3</td> <td style="width: 20px;">4</td> <td style="width: 20px;">5</td> </tr> </table> </div> <p style="text-align: center;">No mechanism yet There is already a mechanism</p>	1	2	3	4	5
1	2	3	4	5			

38	There is already a precise mechanism for controlling the management of fixed assets.	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="width: 20px; text-align: center;">1</td> <td style="width: 20px; text-align: center;">2</td> <td style="width: 20px; text-align: center;">3</td> <td style="width: 20px; text-align: center;">4</td> <td style="width: 20px; text-align: center;">5</td> </tr> </table> <p style="text-align: center;">No mechanism yet There is already a mechanism</p>	1	2	3	4	5
1	2	3	4	5			
39	The complete existing assets have been recorded in the bookkeeping/database system (BMN System)	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="width: 20px; text-align: center;">1</td> <td style="width: 20px; text-align: center;">2</td> <td style="width: 20px; text-align: center;">3</td> <td style="width: 20px; text-align: center;">4</td> <td style="width: 20px; text-align: center;">5</td> </tr> </table> <p style="text-align: center;">Not yet recorded Has been recorded</p>	1	2	3	4	5
1	2	3	4	5			

intentionally blank