

The Fishbone Model as an Alternative Approach in Government Accounting to Reach an Unqualified Opinion

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This study aimed at examining and analysing the work of Government Accounting to reach an Unqualified Opinion. This is related to the work of Local Government Organisations in areas such as (1) the commitment of leaders, (2) employee competency, (3) employee attitude, (4) employee behaviour, (5) Standard Operating Procedures, (6) Internal Control Systems, (7) budget, (8) information technology support, (9) monitoring, and (10) evaluation, and honesty. The study employed a qualitative approach with the Fishbone Model. The results of this study indicated that the commitment of leaders, employee competency, employee attitude and behaviour, Standard Operating Procedures, Internal Control Systems, budget, information technology support, monitoring, and evaluation, as well as honesty, are mutually supportive in achieving an Unqualified Opinion. Therefore, the ten (10) components are a unified whole, bound to one another. We concluded that the Fishbone Model would be an appropriate approach to use as one of the strategies implemented by Local Government Organisations to achieve an Unqualified Opinion.

Key words: *Fishbone Model, an alternative to accounting work, an Unqualified Opinion.*

Introduction

The Fishbone Model is the best and the most complex strategy for the government to use in achieving an Unqualified Opinion (Alotaibi, Tohmaz, and Jabak, 2017; Murnawan, 2016) as suggested by the Audit Board of the Republic of Indonesia. Thus, other organisations may also benefit from the Fishbone Model as one of their alternatives to reach an Unqualified Opinion (Fauziah, 2009). To reach such an opinion, organisations have to maintain the following ten (10) components: (1) commitment of leaders, (2) employee competency, (3) employee attitude,

(4) employee behaviour, (5) Standard Operating Procedures, (6) Internal Control Systems, (7) budget, (8) information technology support, (9) monitoring, and (10) evaluation, and honesty. As mandated by the Constitution and the society (Indonesia, 2003), the government must have good public governance, manage its budget based on the applicable laws and regulation, maintain organisational systems, and improve the quality of human resources (Ariesta, 2013). The audit conducted by the government still needs deeper examination, although it has followed the standards set. An Unqualified Opinion is not specifically intended to detect irregularities of local finances. This does not mean that financial management or reports are free from fraud, but the opinion administratively shows they are good. Fraud and irregularities in an entity must be understood not only in the fairness aspects of financial statements but also with the Government Internal Control System. Referring to the applicable law (Law Number 17 of 2003), management of state finance is expected to obtain an Unqualified Opinion from the Audit Board of the Republic of Indonesia. The Board examines the accounting of the East Kalimantan Local Government. Accrual-based accounting was first implemented in 2015 (Suhardjanto and Yulianingtyas, 2019). The Government Regulation Number 71 of 2010 mandates for the use of accrual-based accounting, yet the Government Regulation Number 24 of 2005 mandates the use of cash in recognising revenue, which means that expenditure and contract financing are recognised as incurred. The first regulation also covers an explanation on Government Accounting Standards, while the use of accrual-based accounting is limited to the recognition of assets, liabilities and equity funds.

Literature Review

Commitment of Leaders: Commitment means as feelings, like or love towards the achievement that has been made (Djati and Khusaini, 2004). Such commitment represents that one tends to be permanent in the work environment (The Indonesia Dictionary, 2007). The tendency to be permanent is beneficial for the survival of government organisations.

Employee Competency: Employee competency is the ability of employees in each Local Government Organisation (Rosa, Sukoharsono, and Saraswati, 2019; Runtu, Mandey, and Ogotan, 2015) in completing their work (Zhu and Warner, 2019). Competency is crucial for the completion of tasks and for one to be held responsible (Sopanah, Sudarma, Ludigdo, and Djamhuri, 2013).

Employee Attitude: In general, each individual has different perceptions from one another so their attitude will never be the same (Hasiara, 2010). Nonetheless, this must be understood as differences in perspectives and mindset. Some explain that everyone has two kinds of attitudes, namely positive and negative attitudes (Sumardi, 2008; Smith, 2009; Suriasumantri, 2012; Sukmadianata, 2015). A positive attitude refers to reactions over various things followed by actions beneficial to the interests of many people, while a negative attitude could mean no

response or benefit for others. Thus, it is the positive attitude that determines the achievement of an Unqualified Opinion.

Employee Behaviour: Positive behaviour comes from the positive attitude that employees can do their job well (Alotaibi *et al.*, 2017). This shows the responsibility for the management of the financial accounts of the local government of East Kalimantan. That responsibility is based on the applicable law (Government Regulation Number 17 of 2003). Honga and Ilat (2014) and Pranata, Irianto, and Adib (2018) explain that an examination of state accounting is based on the applicable laws and regulations.

Standard Operating Procedure (SOP): It functions to explain things related to daily work or activities in local government entities because it shows the procedure done repeatedly from one period to the next (Astuti, 2018; Soeradi, Tinangon, and Afandi, 2018).

Internal Control System: The system is implemented as a whole both by the central government and local governments (Indonesia, 2008). The President as the Head of the Republic regulates and organises a comprehensive government control system; it aims to protect and, at the same time, enable supervision (Armando, 2013; Wahyudi, Haming, and Junaid, 2018).

Information Technology: Technology, information, and monitoring systems are inseparable (Sukiman, 2012). Transparency is a major demand for change (Nopianti, 2017). Organisations must adapt to changes to realise their function as a good government organisation (Suryandari, 2015). Rapid changes and uncertainty are some of the consequences of globalisation (Oktarina, 2016). Globalisation has forced government and private organisations to develop new and more flexible policies to improve local government organisations (Winidyaningrum, 2010).

Budget: Budget is crucial for operation; all programs or activities need funds (Anjarwati, 2012). The budget becomes the centre of attention for all parties, both directly and indirectly. The government, both central and local, must put a top priority on the budget so local governments can increase the role of local government organisations (Hapsari and Azlina, 2018).

Monitoring: Monitoring is taken by the organisation to see what has been achieved (Wulandari, 2018). Besides, monitoring also functions as a controlling mechanism to avoid unnecessary spending (Puspasari and Suwardi, 2012). Thus, monitoring must be done regularly as it aims to see the work done previously (Hapsari and Azlina, 2018) and to evaluate the extent to which the work has been done according to the plan.



Evaluation: Evaluation is similar to monitoring, yet it has a wider scope (Paputungan and Rindengan, 2017). Each program is evaluated by the Local Monitoring Agency and State Development Audit Agency (Elfindri, 2011; Rahman, Irianto, and Rosidi, 2019).

Honesty: Honesty embraces many meanings when it comes to one's action (Nunziata and Rocco, 2018). When it comes to the management of budget and funding by the local governments, the government must choose staff of high integrity and honesty (Wibisono, 2018) to minimise the chance of corruption practices (Hoffmann and Metz, 2017). A good understanding of religious principles is also necessary as honesty is one part of religious teaching (Wibisono, 2018). Honesty is of high importance in the management of accounting, for both local and central governments (Jannah and Faturohman, 2019).

Methodology

The study employed a qualitative approach using the Fishbone Model for several reasons. First, government organisations in the region are doing comprehensive work so the staff needs to keep their togetherness. A solid team is important in achieving the ideals and goals of the organisation. One of these goals is related to the vision, mission, and objectives—for local government organisations, it is the achievement of an Unqualified Opinion.

Data was collected qualitatively through (a) observation, (b) interviews, (c) documentation, and (d) triangulation (Norman K. Denzim, 2009; Hasiara, 2018). Observations, interviews, and documentation were done to collect data related to the ten (10) components studied: (1) the commitment of leaders, (2) employee competency, (3) employee attitude, (4) employee behaviour, (5) Standard Operating Procedures, (6) Internal Control Systems, (7) budget, (8) information technology support, (9) monitoring, and (10) evaluation, and honesty. Triangulation is done to cross-check the data obtained from two (2) or more different sources. According to the aforementioned explanation, the following figure represents the Fishbone Model used in the present study.

Figure 1. The Fishbone Model

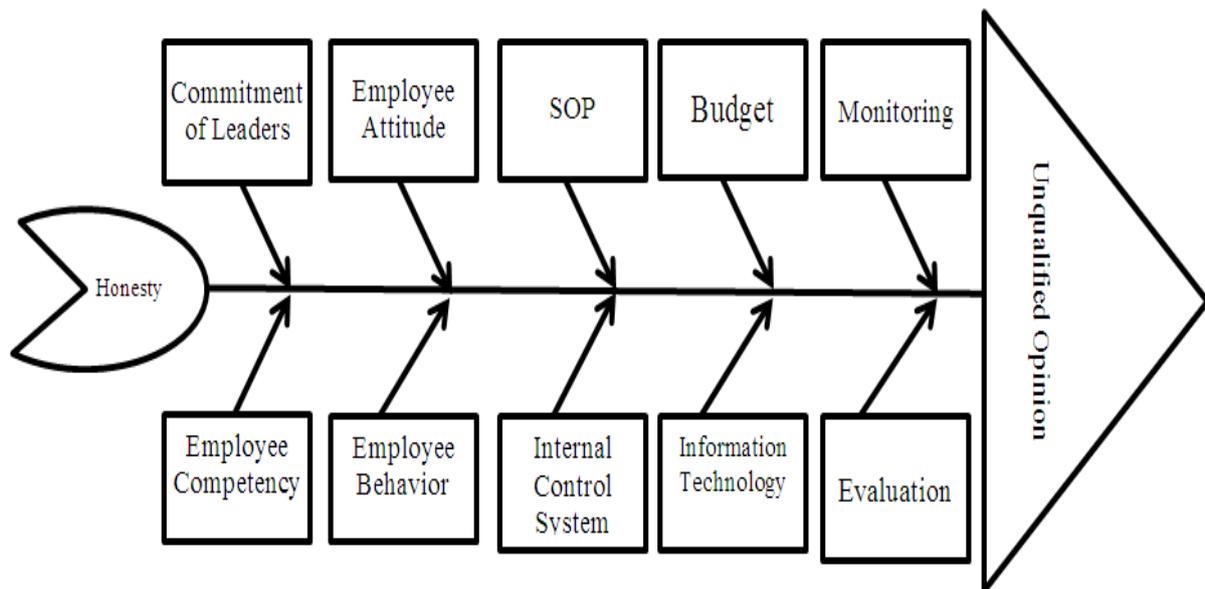


Figure 1 shows that the Fishbone Model can unite all powers to achieve the organisation's vision, mission, goals, and objectives. The results then are the desire of all people who have carried out various activities. Based on this explanation, the activities that have been, and will be carried out among the ranks of the local government in the province of Kali-former Timur aim to reach the opinion of Fair without Exception (WTP). The study has examined ten (10) components: (1) the commitment of leaders, (2) employee competency, (3) employee attitude, (4) employee behaviour, (5) Standard Operating Procedures, (6) Internal Control Systems, (7) budget, (8) information technology support, (9) monitoring, and (10) evaluation, and honesty in the management of finance in local government organisations of East Kalimantan. Thus, all activities that have been, and will be done by the local government organisations of East Kalimantan are directed toward achieving an Unqualified Opinion.

Results and Discussion

The findings showed that evaluation by the Audit Board of the Republic of Indonesia resulted in an Unqualified Opinion for the fiscal year of 2015-2018 (Connors, Anderson-MacDonald, and Thomson, 2017), as published by the daily magazine Kaltim Pos on September 3, 2015. The result of the interview with key informants showed that leaders must be competent and committed to the work:

“We understand commitment as saying and doing the same things—walk the talk. Sometimes, the government, both local and central, issue new regulations, and that means we have to understand the regulation. Even though we have not fully understood the previous regulations,

if a new one comes out, we must learn it thoroughly.” (Mr. Darmawan, Secretary of the Local Financial and Asset Management Agency, in an interview on March 15, 2018).

Other informants (Mrs. Endang Hartati, Secretary of the Local Financial and Asset Management Agency, in an interview on March 15, 2018, and Mrs. Djuliah, Division Head of the Local Financial and Asset Management Agency, in an interview on May 31, 2018) also stated that commitment was about doing and saying the same thing—it also meant being determined. A committed leader is the one doing the work based on the applicable laws and regulations. A positive attitude and behaviour must be continuous. Doing work well is the representation of positive behaviours.

Based on the information from key informants, commitment refers to positive attitude and behaviour and deals with the personality of leaders in the implementation of government accounting. Commitment also refers to the positive attitude of the staff so an Unqualified Opinion can be achieved. Every plan or program must be interpreted together with a positive attitude. A positive attitude can be formulated into four main categories, namely (a) leaders have the same commitment as the subordinates; (b) leaders have the same ideals as the subordinates; (c) leaders have the same willingness as the subordinates; and (d) leaders aim for the same things as the subordinates. To achieve the vision and mission, leaders must (a) become a good example for subordinates in doing the work related to government accounting by following the existing rules and regulations, and (b) be committed to the work, which means that they have good behaviours and attitudes. Law Number 17 of 2003 concerning the Examination of State Finances mandates that good financial reports must be accountable and examined by the Audit Board of the Republic of Indonesia as an external auditor of the government. The goal of the government of East Kalimantan is to have better examination results from year to year.

A key informant talked about employee behaviour and stated that each person in the organisation had a different attitude since each person has a different understanding. Thus, everyone must be wise in seeing differences in views and mindset. People have positive attitudes, while others may have negative ones. Positive attitudes will benefit many people; while a person with negative attitudes tends to be ignorant. The positive attitude will bring the organisation to achieve an Unqualified Opinion.

Another key informant also talked about employee behaviour and stated that employee behaviour referred to the activities conducted as part of their job; they have responsibilities as staff of government organisations. They must follow the existing rules and regulations. This means that the evaluation and monitoring of government accounting are based on the applicable laws and regulations.

The next key informant discussed SOP as a way to communicate among employees, specifically regarding their daily responsibilities as staff of government organisations. The SOP is part of a mutual agreement among all employees. It directs each person in the organisation to do their job continuously. The SOP is of high importance in completing tasks for employees.

Related to the Government Internal Control System, a key informant stated that they understood the system as a system to control all work activities, especially internal control. The system is implemented as a whole both by the central government and local governments (Indonesia, 2008) The President as the Head of the Republic regulates and organises a comprehensive government control system; it aims to protect and, at the same time, enable supervision on the management of local finance.

A key informant said that they understood information technology as a way to ease communication related to their job as staff of government accounting. Besides, it also functions like monitoring, and monitoring itself is integral and inseparable from communication. In the globalisation era, information technology has become so important because people exchange information more and more rapidly. Thus, all levels of employees in local government organisations have to master information technology to serve their function well. The traditional ways of managing information have changed, and this also happens in government organisations.

Talking about budget, a key informant stated that the budget was crucial with all operational activities as no programs or activities would take place without a budget. The budget becomes the centre of attention for all parties, both directly and indirectly. The government, both central and local, must put a top priority on the budget so local governments can increase the role of local government organisations.

Monitoring was seen as supervision on one or several activities carried out by local government organisations, as one of the key informants stated. Besides, monitoring also functions as a controlling mechanism to avoid unnecessary spending. Thus, monitoring must be done regularly as it aims to see the work done previously and to evaluate how far the work has been done according to the plan. Monitoring also aims to assess the extent to which an organisation has carried out internal control. Monitoring is followed by evaluation, as it is also part of internal control.

“We understand evaluation as a re-examination of monitoring results,” said one of the key informants. Evaluation is always followed by adequate internal control activities done by the Local Monitoring Agency, regional inspectors, and State Development Audit Agency. This also represents control over the effectiveness and efficiency of regional revenue and regional budget



management. Therefore, the evaluation carried out by the competent authority is solely aimed at increasing the efficient use of the budget.

For the last component, honesty, a key informant stated that honesty had to be part of one's innermost heart. One must be honest in managing government accounting; integrity is the key. Honesty and integrity are the keys to prevent corruption practices (Law Number 17 of 2003).

Conclusion

Because this study used the Fishbone Model, the strength lied in the togetherness between one part and the other. The organisations were able to achieve an Unqualified Opinion because leaders and subordinates had the same ideals, vision, mission, and goals—this contributed much to the success of the organisation. *First*, leaders were committed to their work and they were supported by competent employees with positive attitudes and good behaviour, so it was easy to achieve an Unqualified Opinion. *Second*, the Standard Operating Procedures were supported by adequate Internal Control Systems, so it was easy to achieve an Unqualified Opinion. *Third*, good budgeting supported all activities in the organisations, so it was easy to achieve an Unqualified Opinion. *Fourth*, Information Technology supported by good monitoring and evaluation had paved the path to achieve an Unqualified Opinion. *Fifth*, all of the components worked in harmony and continuously, so it was easy to achieve an Unqualified Opinion. *Fifth*, honesty had become a good foundation for all other components; therefore, the organisations could achieve an Unqualified Opinion from 2015 to 2018.

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