

## Obstacles and Challenges in Government Accounting Education (Case Study in Padang State University)

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### Abstract

This research aims to investigate the current position of government accounting education in universities as a part of regional management reforms. The purpose of this study to investigate the current position of government accounting subject in the accounting curriculum; the level of lecturers and students interest towards government accounting; the existence of teaching resources; and the correlation between government accounting education and regional financial management reforms. Data was collected by questionnaire sent to head of accounting study program, lecturers and students from department of accounting, faculty of economics in Padang State University. The results of this study found that there are 3 study programs offered government accounting subject in their curriculum both bachelor and diploma degree; but unfortunately government accounting subject only take 3 or 4 credit hours from total hours. This study found discuss issue about government accounting seems to be interested for lecturers due lack of teaching interest and compiling materials in this subject, but most of lecturers interested in doing research and community services related to government accounting topic. There is also evidence lack of teaching resources with government accounting background force lecturers from other accounting expertise to teach this subject; which identified as an obstacles in government accounting education. Fortunately, government accounting education in Padang State universities already conforms regional management reforms. This research also found that there is considerable interest of students' towards government accounting. Main challenges in future government accounting education are how to attract stakeholders interest in this field; recruit more lecturers with government accounting background; and how to include information technology in government accounting education; and possibility to open separate degree program for public or government accounting. So that, hopefully government accounting education no longer become neglected part in accounting education; can be aligned with other field of accounting education.

**Keywords:** *accounting education, challenges, government accounting, obstacles, university*

### Introduction

Transparency and accountability are public demands as the result of regional financial reforms in Indonesia. Accountability can be defined as a 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). According to (Lowensohn & Reck, 2005) the important part of government accountability is accounting, which captures the information necessary

for federal funds reporting, budget preparation and calculation of efficiency measures. Government accounting take important role in preparing financial statements as a form of implementation of public accountability.

Previous research in Indonesia found that the quality of human resources effect the quality of local government financial statement (Nuryanto & Afiah, 2013); (Muda et al., 2017); (Indriasih, 2014). By looking at importance role of human resources, with government accounting background in improving the quality of local government financial statement indeed impact on the increasing demand for graduates from colleges or universities with government accounting expertise. Accounting teachers must be aware of what industries and sectors their graduates will ultimately serve in the future and the skills needed by graduates (Mohamed & Lashine, 2010); (Gammie, Gammie, & Cargill, 2002)). Based on (Sciulli & Sims, 2008) this process should push universities to respond the new chances and preserve competitive advantages. Unfortunately, government accounting education often shown as neglected element in accounting education (Krah & Aveh, 2013); (Sciulli & Sims, 2008)

Accountants as their main role in providing key financial information to decision makers are now required to work in a constant environment of change. At the same time, the previous study mentioned above confirms that some accounting graduates receive more than a little coverage of Public Sector Accounting issues in their formal university education. This again raises the question of whether universities produce accounting graduates with the right education who are able to serve the public sector (Sciulli & Sims, 2008).

Many research has been done to investigate government accounting education in various country. In Ghana, (Krah & Aveh, 2013) already investigate public sector accounting education in that country, which found that most of public universities in Ghana offer public sector accounting course only 3 credit hours in their accounting degree curriculum; it also found the limitedness about the content of this subject. This research also explain most of lecturers seems to be uninterested in teaching public sector accounting due lack of lecturers with public sector accounting background. Despite financial management reform in Ghana, it doesn't caused changes in public sector accounting curriculum. In Australia, (Sciulli & Sims, 2008) also explore about public sector accounting education in Australia to identify obstacles and challenges through this in order to make public sector education more inclusive in Australia. This study found that public sector education in Australia take very limited part in their accounting curriculum.

This study will be focus on government accounting education which is one part on public sector accounting in Indonesia due significant increasing of graduates with government accounting expertise since financial management reforms. This research survey government accounting education in one of public university in Padang City which is Padang State University. There are 4 questions in this research; a) How is the position of government accounting subject in the accounting curriculum?; b) How about the level of lecturers and students interest towards government accounting?; c) How about the availability of teaching resources?; and d) Is there correlation between government accounting education and regional financial management reforms?. 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 investigate the position of government accounting subject in the accounting curriculum; the level of lecturers and students interest towards government accounting; the availability of teaching resources; and the correlation between government accounting education and regional financial management reforms in order to identify the obstacles and challenges of government accounting education. 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. 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 the position of government accounting subject in the accounting curriculum; the level of lecturers and students interest towards government accounting; the availability of teaching resources; and the correlation between government accounting education and regional financial management reforms in determining the obstacles and challenges of government accounting education. The respondents are head of accounting department, lecturers and students from accounting department of Padang State University. Primary data will be collected by using questionnaire and analyzed by basic statistic descriptive.

## Results and Discussion

There are 22 lecturers from department of accounting in Padang State University joined this study. Table 1 below describes the demographic information of respondents:

**Table 1. Demographic Information of Respondents**

|                        | <b>Descriptions</b>       | <b>Percentage</b> |
|------------------------|---------------------------|-------------------|
| Gender                 | Female                    | 77.27%            |
|                        | Male                      | 22.73%            |
| Age                    | ≥ 55                      | 4.55%             |
|                        | 51-55                     | 0.00%             |
|                        | 46-50                     | 4.55%             |
|                        | 41-45                     | 18.18%            |
|                        | 36-40                     | 18.18%            |
|                        | 31-35                     | 27.27%            |
|                        | 26-30                     | 27.27%            |
| Educational Background | Ph.D                      | 4.55%             |
|                        | Master Degree             | 95.45%            |
| Accounting expertise   | Financial Accounting      | 31.82%            |
|                        | Management Accounting     | 54.54%            |
|                        | Public Sector/ Government | 13.63%            |
|                        | Accounting                | 0.00%             |
|                        | Others                    |                   |

*Source: The Processed Primary Data (2019)*

## Government Accounting Subject in Curriculum

**Table 2. Position of Government Accounting Subject in Curriculum**

| <b>Study Program</b>      | <b>Offered as<br/>Compulsory<br/>Course</b> | <b>Credit Hours</b> | <b>Total Credit</b> | <b>Percentage</b> |
|---------------------------|---|---------------------|---------------------|-------------------|
| Bachelor of Accounting    | Yes   | 4                   | 144                 | 2.78%             |
| Diploma of Accounting     | Yes   | 4                   | 113                 | 3.54%             |
| Diploma of Tax Management | Yes   | 3                   | 113                 | 2.65%             |

*Source: The Processed Primary Data (2019)*

Based on survey there are 3 study programs at Faculty of Economics Padang State University offer government accounting subject in their curriculum; which are bachelor of accounting, diploma of accounting and surprisingly diploma of tax management also offered this subject. In general government accounting subject consist of 3 to 4 credit hours toward total credits offered. It can be concluded that unfortunately, government accounting only take small (less than 4 %) number from total credit hours offer in university whether in bachelor or diploma program in Faculty of Economics Padang State University. This findings in line with studies about public sector accounting education in Ghana and Australia. Based on (Krah & Aveh, 2013) public sector education in Ghana only offer for 3 credits hours toward their accounting curriculum, and (Sciulli & Sims, 2008) also found the limitedness of public sector education in Australia universities: too much materials will be taught caused this limitations.

Government accounting subject is not the only one subject offer in area of public sector or government accounting in department of accounting, Padang State University. Table 3 mentions following subject in area of government accounting offer in bachelor and diploma accounting curriculum. By looking at the total credit hours for area of government accounting subject it only take 9.03% for bachelor program and 9.73% for diploma programs; still in small number.

**Table 3. Other Subject in Area of Public or Government Accounting**

| Bachelor of Accounting           |  |             | Diploma of Accounting                   |             |
|----------------------------------|--|-------------|---|-------------|
| Name of Courses                  |  | Credit Hour | Name of Courses                         | Credit Hour |
| Public Sector Accounting         |  | 3           | Regional Financial Management           | 4           |
| Regional Financial Management    |  | 4           | Analysis of Government Financial Report | 3           |
| Public Sector Accounting Seminar |  | 2           |   |             |
| Government Accounting            |  | 4           | Government Accounting                   | 4           |
| Total                            |  | 13          | Total                                   | 11          |
| Total Credit Hours               |  | 144         | Total Credit Hours                      | 113         |
| Percentage                       |  | 9.03%       | Percentage                              | 9.73%       |

*Source: The Processed Primary Data (2019)*

### **Lecturers and Students Interest Toward Government Accounting**

In Indonesia, lecturer responsibilities regulated by UU No.14 year 2005. As an academicians, lecturers should comply "*Tri Dharma Perguruan Tinggi*" which consist of 3 aspects, carry out education; conduct research and carry out community service. This study check lecturers' interest in doing activities as their duties related to government accounting field. Based on table 3 there 7 activities mentions in questionnaire to check lecturers interest toward government accounting field. The result show that discuss issues in government accounting seems to be interested for most lecturers in department of accounting at Padang State University; unlikely, teach government accounting subject and other relevant subjects related to government accounting. Most of lecturers seems to be uninterested in teaching government accounting subject (31.82% uninterested; 31.82% neutral), but 45.45% respondents thought that teach other relevant subjects related to government accounting more interested. It's also shown that less of lecturers interest in compiling teaching material or writing book for government accounting subject; due lack of interest in teaching this subject. In others side, conduct research and execute community services related to government accounting topic get great response form respondents.

**Table 4. Lecturers Interest toward Government Accounting**

| Number | Descriptions   | Very Uninterested | Uninterested | Neutral | Interested | Very Interested |
|--------|--|-------------------|--------------|---------|------------|-----------------|
| 1.     | Discuss issues in government accounting                        | 0.00%             | 0.00%        | 13.64%  | 50.00%     | 36.36%          |
| 2.     | Teach government accounting subject                            | 0.00%             | 31.82%       | 31.82%  | 18.18%     | 18.18%          |
| 3.     | Teach other relevant subjects related to government accounting | 0.00%             | 13.64%       | 36.36%  | 45.45%     | 4.55%           |
| 4.     | Compile teaching materials for government accounting subject   | 13.64%            | 31.82%       | 27.27%  | 27.27%     | 0.00%           |
| 5.     | Writing book for government accounting subject                 | 4.55%             | 50.00%       | 27.27%  | 13.64%     | 4.55%           |
| 6.     | Conduct research about government accounting                   | 0.00%             | 18.18%       | 0.00%   | 63.63%     | 18.18%          |
| 7.     | Execute community services related to government accounting    | 0.00%             | 9.09%        | 0.00%   | 50.00%     | 40.91%          |

*Source: The Processed Primary Data (2019)*

Many research has discussed how to increase students' interest in government accounting. (Lowensohn & Reck, 2005) mentions some strategy; the subject content should be relevant; lecturers can adopt flexible or active learning and promoting students-teachers interaction. Surprisingly, most of accounting students' from department of accounting in Faculty of Economics Padang State University very interested in government accounting as their areas of interest. Table 5 shows that in bachelor degree of accounting students', public sector/government accounting or 48.00% is the most areas of interest; follow by financial accounting for 23.00%; managerial accounting or 19%; and others for 10%. This is in line with diploma students majoring accounting, public sector/government accounting is the higher areas of interest 55.56%, follow with financial accounting for 20.63%; managerial accounting 19.05%; and others 4.76.

**Table 5. Students Interest toward Government Accounting**

| Number | Description | Financial Accounting | Managerial Accounting | Public Sector/Government Accounting | Others | Total   |
|--------|-------------|----------------------|-----------------------|-------------------------------------|--------|---------|
| 1      | Bachelor    | 23.00%               | 19.00%                | 48.00%                              | 10.00% | 100.00% |
| 2      | Diploma     | 20.63%               | 19.05%                | 55.56%                              | 4.76%  | 100.00% |

*Source: The Processed Primary Data (2019)*

This result totally different with previous study that explore students' interest to government accounting subject. Most of studies found little or no students' interest towards this subject, one of them is (Lowensohn & Reck, 2005) whose found that students have shown little interest in governmental accounting; which caused by students do not see government accounting subject as relevant, and they do not understand about the concept because it differs in many ways from commercial accounting. In other

side, (Egenolf & Willis, 1983) also found due increasing of teaching interest but no supported by students' interest toward public sector accounting course in United States. Different result may cause by different in time, culture and place of research. This research done in Padang city, one of city in West Sumatera Province where one of the most popular jobs is to be civil servant. Why? Since regional management reform in Indonesia, the demand of accounting professionals slightly increase due lack of human resources with accounting background worked in local and municipal government agency.

The perceptions of accounting students' towards career in government has been explore by (Martin & Waymire, 2017). The result show students believed that government careers providing better opportunity than commercial accounting for work life balance and non-monetary benefits, event students still view government careers having less potential for monetary benefits. These results underline the benefits of a governmental and not-for-profit accounting course within accounting programs.

### **Existence of Teaching Resources**

Based on table 1 above already confirm about the number of lecturers from Padang State University with public sector or government accounting background. There are only 3 from 22 lecturers or 13.63% lecturers with public sector or government accounting background. Table 2 already explain there are 3 study programs offer government accounting subject. In Padang State University each programs usually consist of 4 classes, it means that there 14 classes should be cover by 3 lectures during semester only for government accounting subject. This situations push head of accounting department to recruit lecturers from non-government accounting background to teach this subject; lack of teaching resources considered as one of obstacles in government accounting education.

Beside government accounting subject, table 3 already shown number of subject within area of public sector or government accounting offer in both bachelor and diploma program at Padang State University; show the emergence need of lecturers with government accounting background. Based on survey, there are 4 accounting lecturers (2 financial accounting background and 2 management accounting background) teach government accounting subject, even not for others subject related to public or government accounting. This situation should be need to be considered by policy maker in faculty (dean, vice of dean and head of department accounting) to recruit more lecturers with government accounting background. Teaching resources also related to learning method and references will be used in teaching government accounting subject. This research identified learning method approaches in government accounting subject, there are 4 learning methods already adopted for this subject in Padang State University; lecturers with text book illustrations; tutorials; case study and self-developed study guide. Hence some recommendations in extending learning method for this subject; which are invite guess speaker and use academic article in Journal. Invite guess speaker can open students' mind towards the real practice of government accounting; can be considered as an alternative learning method. How about using journal or articles? Based on (Hoque, 2002) journal articles can be more valuable aid in learning; because students can obtain a full understanding of the articles. So that using journal articles can be considered as a new learning methods for government accounting subject in order to improve students' understanding. This research also identify the references used in government accounting subject. There are 3 references already used; which are local books, manuals and handouts. Using foreign book can be recommendations for lectures to explore more references in teaching this subject.

### **Correlation Between Governments Accounting Education Regional Financial Management Reform**

Regional management reform in Indonesia bring changes especially in public transparency and accountability. Increasing of transparency and accountability followed by issuance of various public legislation, one of them is the issuance of Government Accounting Standard in Indonesia which regulated in (Republik Indonesia, 2004) or PP 24 in 2005 with cash towards accrual bases. Furthermore, it replace with (PP nomor 71 tahun 2010, 2010) which confirm the implementation of accrual bases in

government accounting. Many changes in government accounting practice should adopt by universities in their curriculum. This study also survey government accounting lecturers perception towards correlation between government accounting education and regional financial management reform.

There are only 7 lecturers join this part; whose teach government accounting subject. Based in table 7 it can be concluded that most of government accounting lecturers' strongly agree that current status and content of government accounting course already meet the requirements of ongoing financial reforms, and also agree that regional financial management reforms in Indonesia cause for expansion in the content of government accounting course in university. It also can be suggestions for university to offer separate degree program in public sector accounting as new program in accounting department.

### **Obstacles and Challenges in Government Accounting Education**

Lack of lectures with government accounting background identified as the main obstacles in government accounting education at Padang State University. Since high interest of students' in area of government accounting, faculty should considered to recruit more lecturer with government accounting background. The first challenges in order to expand government accounting education is how to attract stakeholder interest to this field. This problems already mention by (Education, 1999) which state that the challenge for government accounting education is how to find the best way to attract students' interest; hopefully it can improved coverage of government accounting in accounting curriculum. The second challenges is emergence need to recruit more lecturers with government accounting background since limitations in number of lecturer with government accounting expertise. The third challenges is how to integrated information technology in government accounting education; while practice of government accounting in local government already applied in systems. The fourth challenges is possibility to open separate degree program in public sector/government accounting major.

### **Conclusions**

This paper examines the current state of government accounting education in one of public university in Padang City (Padang State University) as the result of regional management reforms in Indonesia. The results of this study found that there are 3 study programs offered government accounting subject in their curriculum both bachelor and diploma degree; but unfortunately government accounting subject only take 3 or 4 credit hours from total hour. This study found discuss issue about government accounting seems to be interested for lecturers due lack of teaching interest and compiling materials in this subject, but most of lecturers interested in doing research and community services related to government accounting topic. There is also evidence lack of teaching resources with government accounting background force lecturers from other accounting expertise to teach this subject; which identified as an obstacles in government accounting education. This research also found that there is considerable interest of students' towards government accounting as their area of interest. Fortunately, government accounting education di Padang State University already conforms regional management reforms. Main challenges in future government accounting education are how to attract stakeholders interest in this field; recruit more lecturers with government accounting background; and how to include information technology in government accounting education; and possibility to open separate degree program for public or government accounting. So that, hopefully government accounting education no longer become overlooked part in accounting education; can be aligned with other field of accounting education.

There are still some limitations of this research: a) only investigate government accounting education in one university b) only use questionnaire in collecting data. Hence suggestions for future research a) can investigate others and more university or colleges towards government accounting education in their place; b) next research can use mixed method (quantitative and qualitative) in obtaining data about

government accounting education; c) next research can follow by in-depth interview with related parties to confirm about government accounting education in university.

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