

Needs and Challenges in Government Accounting Education (Users Perceptions from Local Government Agencies in Padang City)

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Abstract

The reforms that took place in Indonesia in 1998 caused significant changes in various fields, one of which was reform in regional financial management. This was driven by increasing demands for accountability and transparency in regional financial management. Government accounting has the main role to prepare financial statements as a form of implementation of public accountability. Therefore the need for accountants who have government accounting expertise is increasing, both in implementing policies and as policy makers; that's way need change of focus in teaching government accounting to ensure that graduates' knowledge and competencies are produced in accordance with users' needs. However, research on government accounting teaching is often overlooked; therefore this study will investigate needs of accounting graduate with government accounting expertise, check the suitability between users' needs and material taught in government accounting courses at universities and also to identify challenges for future government accounting education. This research found that there is still need of graduate with government accounting expertise by looking at the fact that majority of accounting staff in local government agencies at Padang City still come from non-accounting education background. The current curriculum of government accounting in university already covers users' need even there are still some suggestions for future improvement. It can be challenges for lecturers and academicians at university to explore the current curriculum to be collaborate with suggestions from practitioners.

Keywords: challenges, government accounting, needs, university

Introduction

The reforms that occurred in Indonesia in 1998 led to significant changes in various fields, one of which was reform in regional financial management. This is driven by the increasing demands for accountability and transparency of regional financial management, which is evidenced by the birth of various new legislation packages, starting with Law No.17 of 2003 concerning State Finance, Law No.1 of 2004 concerning State Treasury, Law No. 15 of 2004 concerning Examination and Management of State Finance and continued with the issuance of Government Regulation No.24 of 2005 concerning Government Accounting Standards. This is the beginning of the recognition of Government Accounting Standards (SAP) in Indonesia. In 2010 PP 71 of 2010 was issued on accrual-based Government Accounting Standards as a substitute for PP No.24 of 2005.

Furthermore, Nordiawan et al (2010) argued that reforms in many countries, especially Indonesia, also have a significant impact on the development of public sector accounting. The demand that the government manage professionally and efficiently opens awareness for everyone, especially government officials to always is responsive to the demands of their environment by striving to provide the best services in a transparent and accountable manner.

One of the demands of regional financial reform for transparency and accountability in the management of state finances is the delivery of government financial accountability reports that meet the principles on time and are prepared using Government Accounting Standards. Accountability can be interpreted as forms of liability to account for the success or failure of the implementation of the organization's mission in achieving the goals and objectives that have been set before, through a media of accountability carried out periodically (Stanbury in Mardiasmo, 2002). While transparency is a supporting condition for accountability, namely the government's openness to public resource management activities. Transparency of information, especially financial and fiscal information, must be carried out in a relevant and easily understood form (Schiavo-Campo and Tomasi in Mardiasmo, 2002). Government accounting has the main role to prepare financial statements as a form of implementation of public accountability.

Many researches in Indonesia found that one of factor that affected the quality of local government financial statement is quality of human resources (Indriasih, 2014; Muda et al., 2017; Nuryanto & Afiah, 2013). According to (Sciulli & Sims, 2008) accountants as their primary role of providing predominantly financial information to decision makers are now required to work in an environment of constant change. At the same time, the past studies referred to above confirm that few accounting graduates received more than scant coverage of Public Sector Accounting issues in their formal university education. This again raises the question of whether universities are producing appropriately educated accounting graduates able to serve the public sector.

Seeing the increasing importance of the role of human resources, especially those with an government accounting background, certainly has an impact on the increasing demand for accounting diploma and bachelor graduates who truly understand the public sector, especially government accounting, so that they can assist in the process of preparing government financial statements. Accounting educators must be aware of what industries and sectors their graduates will ultimately service in the future and the skills required by graduates (Gammie, Gammie, & Cargill, 2002; Mohamed & Lashine, 2010). Based on (Sciulli & Sims, 2008) this process should allow universities to respond to new opportunities and maintain competitive advantages. However, this notion does not seem to have been applied to general accounting education let alone public sector accounting education.

According to (Krah & Aveh, 2013) the reforms that occur in financial management of a country require a change of focus in teaching public sector accounting to ensure that graduates' knowledge and competencies are produced in accordance with employment needs. Various changes in government accounting practices above encourage universities as providers of diploma and bachelor accounting graduates to improve curriculum, teaching methods and teaching materials for government accounting courses in accordance with accounting practices that occur in the government. However, research on public sector accounting teaching is often overlooked, this is in line with what was stated by (Sciulli & Sims, 2008) and supported by the results of (Krah & Aveh, 2013).

Several studies have been conducted in various countries to explore the teaching of public sector /government accounting. Based on (Sciulli & Sims, 2008) public sector accounting teaching in Australia to see the problems and opportunities that occur. In general, public sector accounting teaching is a neglected part of the area of accounting research. So that, despite of the significant reforms happened in the public sector in Australia and various countries in the world, it did not bring influence on the public sector accounting curriculum taught to students. (Krah & Aveh, 2013) also found a weakness in the relationship between public sector accounting teaching and the needs of public sector management reform that occurred in Ghana. There is also evidence of weak nexus between public sector accounting education and the requirements of public sector financial management reforms currently taking place. Therefore, respondents in this study suggest developing public sector accounting teaching in order to meet the needs of public sector management reform that occurs, namely by raising this subject as one of the areas

of accounting specialization. Stronger collaboration is needed between academicians and practitioners of government accounting.

How about government accounting education in Indonesia? There are 3 questions in this research; a) does still a need of accounting graduate with government accounting expertise?; b) does university already arrange their curriculum for government accounting subject based on users' need?; and c) what are the challenges for future government accounting subject in university?. There has been no research that explores how government accounting in Indonesia, especially government accounting in Indonesia after reforms happened. Therefore this study is designed to see the perception of users in order to survey the need of accounting graduate with government accounting expertise, to check the suitability about between users' needs and material taught in government accounting courses at universities and also to identify challenges for future government accounting education. Users' in this study are come from public sector manager which are accounting head of local government agencies through Padang City and also accounting staff of each local government agencies because accounting staff responsible in preparing financial statement of local government agency; so they are currently know what do they really need related to government accounting competencies. The remainder of this paper is organized as follows. The next section presents the research methods and is followed by results and discussion. The final section concludes the paper by recommending some limitations and suggestions for future research.

Methods

This research classified as descriptive research. According to Sekaran (2000) descriptive research was conducted to find out and be able to explain the characteristics of the variables studied in a situation. This study aims to investigate needs of accounting education and identify user perceptions about the suitability between users' needs and material taught in government accounting courses at university and challenges for future government accounting education at university. The respondents are accounting head and accounting staff from local government agencies through Padang City, there are 52 local government agencies in Padang City. There were 3 questionnaires distributed for each local government agencies in Padang City delivered to 1 accounting head and 2 accounting staff for each local government agency, so totally 156 questionnaires were distributed. Data were analyzed by looking at statistic descriptive.

Results

There are 122 questionnaires from 156 questionnaires or 78.20% returned but only 103 of total questionnaires answered completely and can be processed, described as follow:

Table 1 Number of Questionnaires

No.	Descriptions	Total	Percentage %
1.	Number of questionnaires delivered	156	100.00%
2.	Number of questionnaires returned	122	78.20%
3.	Number of questionnaires can't be processed	19	15.57%
3.	Number of questionnaire can be processed	103	84.43%

The next table shows the demographic information about respondents in this study. Based on table 2, it can be concluded that most of our respondents are female or 55.34% while others 44.66% are male. Most of respondent with average age between 26 until 45 and majority of respondents are bachelor degree.

Table 2 Demographic Information of Respondents

No.	Descriptions	Percentage
1.	Gender	
	Male	44.66%
	Female	55.34%
2.	Age	
	56-60	2.91%
	51-55	5.83%
	46-50	10.68%
	41-45	16.50%
	36-40	28.16%
	31-35	23.30%
	26-30	11.65%
3.	Educational Background:	
	Diploma	15.53%
	Bachelor Degree	59.22%
	Master Degree	25.24%

This research aims to identify the needs of government accounting education, so that the first part of this study ask about the current situations about accounting staff in local government agencies in Padang City. There are only 42 from 52 or 80.77% local government agencies in Padang City responded this research. The first question asks the number of accounting staff of each local government agency in Padang City, based on respondents answers the number of accounting staff in each local government agency is between 1 until 13 persons. Most of local government agencies in Padang city have accounting staff between 2 until 4 person; there are 10 local government agencies with 2 accounting staffs, 9 local agencies with 3 accounting staffs and 7 local government agencies with 4 accounting staffs. Despite, there 3 local government agencies have more than 10 accounting staff; they already have 11 until 13 persons of accounting staffs.

Table 3 Number of Accounting Staff in Local Government Agencies at Padang City

Number of Accounting Staff	Number of Local Government Agency	Percentage
1	3	7.14%
2	10	23.81%
3	9	21.43%
4	7	16.67%
5	6	14.29%
6	0	0.00%
7	1	2.38%
8	3	7.14%
9	0	0.00%
10	0	0.00%
11	1	2.38%
12	1	2.38%
13	1	2.38%
	42	100.00%

The second question asks whether their accounting staff come from accounting background or not, the result show that most of accounting staff at local government agencies in Padang city still come

from non accounting educational background. There are 42 local government agencies become respondents in this study with total 175 accounting staff, only 65 accounting staff have accounting background or only 37.14% while others 110 accounting staff or 62.86% still come from non accounting background. The third question asks about their opinion related to numbers of current accounting staff in local government agencies, have it already ideal or not? Most of respondents agree that the current number of accounting staff at local government agencies is not ideal; only 7 local government agencies said their number of accounting staff is already ideal, while others 35 local government agencies or think that number their accounting staff is not ideal.

Table 4 Current Situation of Accounting Staff in Local Government Agencies at Padang City

No.	Description	Number	Percentage
1.	Number of total current accounting staff	175	100%
2.	Educational Background:		
	Accounting	65	37.14%
	Non Accounting	110	62.86%
3.	Ideal	8	25.00%
	Not Ideal	34	75.00%
	Number of Local Government Agencies	42	100.00%

The fourth questions ask their opinion about the ideal number of accounting staff in each local government agency, their response show that most of local government agencies in Padang City still need more number of accounting staff in their office. Table 4 shown needs of accounting staff in local government agencies in Padang City. Most of Respondent still needs more accounting staff with accounting background at their offices. Despite, there are 4 local government agencies think to minimize the number of their accounting.

Table 5 Needs of Accounting Staff in Local Government Agency at Padang City

More Number of Accounting Staff	Number of Local Government Agency	Total
-6	1	-6
-5	1	-5
-4	1	-4
-3	1	-3
-2	0	0
-1	3	-3
0	8	0
1	8	8
2	10	20
3	6	18
4	2	8
5	1	5
Total	42	38

Based on explanation above, it can be conclude that government accounting can't be a neglected part in accounting education. There are still needs of government accounting education, by looking at the fact that most of accounting staff in local government agencies are still come from non accounting background. The current data also show that the numbers of accounting staff in local government agencies are not ideal, even though some of them think to minimize the number but most of respondents agree to add more number of their accounting staff especially with good government accounting background. There is still demand of accounting graduate with government accounting expertise encourage university to recognize government accounting subject in their curriculum. Based on short

interview with 5 university randomly in Padang City, there is still one private university hasn't included government accounting subject in their curriculum without specific reason. It better for that university consider to admit government accounting subject in their curriculum by remaining there is still need of government accounting expertise as accounting staff in government agencies.

Many research found that quality of human resources effect the quality of local government financial statement (Indriasih, 2014; Muda et al., 2017; Nuryanto & Afiah, 2013). University which produced graduates can help to solve this condition by preparing their graduate with government accounting expertise in order to improve the quality of local government financial statement.

a. Suitability between users need and material taught in Government Accounting Subject

This research also aims to identify the suitability between users' need and material taught in government accounting subject. The reforms which happened in Indonesia caused many changes in government accounting practices; the last update in government accounting practices is the issuance of PP No.71 in 2010 about the new Government Accounting Standard with implementation of accrual bases. It may caused changes in the content of government accounting subject in university. PP No.71 in 2010 followed by Permendagri No. 64 in 2013 became the main references for the content of government accounting subject in university.

Table 6 Suitability between the content of Government Accounting Subject with Users' Need

No.	The Content of Government Accounting Subject	Not Importance	Importance
1.	General Review and Basic Concept of Government Accounting	0.97%	99.03%
2.	Accounting cycle of government	1.94%	98.06%
3.	Accounting of revenue in local government agency	12.62%	87.38%
4.	Accounting of expense and expenditure in local government agency	0.00%	100.00%
5.	Accounting of cash in local government agency	1.94%	98.06%
6.	Accounting of account receivable in local government agency	14.56%	85.44%
7.	Accounting of inventory in local government agency	1.94%	98.06%
8.	Accounting of fixed assets in local government agency	2.91%	97.09%
9.	Accounting of liabilities in local government agency	10.68%	89.32%
10.	Accounting of revenue in local government	7.77%	91.26%
11.	Accounting of expense and expenditure in local government	4.85%	95.15%
12.	Accounting of cash in local government	6.80%	93.20%
13.	Accounting of account receivable in local government	10.68%	89.32%
14.	Accounting of inventory in local government	7.77%	92.23%
15.	Accounting of fixed assets in local government	6.80%	93.20%
16.	Accounting of reserved fund in local government	10.68%	89.32%
17.	Accounting of liabilities in local government	9.71%	90.29%
18.	Accounting of transfer in local government	12.62%	87.38%
19.	Accounting of financing in local government	10.68%	89.32%
20.	Error Correction	2.91%	97.09%
21.	Comprehensive Exercise on Preparing Financial Statements in local government agency	0.97%	99.03%
22.	Comprehensive Exercise on Preparing Financial Statements in local government	3.88%	96.12%
23.	Consolidated Report	6.80%	93.20%

Actually, government accounting in Indonesia apply "Home Office and Branch Office" concept which implement in material of government accounting subject in university; so that material consist of two main concepts which are accounting in local government agency and accounting in local government.

Table 6 explain about the suitability between users' need and the material of government accounting subject. In general, there is no emergence problem with the content of government accounting in university. Based on table 6 it can be seen that most of topic in government accounting subject at university are related with users' need, which can be shown from the answer of respondents more than 85% of respondents agree that all topic are importance.

Even though most of respondents think that current content of government accounting in university is importance while there is some respondent thought such topic is not too important. In local government agency context there are 4 topic that respondents seems to be less importance which are accounting of account receivable, accounting of revenue, and accounting of liabilities. However, in local government context there are 4 topic seems to be not too importance for respondents which are accounting of revenue, accounting of reversed fund, accounting of transfer and accounting of financing and but as whole it can be concluded that university already arrange their curriculum suitable with users' need.

b. Challenges for Future Government Accounting Education

Although no urgently need to change curriculum of government accounting subject in university, there are some suggestions for future government accounting education in university, such as reconciliation, accounting application for local government, accounting of investment and accounting of other revenue; that topic can be collaborating in government accounting education. Based on (Gammie et al., 2002) graduates from university no longer sufficient with academic subject only in facing the economics challenge; they should prepare themselves with skill development which can be occurred during their higher education in university. By looking at current users' need can be solution to prepare graduate with knowledge and skills to be acceptable and adoptable in workplace.

Table 7 New Topic Suggestions for Collaborating in Government Accounting Education

No.	Description
1.	Reconciliation
2.	Accounting Application for Local Government
3.	Accounting of investment
4.	Accounting of other revenue

According to (Mohamed & Lashine, 2010) has already remind that accounting curriculum should be revised to cope with the changes occurring, one of them is rapid advanced in information technology. Based one table 7 accounting application for local government is one urgent need in developing government accounting education in university. In facing digital age for digital sustainability information technology plays important role. University especially with accounting major can considered such topic recommendation form users' to be elaborate in government accounting education. It can be challenges for university to rearrange their curriculum based on users' suggestions.

Conclusions

Although government accounting education often seen as overlooked part in accounting education, but it can't be neglected element in accounting education at university. This research found that there is still need of graduate with government accounting expertise by looking at the fact that majority of accounting staff in local government agency at Padang City still come from non accounting education background. The current curriculum of government accounting in university already covers users' need even there are still some suggestions for future improvement. It can be challenges for lecturers and academicians at university to explore the current curriculum to be collaborate with suggestions from practitioners.

There are still some limitations of this research only see users' perception from accounting head and accounting staff at local government agency in Padang City. Hence suggestions for future research a) can explore other users' perception about government accounting educations such as users' from ministries

and central government; b) next research can identify stakeholders perception about government accounting educations, such as from university include lecturers and students.

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