

ABSTRACT

This thesis discusses the policy implementation of state asset management reform in Indonesia. The reform is conducted to meet with an ideal state asset management that based on the principle of 'highest and best use of asset' and the three orders, namely law order, administrative order, and physical order. In doing so, efforts to make improvements and optimization of the state assets in Indonesia toward an ideal state asset management to realize the value of professional and efficient state asset management as mandated to Law No. 17 of 2003 and Law No. 1 of 2004. Nevertheless, Indonesian state-owned assets are many and varied in scattered locations, so that needs time to reorganize its management.

The objectives of this research are to analyze and recognize how well the implementation of state asset management reforms in Indonesia and also analyze the parts of state asset framework that has to be improved as the consideration in making policies related to the state asset management in the future. This research was done by using case study at Surabaya State Asset and Auction Service Office as the service office of Directorate General of State Asset Management (DGSAM).

Furthermore, this research was conducted in descriptive quantitative approach. The research used the seven dimensions of key success of state asset management reform that observed by Kaganova and McKellar (2006) namely policy framework, asset recognition, information system, accountability mechanism, decentralization of management responsibility, initiatives for privatization, and accounting system. The research was done by a survey using questionnaire to grab the perception of state asset officer from each working units at Surabaya State Asset and Auction Service Office working area as the implementer of state asset management reform policies. The population in this research consists of 483 state asset officers and 220 samples have been obtained after deploying the questionnaires.

Research result shows that from 32 item statements in the questionnaire, there are 25 items that the majority of responses were in the agree area and 7 items that the majority of responses were in the disagree area. This means that the implementation of state asset management reform policy which organized by Surabaya State Asset and Auction Service Office has been running quite well with some factors need to be improved. Regarding those facts, Directorate General of State Asset Management (DGSAM) should improve the policy setting that includes regulatory components of state asset management that can be applied with more comprehensive by government. Moreover, in order to provide better policy setting, DGSAM should create sustainable long-term synergy between the Ministries/Agencies, professional organizations, and educational institutions as well as improving the quality of human resources in state asset management.



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CHAPTER I

INTRODUCTION

1.1 Background

The need for reform in particular state asset management arises in countries that have not been doing its asset management reforms. According to the observations Kaganova and McKellar (2006, p. 5), since 1999 until the year 2003, the government of China, Indonesia, Morocco, Chile, Kuwait, and some countries of the former Soviet requested technical assistance on management of state asset to the organization's donor. The things that drive reforms in these countries (pre-reform countries) are: the existence of new public management (NPM), the recognition of the financial benefits for government if the management of state asset be done better, reforms in the accounting field, and the involvement of professionals in the field of real estate into the management of state asset.

Based on Hadiyanto (2010, p. 6-7), efforts to make improvements and optimization of the state assets toward an ideal state asset management continues to realize the value of professional and efficient state asset management as mandated to Law No. 17 of 2003 and Law No. 1 of 2004. Law No. 1 of 2004 changed the paradigm of state asset management, from the beginning become asset administrator turn to an asset manager. This was followed by the establishment of the Directorate General of State Asset Management (DGSAM) that have institutional functions to manage the state asset management in order to encourage the optimization of revenue,



efficiency of budget, and effectiveness of state asset management in order to realize good governance and safeguarding fiscal sustainability.

Based on Hadiyanto (2010, p. 7), the problem is, Indonesian state-owned assets are many and varied in scattered locations, so that needs time to reorganize its management. The starting point is to know exactly how much and what are the assets held by Indonesia. For that, based on Presidential Decree No. 17 of 2007 and start in 2008, Indonesian government carried out an investigation and valuation activities of state asset management reform in the State Ministries/Agencies. Furthermore, according to the observations Kaganova and McKellar (2006, pp. 128-133), those activities are conducted by identifying the various problems that influence the implementation state asset management reform, like policy framework, asset recognition, information system, accountability mechanism, decentralization of management responsibility, initiatives for privatization, and accounting system. In Indonesia, those activities are conducted for identifying the various problems that influence state asset management performance.

First, the problem is the rule of law in order to deal with asset disputes (Hadiyanto, 2010, p. 7). State asset management issues arising since the law has not been fully executed. For example, thousands of acres of land currently owned by the state do not have valid ownership proof and not certified, which can result in disputes and lawsuits are sometimes won by other parties. The recent example in the disputes because of land certification is between Ministry of Health with the ordinary residents at Hang Jebat region, Jakarta, where both parties were claimed have the original certificate



for that land.¹ In addition, the name of state land in the certificate is also still the name of Ministries/Agencies. This can lead to individual egoism at Ministries/Agencies, where many assets such as land and idle buildings are not easily converted to the other required institutions without permission from Ministry of Finance as the state asset manager. It is necessary for the ground state certification program, so it has a valid proof of ownership on behalf of the Government of Indonesia. Clarity of ownership under one name makes it easier in asset management, because it is not fragmented to any State Ministries/Agencies and can mitigate legal risks in the future.

Second, the other problem is the orderly administration (*ibid*). In the ideal management of state assets, each involved organization has clearly understood their respective responsibilities. If this does not materialize, it can cause various problems that could hinder the process to achieve accountability asset management (*ibid*). For example, incomplete documents and accounting reports by Ministries/Agencies led to the annual report that not reflects the numbers and real conditions of assets. Poor administration can also be potential security risk on assets. The recent condition of state asset administration can be reflected from the 2011 Financial Statement that audited by State Audit Board, it stated that the data of fixed assets of the national road land on the Ministry of Public Works that valued at IDR 109.06 trillion cannot be believed its fairness because it does not have complete data collection and the results of data collection is inadequate.²

¹ Danny Kosasih. *Sengketa Tanah Dengan Kemenkes, Warga Hang Jebat sambangi Jokowi*. January 14th 2013. Retrieved from <http://www.aktual.co/> at Feb 20, 2013.

² BPK Sampaikan LHP atas LKPP 2011 Kepada Presiden RI, May 30th 2012. Retrieved from <http://www.bpk.go.id/> at June 1st 2012.



Third, it is the problem regarding the physical order in term of asset (*ibid*).

The poor physical assets management potentially can cause several problems and ultimately hinder the achievement of asset management objectives. For example the case of state house that should be given to civil servants who are still active in order to facilitate governance. However, today many of the state house that is still inhabited by people who are not eligible (e.g.: a retired civil servant and family), so the purpose of providing housing accommodation is not reached. Another example is a lot of assets such as land or buildings used or exploited by a third party without compensation. As applicable, the use of third-party assets by the State Ministries/Agencies must be paid compensation. Provisions or regulations such as these (related state asset) are poorly understood by the State Ministries/Agencies as users of assets. The recent conflict regarding poor asset utilization policy is between retired army members with Indonesian Army that happened in Surabaya, East Java, when the members who have retired do not want to leave the home office that is tens of years they lived in and claim for the houses to be handed to them.³

To be able to make the most of asset management, the first step to do is forming a database of all assets owned by this state. All of the assets in question must be identified, classified, and assessed for further inserted into the list of assets. Steps like this will greatly assist in meeting the reporting obligations of assets. Until now, the database of state assets is not fully formed and integrated as a whole. The policy-making process as a first step is the formation of an integrated, powerful and reliable database up to now is

³ Teguh Ardi Srianoto. *Sengketa Tanah Hayam Wuruk Hakim Sidang di Tempat*. April 9th 2013. Retrieved from <http://kelanakota.suarasurabaya.net/> at April 10th 2013.



still in the stage of implementation. As a result of the incomplete data, definitely the value of the state asset for both overall and per ministry/agency has not yet known with certainty. Consequently, an early warning system as one of the controls in the internal control of state assets have not yet be running properly. Directorate General of State Asset Management (DGSAM) has been working to improve the databases of all state assets through inventory and property valuation program. The program is not easy given the amount of state asset of Indonesia are in a huge number and located in a highly dispersed locations (*ibid*, p. 8).

In the implementation of inventory and property valuation on 74 Ministries/Agencies beginning in 2007 through 2010, conducted by DGSAM, Ministry of Finance contributed positively to the audit opinion of the Central Government Financial Statements. State Audit Board gave a qualified opinion on the 2010 Financial Report of the Central Government. As of June 30, 2011, after conducting the inventory and property valuation, the total value of state asset amounted to IDR 1,338.7 trillion consisting of inventory amounting to IDR 49.56 trillion, fixed asset amounting to IDR 1,265.09 trillion, and other assets were amounting to IDR 24.05 trillion. When compared to the State Asset values per January 1, 2011 of IDR 1,287.58 billion, then the value of it increased IDR 51.123 trillion, or 3.97 percent. Up to 20 November 2011, there were 119 work units that have not done the inventory and property revaluation activities and expected to be completed in the end of 2011. (DGSAM Press Release, December 27, 2011). Nevertheless, even though in general it can be said that the revaluation was completed in 2012, but, in particular, there are still some revaluation activities for newly recorded state



assets. This kind of assets is the audit finding of State Audit Board on the annual financial statements of ministries/agencies.⁴

Due to the implementation of state asset management reform policy, the State Asset and Auction Service Office at Surabaya as the institution that managed the state asset in the second biggest city in Indonesia has many responsibilities to introduce and organize the implementation of those policies to 483 working units of State Ministries/Agencies within its working area.

Surabaya State Asset and Auction Service Office has become one of the pilot project offices of Directorate General of State Asset Management (DGSAM) in the implementation of the state asset management reform policy through the launching of ten out of sixteen special model offices in 2011⁵ in order to encourage the achievement of its reform based on the dimensions of policy framework, asset recognition, information system, accountability mechanism, decentralization of management responsibility, initiatives for privatization, and accounting system.

Regarding those facts, it is important to get an overview of the implementation of state asset management reform policy and identify which parts have to be improved in order to provide better policy in future based on the perception of state asset officer from each working units at the working area of Surabaya State Asset and Auction Service Office. State asset officers are the implementer of policies in the field, so that they can identify the

⁴ Audit finding of State Audit Board on 2012 Central Government Financial Statement stated that there were still some state assets that had not been traced and recorded by the government (Muhammad Iqbal and Nidia Zuraya, June 11th 2013).

⁵ *Dirjen Kekayaan Negara Resmikan Sepuluh KPKNL Teladan*. February 2nd 2011. Retrieved from http://www.depkeu.go.id/ind/Read/?type=ixDaerah&id=18650&thn=2011&name=br_020211_2.htm at March 12th 2012.



strengths and weaknesses of policies itself. Thus, this research could be one effort in evaluating the implementation of state asset management reform policy conducted by Surabaya State Asset and Auction Service Office.

1.2 Statement of Problem

As a guide to achieve the research objectives, the following research questions have been raised:

- (1) How is the implementation of state asset management reform policy in Indonesia based on the perception on state asset officers?
- (2) Which part of the policy that has to be improved in future?

1.3 Research Benefits

Practically, the research will give the advantages to some parties such as the government, public, and the author himself.

- (1) Provide empirical evidence on the implementation of state asset management reform policy as measured by policy framework, asset recognition, information system, accountability mechanism, decentralization of management responsibility, initiatives for privatization, and accounting system.
- (2) For the government, the research is important as consideration in making policies related to the state asset management in the future.
- (3) Contribute to the development of public administration science literatures, especially relating to state asset management policy.

Theoretically, since there are only few literatures and research in public administration related with the policy of state asset management in Indonesia,



the researcher hopes that this research will give contribution to the improvement of governmental accountability especially in state asset management matters and could become the references for other research in future related with this subject.

1.4 Systematic of Discussion

Systematic of discussion in this research have purposes to give an image for the content from this thesis, when there are involve:

CHAPTER I INTRODUCTION: this chapter has content about background of the research, the reason of title choices, problem choices in the statement problem, benefit of research, the systematic of discussion and originality of the research as a general illustration for this thesis.

CHAPTER II THEORETICAL REVIEW: this chapter covers all theories which has been used as the related point for research discussion that consist of concept of NPM and Good Governance, State Asset, Asset Management, and several previous research.

CHAPTER III CONCEPTUAL FRAMEWORK AND RESEARCH METHODOLOGY: this chapter has content about the conceptual framework, population and sampling, data collection, and measurement scale as a tool for the researcher to recognizing a research data and analysis interpretation of those data for final result.

CHAPTER IV THE PROFILE OF STATE ASSET MANAGEMENT IN INDONESIA: this chapter discusses about the general overview of state asset management policies in Indonesia by obtained data from



secondary data sources and specifically Surabaya State Asset and Auction Service as research location.

CHAPTER V ANALYSIS OF DATA: in this chapter, there are research results from the data collecting, data analysis, and interpretation about the implementation of State Asset Management Reform Policy based on the perception of state asset officer from each working units and supported by the results of in-depth interviews.

CHAPTER VI CONCLUSION AND SUGGESTION: the last chapter in this thesis has involved conclusion as the research result, the suggestion as the policy recommendation in future, and also the limitation of the research identified.

1.5 Originality of the Research

Most studies on state asset management in Indonesia discuss asset management policy in general, including the central government and the local government or specifically highlight the process of asset management in local government. In this study, the author uses different approaches to address the implementation of state asset management in central government policy working units. By using the theory of asset management, the author analyzed the perception of human resources involved in the implementation of state asset management reform policy.

By using a study of perceptions of human resources, the author analyzed shortcomings and obstacles of implementation of the policy based on the knowledge and opinion of the respondents at the time of the research. The author used the respondents as sources of information due to their



involvement as policy implementers in their daily work. With the information from these respondents supported with secondary data obtained by the author, assumingly it can provide an overview of the policy settings that can be used as an alternative for Directorate General of State Asset Management (DGSAM) or even Ministry of Finance (MOF) in formulating future policies.



CHAPTER II

THEORETICAL REVIEW

2.1 New Public Management and Governance Reform

As summarized by Wise (2010, p. 555), New Public Management (NPM) has been characterized as a worldwide model appearing in answer to political, ideological, economic, and institutional change. NPM principles which emphasize on transparency and accountability in any implementation of government policies are no exception to the field of state asset management policy. To that end, as quoted by Therkildsen (2008, p. 7) from Hood (1991) and Kettl (2005), NPM principles that must be observed in practice are shown as below Table 2.1

Table 2.1

Seven main principles in NPM–inspired reforms

1.	“Hands-on” management	Active, visible control of organisations by identifiable professional managers who are free to manage using private sector styles of management.
2.	Unbundling	Disaggregation of formerly monolithic organisations into corporatized units round specific products and services.
3.	Productivity	Do more with less. Public service provision with lower resource use.
4.	Marketization	Use market mechanisms and competition to overcome pathologies of traditional bureaucracy.
5.	Performance orientation	Define, preferably quantitatively, goals, targets, outputs and indicators of success based on explicit standards. Deliver what is promised. Link resource allocation and rewards to measured performance to enhance accountability.
6.	Service Orientation	Improve government-customer relations so as to improve the satisfaction of the latter.
7.	Decentralization	Place policy decisions as close as possible to the people who will be affected by those decisions.

Source: Therkildsen (2008, p. 7)



Furthermore, according to Osborne and Gaebler (in Denhardt, 2007, pp. 16-19) to sharpen the reasons why NPM might bring about extensive bureaucratic reform are the core of NPM itself that could bring about new paradigms of the government practice to assist as an advanced theoretical scheme for public administration.

As a result, the presence of NPM, the demand from public to develop governance reform, and also the willingness of the government to set up good governance agenda become the essential basis for the establishment governance reform. To that end, Good Governance point of view can be formulated into three important points of reform (Grindle, 2007 in Therkildsen, 2008, p. 8) as described below:

- (1) Selection, accountability and replacement of authorities as the solutions for the demand of vote and accountability, balance, and lack of violence;
- (2) Efficiency of organization, rules, material management as the solutions for the demand of better administrative scheme and bureaucracy performance; and
- (3) Appreciation for organization, acts and communication among parties in public, politics, and business as the solutions for the demand of corruption eradication and law enforcement.

2.2 The Definition of Asset

Assets can be defined from different perspectives. From an accounting perspective, the International Accounting Standards Board defines asset as,

a resource controlled by the enterprise as a result of past events and from which future economic benefits are expected to flow to the enterprise (IASB Framework, 2005, par. 49)



Similarly, the Financial Accounting Standards Board defines assets as, "probable future economic benefits obtained or controlled by a particular entity as a result of past transactions or events" (FASB Concepts, 2005, par. 25).

Based on these two definitions and several others, like UK Statement of Principles for Financial Reporting, the IASB proposed a working definition of an asset of an entity as,

a present right, or other access, to an existing economic resource with the ability to generate economic benefits to the entity (IASB, 2005, p. 2).

This definition emphasizes three characteristics of assets: 1) a right or other access, which means an aspect of control and excludes other's access; 2) economic resource that has value and is scarce; and 3) the capability to gain economic advantages, which is the similar point as the capability to produce favorable cash flows (IASB, 2005, pp. 7-15).

It is important to note that asset is not only associated with public services but also maintained in the terms of culture and national heritage as Government of Indonesia define state asset as,

Aset adalah sumber daya ekonomi yang dikuasai dan/atau dimiliki oleh pemerintah sebagai akibat dari peristiwa masa lalu dan dari mana manfaat ekonomi dan/atau sosial di masa depan diharapkan dapat diperoleh, baik oleh pemerintah maupun masyarakat, serta dapat diukur dalam satuan uang, termasuk sumber daya nonkeuangan yang diperlukan untuk penyediaan jasa bagi masyarakat umum dan sumber-sumber daya yang dipelihara karena alasan sejarah dan budaya. (PSAP No. 01, par. 5).

(Assets are economic resources controlled and / or owned by the government as a result of past events and from which economic benefits and / or social future is expected to be obtained, both by governments and society, and can be measured in money, including the source non-financial resources required for the provision of services to the general public and the resources are maintained for reasons of history and culture)



In short, in the public sector, an asset is a public capital that is managed by government; it is not mainly used for pecuniary purposes, but for generating public services and public goods.

2.3 The Definition of Asset Management

And, the US State Highway and Transportation Officials (in US Department of Transportation, 1999, p.7) defines asset management as,

A systematic process of maintaining, upgrading, and operating physical assets cost effectively. It combines engineering principles with sound business practices and economic theory, and it provides tools to facilitate a more organized, logical approach to decision making. Thus, asset management provides a framework for handling both short and long range planning.

Other definitions of asset management have slightly different emphases on business strategies or go beyond physical assets like:

Asset management is a comprehensive business strategy employing people, information and technology to effectively and efficiently allocate available funds amongst valued and competing asset needs. (Transportation Association of Canada, 1999 in McNeil, 2000, p. 134)

Asset management is a methodology to efficiently and equitably allocate resources amongst valid and competing goals and objectives. (Danylo, NH and A. Lemer in McNeil, 2000, p. 134)

On the other hand, Kaganova and McKellar (2006, p. 2) define asset management that applies to both the private and government sectors as,

The process of decision-making and implementation relating to the acquisition, use, and disposal of real property.

Furthermore, in the perspective of government point of view, Government of South Australia (1999, p. 8) defines asset management as,

a process to manage demand and guide acquisition, use and disposal of assets to the make the most of their service delivery potential, and manage risks and costs over their entire life.



Even though there is no exact working definition of asset management that stated by experts or entities, but it can be concluded that the asset management is included all part of asset life cycle that starting from planning, budgeting, procurement, usage, monitoring by the entities or government institutions, and ended up with the disposal of asset itself.

2.4 State Asset Management Reform

The need for reform in particular asset management of state asset arises in countries that have not been doing its asset management reforms.

According to the observations Kaganova and McKellar (2006, pp. 6-10), the things that drive reforms are namely:

- (1) The existence of New Public Management (NPM), which demanded transparency and greater accountability of the government.
- (2) The recognition of the financial benefits for government.
- (3) Reforms in the accounting field.
- (4) Involvement of real estate professionals into the state asset management.

Nevertheless, there are some common problems that faced by pre-reform countries such as: (*ibid*, pp. 11-15)

- (1) The absence of central policy framework.
- (2) Fragmented management of state asset.
- (3) Economic asset management inefficiencies including:
 - a. Optimal asset utilization has not been done either physically or economically.
 - b. Physical and economic underutilization of assets.
 - c. The cost of maintenance and repairs of assets are inadequate.



d. The number of vacant properties and underutilized is quite large.

e. The cost of asset ownership and the opportunity cost is often ignored in the decision making process.

f. Failure to understand the highest and best use of state asset.

(4) Lack of information system on state assets.

(5) Lack of transparency and accountability in government activities.

All of problems triggered mentioned above had accelerated reforms in the field management of state asset in almost all countries in the world.

Pioneer of the implementation reforms in the management of state asset are Australia, Canada, New Zealand, and France, each of which has been started

since the 1990s. Furthermore, there are some steps recommended in the asset management reform as it has been conducted by Jack Diamond and

Allen Schick (in *ibid*, p.135) as described in the table below.

Table 2.2

The Phase of State Asset Management Reform

Stage Asset Management Reform	Measures of Asset Management
Phase 1: External Control (Schick) / Cost Minimizing Input Create Formal Policy (Diamond).	<ul style="list-style-type: none"> • Outline policy/principles • Recognize the associated costs of state asset. • Wake up and take note of information on state asset.
Phase 2: Control Outputs (Schick) / Technical and Economic Efficiency (Diamond)	<ul style="list-style-type: none"> • Build economical and technical accountability mechanisms and benchmark performance. • Decentralization of management responsibility - Strengthen the role of central leadership. • Remove the assets that are not used anymore for public services. • Switch to the private sector if and achieving cost savings efficiency is possible.



Phase 3: Control results (Schick) / Technical and Economic Effectiveness (Diamond)	Implement full-accrual accounting system.
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Source: Kaganova and Mc Kellar, 2006, p. 135

Based on the experience of Australia, Canada, New Zealand and France, it was found that there are seven key factors essential to any efforts to revolutionizing state asset management namely (*ibid*, p. 128-133):

(1) Policy Framework

The measurements of state asset management has be directed at the great level by a clear policy scheme that places real property management practices in the context of an overall restructuring effort by a government. Formal and clear public policy can be applied to all state assets that are in control of the government.

(2) Asset Recognition

The asset recognition are including three main issues namely, what assets are included in the control of government, what costs should be recognized, and how to cover these costs. The expenditure of using and conserving fixed properties particularly should be recognized and addressed explicitly for office accommodation, infrastructure, vehicles, and office equipment. The occupancy costs also tend to be recognized including implied or actual rent. There are also many kinds of approach to identifying and controlling the expenditures related to the possession of properties.

(3) Information System

The information systems are the number, conditions, and other relevant information of state asset management in term of state asset



management reform. Because of not understanding carefully what central government owns, the occupancy levels associated with each asset, asset components, operating costs, and maintenance specification is a main obstacle to progress of the reform itself. Information, as well as the asset themselves, has to be effectively managed.

(4) Accountability Mechanism

Accountability mechanism is clear mechanism of accountability of government in terms of state asset management that includes all control of properties, and this provide good instruments to identify the results and also an accounting system that will stimulate better policy-making process for the higher level.

(5) Decentralization of Management Responsibilities

Decentralization of management responsibility is focused on delegation of authority, the provision of incentives, guidance, and supervision that linked to the performance of the agencies-given-authority in term of state asset management reform. Currently, several countries already decentralized the authority to their ministries and agencies.

(6) Privatization Initiatives

Privatization initiatives are focused on two ideas, namely asset disposition and the private sector involvement on state asset management. Asset disposition is the identification and disposal of state assets, and private sector involvement is the engagement of the private sector in managing government-owned properties, where cost savings and efficiency in the service delivery by the private sector are surely determined.

(7) Accounting System

The new accounting system is about new government accounting practices that applied on state asset management and how the implementation from cash accounting to accrual-based accounting system. The shifting toward accrual accounting and the fulfillment of asset valuations began to cope with several common weaknesses of cash accounting.

2.5 Previous Research

There are some previous research conducted by researchers from several countries that closely related to this research topic on the state asset management reform policy.

Table 2.3
Summary of Prior Research

No	Title / Researcher Name / Year Published / Place	Research Focus and Methodology	Results
1	Real Property Management: Reforms in Four Countries Promote Competition / William M. Hunt / 1994 / Washington DC, USA	The focuses of this research were to reviews (1) the reforms four countries-Australia, Canada, the United Kingdom, and Sweden-made to their real property organizations; (2) the results of these reforms to date; and (3) the lessons that the countries learned from these reforms that could be useful to the United States. Its method was using qualitative approach by literature reviews, interview, and field observation.	The results of this study were identifying the characteristics of the reforms including: (1) presenting engagement for real property business; (2) giving more strategic management of properties, that is, in a form that identifies the commitment to control properties as investments and to cope with the public demand; and (3) providing different asset management for building (except for Sweden) and explaining policy failures and development acts.



2	<p>State-Owned Asset Management Reform in China / Yaotai Lu and Hongli Wang / 2010 / Seoul, South Korea</p>	<p>The focuses of this research are the management of state properties that used and controlled by governmental institutions in China. This research analyzed the policy framework and objectives of Chinese Government to have better state asset management. Its method was using qualitative method by comparing the existing research and publication to the policies taken by Chinese Government regarding state asset management.</p>	<p>The results of this study are that the identification of common obstacles of Chinese Government in reforming state asset management. The authors found issues and problems related to management responsibility, displacing management priority, policy deficiencies, lack of performance evaluation scheme, and loss of state assets.</p>
3	<p>Managing Government Property Assets: The Main Issues From The Malaysian Perspective / Shardy Abdullah, Arman Abdul Razak, Mohd Hanizun Hanafi, Mohd Najib Salleh / 2011 / Malaysia</p>	<p>The research was focused on determining the management aspects that are slowing down the implementation of asset management processes. For this research, 67 respondents from ministries and technical departments were picked. The data collected through a survey by questionnaire forms. The collected data was then analyzed using quantitative approaches such as frequency analysis method, mean analysis, relative important index and others.</p>	<p>Results from the research show that there are five main issues in managing Malaysian state-owned properties. Those issues were lack of appropriate property division within a ministry, lack of experts, lack of useful strategies, lack of suitable management procedure and lack of computerized system usage.</p>
4	<p>Mihaela Grubisic, Mustafa Nusinovic, and Gorana Roje / From Accountable Government to Public Asset Management Reform and Welfare / 2009 / Croatia</p>	<p>The focuses of this research were to analyze the requirements for efficient state asset management and examine whether the management of state assets under the control of professional management can guarantee better public services and satisfaction of transition countries.</p>	<p>They found that the requirements are to specify what kinds of properties develop the state asset portfolio and clearly to dispose what specification of property rights can be charged on state assets. Developing countries,</p>



		<p>since privatization steps of state assets are near to being decided.</p> <p>Its method was using qualitative approach by literature reviews and field observation.</p>	<p>especially transition countries, have deal with many difficulties in public sector activities.</p>
5	<p>Olga Kaganova / Managing Government Capital Assets in the State of California: What Can Be Learned from Other Governments? Testimony for the Little Hoover Commission / 2012 / Washington, DC, USA</p>	<p>The focuses of this research were to analyze why government assets are important, why good management of these assets is important, how the current fiscal crisis, coupled with real estate crisis impacts government asset management, what the elements of prudent asset management, and what California could do to improve asset management.</p> <p>Its method was using qualitative approach by literature reviews, interview, and field observation.</p>	<p>Results of research were:</p> <p>a. The past efforts to improve asset management in California produced some positive results, which not all states in the US have achieved.</p> <p>b. Available materials indicate that some initiatives that should be a matter of asset management policies are undertaken, instead, by the initiative of particular agencies.</p> <p>c. The overall system of managing state land and property assets in California needs to be modernized.</p>
6	<p>Olga Kaganova / Integrating Public Property in the Realm of Fiscal Transparency and Anti-Corruption Efforts / 2008 / Budapest, Hungary</p>	<p>The research focused on a special extent of issues related to integration of state asset management into fiscal transparency and anti-corruption efforts. The research discussed concerns related to not only assets owned by both central and local government but also focuses on several particular problems related to municipal property that owned by local governments.</p> <p>Its method is using qualitative approach by literature reviews, interview, and field observation.</p>	<p>The result of this research was the design of the reform scheme in the state asset management for both central and local government.</p> <p>The author suggested that the reform should starts from establishment of systematic transparency, usage of better rules of conduct, obedience and consistent implementation of rules, focus and awareness on municipal companies, providing better financial management of state assets, and making pressures, deregulating asset usage and prices, involving professionals and private sectors.</p>
7	<p>Diaswati Mardiasmo, Charles Sampford, and Paul H. Barnes / The exemplification of governance principles</p>	<p>The research discussed challenging factors of the summarizing and reforming law and policies on state asset</p>	<p>The research found several problems in regards of state asset management practices in Indonesia, mostly were related to</p>



	<p>within state asset management laws and policies the case of Indonesia / 2010 / Brisbane</p>	<p>management in Indonesia. The research was focused on public housing, public buildings, parklands, and vacant land. It discussed the potential complex problem related to governmental system such as decentralisation and regional autonomy regime, political history, and bureaucratic culture. The method is using qualitative approach. The data for this research were taken through literature studies on state asset management in Indonesia.</p>	<p>mischief bureaucrat behavior and lack of obedience to the rules. Also, the research described significant improvements of state asset management in Indonesia recently. The authors mentioned the issuance of significant policies, the establishment of specific agency for managing state assets, the sharpening of vision and mission, and also the establishment of strategic plan on state asset management.</p>
<p>8</p>	<p>Muhammad Hasbi Hanis, Bambang Trigunaryah, and Connie Susilawati / The Application of Public Asset Management in Indonesian Local Government : A Case Study in South Sulawesi Province / 2011 / Australia</p>	<p>The focus of the research was discussed the problems faced by local government in Indonesia when practicing a state asset management scheme. The method is using a case study in South Sulawesi Provincial Government. The case study in this research involved two data collection techniques, including interviews and document analysis.</p>	<p>The authors found the significant challenges that need to be solved by the local government in Indonesia when practicing state asset management scheme. The identified problems were lack of an institutional and legal scheme to support the asset management practices, lack of non profit principles, multiple jurisdictions related to the state asset management procedures, lack of asset database, the complexity of local government goals, and lack of capable human resources.</p>

Most of the previous studies stated several characteristics of state asset management in several countries including its strengths and weaknesses. Then, some of the studies had focused on state asset management in Indonesia by focusing on the asset management that conducted by local



governments. This research tries to describe and examine whether those strengths and weaknesses that mentioned above also occur in the implementation of state asset management reform in Indonesia. Also, this research is focused on the implementation of state asset management within central government institutions from human resources view by grabbing the perception of state asset officers engaging state asset management.



CHAPTER III

CONCEPTUAL FRAMEWORK AND RESEARCH METHODOLOGY

3.1 Introduction

In order to have better state asset management system, the government should do the reform in managing their asset and improve the factors related.

This research is based on Hunt (1994), Kaganova et al. (2006), Hadiyanto (2009), Abdullah et al. (2011), and Hanis et al. (2011) and others. Those research pointed out that that government should put big attention to the state asset management or, in other word, the terms of state asset management should have the special portion on governmental activities and not just following financial accounting system like had been done in Indonesia in the past.

3.2 Type of Research

This research is conducted in descriptive-quantitative approach which aims to describe and reveal problems, circumstances, events or facts more deeply on the implementation of state asset management policy reform and identify the which parts have to be improved in order to provide better policy in future based on the perception of state asset officer from each working units at Surabaya State Asset and Auction Service Office working area. To that end, the author makes a following conceptual framework for this research that can be directed so as to answer the problem statements that have been formulated.



between empirical observation and mathematical expression. Research conducted by the researcher is to use survey research methods.

3.3 Population and Sampling

The population in this research consists of 483 state asset officers that derived from each working units. The research employed simple random sampling in which each state asset officer has equal change to being selected and using a precision rate of 5 %, then the required sample size determination based on the formula that developed by Isaac and Michael (1981, p. 192). And, based the table of sampling number on certain population (in *ibid*, p.193) with the standard error of 5% and the number of population at 483 units, the number of sample is minimum 214 units.

3.4 Data Collection

Data collection methods used in this research is survey method. The method used was survey by distributing questionnaires to the respondents in the form of a prepared list of questions in writing. This questionnaire aims to obtain data in the form of answers from respondents. The detail of key attributes and questionnaire form are depicted in Appendix A and B. Thus, the validity and reliability test for properness of the questionnaire form is provided on Appendix C along with the statistical results on Appendix E-L.

Accordingly, total of 220 questionnaires administered in accordance with the planned number of samples according to the sample calculation given above.

Filling in the questionnaire was in July 2012 to February 2013. Furthermore,



in order to give further explanation on the result of questionnaire, the author had done in-depth interviews with related parties:

- (1) Head of DGSAM Regional Office of East Java Province.
- (2) Related-officers of Surabaya State Asset and Auction Service Office.
- (3) Some state asset officers within Surabaya State Asset and Auction Service Office working area.

Also, the author analyzed secondary data such as, library materials, government press releases, past research, Annual Central Government Financial Report, Annual Report of DGSAM, and other references relating to the subject matter to provide better understanding of the research.

3.5 Measurement Scale

Measurement scale is an agreement that is used as a benchmark to determine the length of the interval in measuring instruments, so it can be used to generate quantitative data. Therefore, due to the research of Administration, the author will use Likert Scale and the data obtained is interval data.

According to Garland (1991), Likert scale that used in this research is with no neutral option to avoid an in-doubt answer or attitude. For quantitative analysis, the answers of the respondents were scored for instance:

Strongly agree was given a score of = 5

Agree to be given a score of = 4

Not agree were scored = 2

Strongly disagree were scored = 1



CHAPTER IV

THE PROFILE OF STATE ASSET MANAGEMENT IN INDONESIA

4.1 Introduction

Talking about the history of state asset management practices in Indonesia prior to its reform in 2006, as summarized by Mardiasmo et al.

(2010, p. 3-4), they introduced the Five Year Development Plan (REPELITA) and discussed state asset management as identified in the development plan and in particular highlighting the main mischief found. Furthermore, they

highlighted the economy and development of Indonesia was largely shaped by this development plan since its first inception in 1969. According to

Sumarlin (in *ibid*, p 3) since its introduction, the economic management of Indonesia has been directed to few targeted strategic goals such as:

- (1) Developing the economy through main revenue from agriculture sector with the aim of forwarding its infrastructure and technology.
- (2) Increasing state capability and capacity in industry.
- (3) Investing the national budget on public infrastructure in order to provide service to the citizen and contribute education, housing, health, transportation, communication, and financial service sectors.
- (4) Maximizing revenue from natural resources by exploitation and marketing.

Based on main objectives mentioned above, two main observations regarding state assets are made (*ibid*, p. 3-4). First, state assets was recognized in the development plan, however there was only acknowledgement of building and acquiring further assets without an



acknowledgment of how to manage and maintain the asset. Therefore, it can be observed that within the development plan itself, there was a low level of ownership and maintenance behavior. Second, state assets were not recognized as a source of state revenue, which is exemplified by the under-developed inventory system and formal asset management practices within the development plan. This to a certain extent explains why there was a low level of ownership and maintenance behavior, as the state assets was not considered having a high value.

4.2 General Overview of State Asset Management in Indonesia

Based on Hadiyanto (in *ibid*, p. 4), the government of Indonesia recognizes the definition of state assets as:

- (1) The tangible and intangible asset that is bought or financed from the state budget or any other lawful income and is utilised by the government, or any other authorized third party.
- (2) The terminology of state assets have a narrower definition than 'state wealth' in the term of law/legal perspectives but it is wider than 'fixed assets' in the term of accounting.
- (3) The definition of state assets can be recognized by many different terms in accounting views like fixed assets, liquid assets, and other kind of assets or miscellaneous assets.

Along with the definition, the scope of state assets in Indonesia can be divided into two major parts based on DGSAM publication as follows:⁶

⁶ Directorate General of State Asset Management, *FAQ Kekayaan Negara*, retrieved from <http://www.djkn.depkeu.go.id/pages/faq-kn-1.html> at April 23th 2013.



(1) State assets that occupied by the government so-called private domain. It is consists of state non-separated assets that occupied by both central and local government in form of physical assets. Also, the state separated assets in form of government investments that usually managed by state-owned companies for central government investments and local government-owned companies for local government investments. This research is deal with the physical asset that held by central government.

(2) State assets that occupied by the state as a whole so-called public domain. It is the definition of state assets as an ideal viewpoint that consist all national wealth that used for the prosperity of the people based on Article 33 Basic Law of 1945.

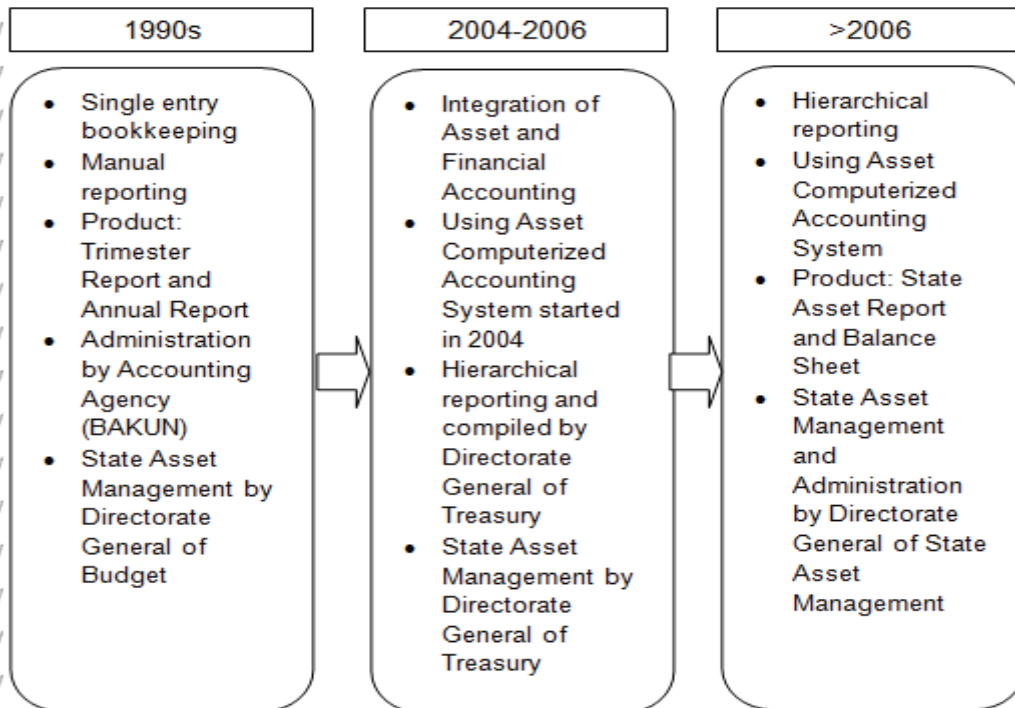
To that end, according to Hadiyanto (2009, p. 5), the definition of state asset that delivered by the Government of Indonesia in the late of 1990s had broader meaning to not only the governmental property that bought by national budget but also the other assets that under control of third parties. At the time, the government through Ministry of Finance tried to build the system to develop National Balance Sheet by establishing Governmental Computerized Accounting System. Also, the government was built the accounting system for state asset until the trial stage and never fully being implemented. Then, in 2004, the government established SABMN⁷ as the milestone of the development of the system and it is the part of Institution Computerized Accounting System (SAI) for delivering National Balance

⁷ State Asset Computerized Accounting System (in Bahasa is SABMN – Sistem Akuntansi Barang Milik Negara) is the subsystem of the Institution Computerized Accounting System (in Bahasa is SAI – Sistem Akuntansi Instansi) which is a series of procedures to process the source document in order to produce information for the preparation of balance sheets and statements of state property, and other managerial reports, in accordance with applicable rules and laws (Hadiyanto, 2009, p.5).

Sheet. Furthermore, the figure below is the chronology of State Asset administration at the central government of Indonesia.

Figure 4.1

The Chronology of State Asset Administration at Central Government of Indonesia



Source: Hadiyanto (2009, p. 5)

Therefore, in order to carry out mandate of the reform, DGSAM has compiled the Roadmap of Strategic Asset Management to make the reform focused and well structured (Tim Direktorat BMN, 2012, p. 8). The roadmap was made to meet with the principle of "highest and best use" of asset which was defined by International Valuation Standard as cited by Setiawan (2012, p. 33) as,

The use of an asset that maximizes its productivity and that is possible, legally permissible, and financially feasible.

Also, DGSAM implemented the reform to realize "three orders" on state asset management namely administrative order (database building for state



assets), physical order (usage of state assets in accordance with its functions), and law order (legal ownership of state assets) (Hadiyanto, 2010, p. 7). As a result, the periodicity of the roadmap is created based on 'one principle and three orders' is as follows:

Figure 4.2

Roadmap of Strategic Asset Management

2007 - 2009	2010 - 2012	Starts from 2013
Period of Rearrangement and Revaluation	Period of Utilization and Asset Planning based on "Highest and Best Use"	Period of Budget Integration and Accrual Accounting
<ul style="list-style-type: none"> Establishment of DGSAM organizational attributes. Preparation of regulations and policies. Improving governance process. Revaluation and administration of state assets. 	<ul style="list-style-type: none"> Optimization of state asset utilization. Following up the audit report. Preparation of asset planning. Implementation of cash toward accrual accounting. Identification and data collection of state land titles. 	<ul style="list-style-type: none"> Integration of budget planning. Optimization of state asset management. State land certification Implementation of cash toward accrual accounting.

Source: Tim Direktorat BMN, 2012, p. 9.

From the above roadmap, it can be stated that DGSAM is trying to carry out mandate of the reform with the aim of improving transparency and accountability in governance in accordance with the principles of New Public Management (NPM).

4.3 State Asset Management Reform in Indonesia

According to Hadiyanto (2009, p. 6), the establishment of new state finance acts become the starting point for a paradigm change in state asset management. The most notably is the Act No. 1 of 2004 on State Treasury is



the legal umbrella governing the state asset management. The financial cycle that begins with planning, budgeting, treasury, and the examination, then the sub-function of the state asset management is one part of the treasury function as a whole (*ibid*). Nevertheless, based on the author, state asset management should have one specific act that supported the Treasury act.

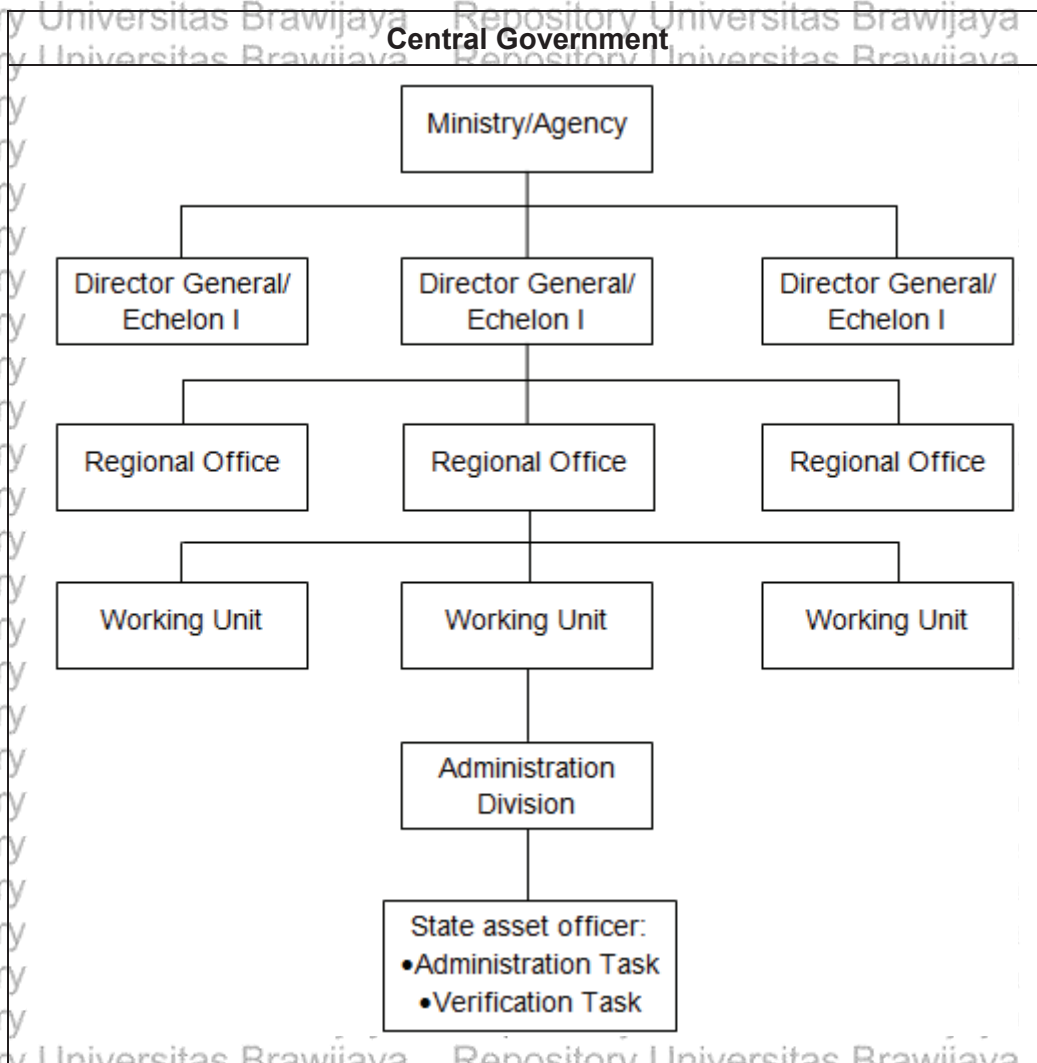
And, Government Regulation no. 6 of 2006 on Management of State/Local Asset that marked the changes of the paradigm from 'administration' toward 'management' of assets. The changes based on the regulation are including (*ibid*):

- 1) Broader scope of management starting from planning and budgeting, procurement, use, utilization, safety and maintenance, assessment, removal, transfer, administration, and coaching supervision and control;
- 2) The existence of state asset management authorities to introduce more new role of asset manager in the professional framework;
- 3) Integrating managerial and reporting elements of assets in the financial statements as part of budget execution responsibility.

Then, the determination of Minister of Finance Regulation was done by such implementation rules as No. 96/PMK.06/2007 on the Procedures for Implementation of the Usage, Utilization, Removal, and Transfer of State Property, No. 97/PMK.06/2007 on the Code and Classification of State Property, No. 120/PMK.06/2007 on the State Property Administration, No. 177/PMK.05/2007 on the Financial Accounting and Reporting System of Central Government, and No. 2/PMK.06/2008 on the State Property Assessment (*ibid*, p. 7). Therefore, state asset management reform in Indonesia was getting more applicable to implement toward the demand of

accountable and transparent government. In order to realize the reform, the government was drawing organization chart within ministries/agencies that can be seen on Figure 4.3 below.

Figure 4.3
Organization Chart of the Implementation of State Asset Management



Source: Adopted from Ministry of Finance Regulation No. 177/PMK.05/2007 on the Financial Accounting and Reporting System of Central Government.

Currently, the results of the implementation of state asset management reform policies have been seen from the increasing number of ministries and agencies that receive unqualified audit opinion from State Audit Board. This

shows the significant improvements in the administration of state assets. In addition, with the increase of the audit opinion, the number of recorded state assets is also increasing. The tables below shows the increase in the audit opinion and the amount of assets value recorded in recent years.

Table 4.1

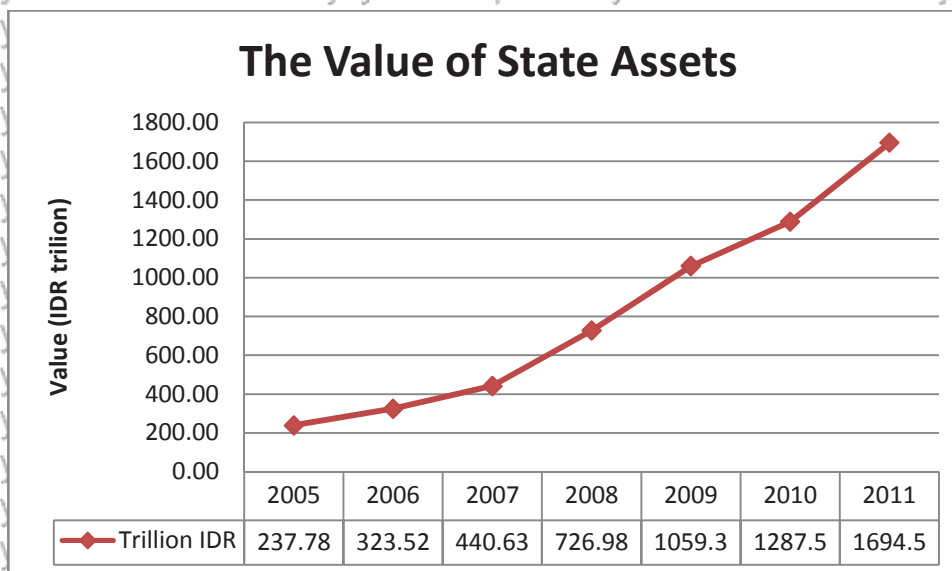
Audit Opinion on Ministries and Agencies

Year	2006	2007	2008	2009	2010	2011
Unqualified ⁸	7	16	35	45	53	67
Qualified	38	31	31	26	29	18
Disclaimer	36	33	18	8	2	2
Adverse	-	1	-	-	-	-
Total	81	81	84	79	84	87

Source: Tim Direktorat BMN, 2012, p. 10

Figure 4.4

The Value of State Assets



Source: *ibid*, p. 8.

⁸ In an unqualified opinion, the auditor states that the financial statements present fairly all reports' contents based on general acceptable accounting principles in Indonesia (Mulyadi, 2002, p.20).



On the other hand, there are many problems associated with the management of state assets. Based on sampling studies conducted by State Audit Board in 2011 at 11 sites in the working area, there were many land and/or buildings that have faced with various types of problems. The table below is the details of the sampling results.

Table 4.2

Mapping of Troubled-State Land

(Sampling of State Audit Board on 11 sites)

No	Criteria	Year 2010	Year 2011	Total
1	Inappropriate with function	60	87	147
2	No proof of ownership	222	565	787
3	In dispute	52	58	110
4	Illegally used by third parties	11	51	62
Total		345	761	1106

Source: DGSAM Annual Report 2011, p. 29.

Therefore, it can be stated that there is still much works to be done by the Indonesian government, specifically DGSAM, in implementing state asset management reform policies, DGSAM not only needs to maintain the credibility of the database of state assets but also should be able to find effective solutions to address the issues related with state assets.

4.4 General Overview of Surabaya State Asset and Auction Service Office

Surabaya State Asset and Auction Service Office is an echelon III vertical unit agency in the Directorate General of State Asset Management and coordinated under DGSAM Regional Office of East Java Province. This office is located in Surabaya, East Java Province, which has a working area consists of one municipality and five regencies, namely: Surabaya



Municipality, Gresik Regency, Bojonegoro Regency, Lamongan Regency, Tuban Regency, and Nganjuk Regency.

Picture 4.1

Working Area of Surabaya State Asset and Auction Service Office

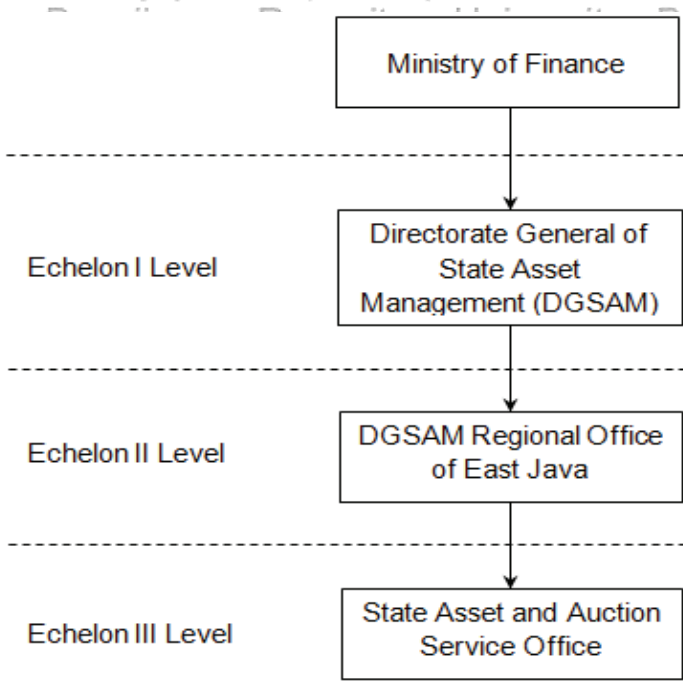


Source: Processed from <http://archipelagofastfact.wordpress.com/2012/07/23/east-java-province/>

Then, in particular Surabaya is the second largest city in Indonesia after Jakarta. Surabaya is the center of business, industry, and trade in eastern Indonesia. In addition, Surabaya is also the base for the naval fleet for eastern Indonesia. Furthermore, there are many vital state assets for supporting transportation and national defense. Longest Indonesian bridge which called 'Jembatan Suramadu' that connecting Java with Madura island and naval base in Tanjung Perak port are some examples of state assets that are vital in the working area Surabaya State Asset and Auction Service Office.

Then, the office's authority in the governance structure of the organization Ministry of Finance of the Republic of Indonesia can be seen from the chart below:

Figure 4.5
Organizational Chart of
Directorate General of State Asset Management (DGSAM)



Source: Processed from Regulation of the Minister of Finance No. 102/PMK.01/2008.

Based on the regulation, as the service office, it has the main task on implementing the service to the public in the field of state asset management, state claims, and auction in term of professional and responsible for as much as possible to the prosperity of the public in its working area. In order to provide better services to the public, DGSAM in line with Ministry of Finance had conducted bureaucratic reforms including organizational rearrangement, business process improvement, and human resource development.

To that end, in accordance with the spirit of the New Public Management, DGSAM held special model office's program that is expected to improve service to the public and to minimize the incidence of corrupt behavior of the

employees. And, this office was become one of special model office of DGSAM on 2010.

Picture 4.2

Service Space at Surabaya State Asset and Auction Service Office



Service space of the office after being modernized due to special model office's program

Source: Author's documentation.

Therefore, to support the achievement of organizational goals with the scope of its working area that is relatively broad and very complex, it is important to be supported by adequate human resources as the drive wheels of the organization. In that term, total human resources available in this office are 39 employees, consisting of 32 staff member and 7 structural executive officers. The distribution of 39 human resources in Surabaya State Asset and Auction Service Office are as follows:

Table 4.3

The Distribution of Employees (31 December 2011)

No	Factor	Distribution
1	Rank Type	Rank IV : 1 employee
		Rank III : 33 employees
		Rank II : 5 employees
		Rank I : 0 employee
2	Education	Master : 3 employees
		Bachelor : 31 employees
		Diploma : 3 employees
		High School : 2 employees



3	Functional Position (consist of 25 employees)	Auctioneer : 6 employees Bailliff : 2 employees Appraiser : 10 employees Procurement officer : 7 employees
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Source: Performance Accountability Report Year 2011 of Surabaya State Asset and Auction Service Office

Finally, in order to conduct the policies of state asset management reform, each State Asset and Auction Service Office has the composition of working units that derived from vertical institutions of Ministries and Agencies.

The number of working units that located in Surabaya State Asset and Auction Service Office working area is 483, which is depicted in detail in Appendix D. As a result, the workload of the management of state assets that to be borne by Surabaya State Asset and Auction Service Office is heavy enough when comparing from 483 working units that have to be served by 39 employees at the office.



CHAPTER V

RESULTS AND DISCUSSION

5.1 Introduction

As described in previous chapters, many countries have realized the importance of state asset management reform as a tool to increase transparency and accountability in government activities. In addition, the fiscal benefits in the form of state revenues assumingly will be increased from privatization of assets are a positive side effect that can be obtained by the government if they manage state assets properly (Kaganova, 2006, p. 6-7).

Therefore, in this study, the author conceptualized the variables in the state asset management reform and prepared a questionnaire form to be answered by the respondents which are the "front line officer" of the implementation of the state asset management reform policy itself.

5.2 Characteristics of Respondents

From the deployment of the questionnaire that conducted in July 2012 to February 2013, the author can obtain 220 respondents who filled out questionnaires to the deadline. Then, to start the discussion, the tables below examine the characteristics of each respondent.

5.2.1 Characteristics of Respondents Based on Gender Distribution

The results of data tabulation by frequency distribution of gender based on the results of questionnaires to the respondent have the following characteristics:



Table 5.1

Characteristics of Respondents Based on Gender Distribution

No	Gender	Frequency	Percent
1	Male	171	77.7
2	Female	49	22.3
	Total	220	100

Source: Primary Data (processed)

From the table above shows that the position of state asset officer in the working units in the Surabaya State Asset and Auction Service Office working area filled by a majority of employees who are generally male that ranged at 77.7%. This fact can be understood considering the state asset management jobs involve physical activity that is quite exhausting. For example, in order of state asset administration, before entering the data into the computerized application must first do a physical examination of each asset to identify the position and the current condition of it. Especially for working units that have large amounts of state assets and it scattered in many places such as working unit within the Ministry of Education, Ministry of Public Works, Ministry of Defense/Army, and National Police, the position of state asset officer majority filled by male employees considering the work load of state asset administration are strenuous enough and requires a high level of mobility.

On the other hand, from the above table also shows that 22.3% of state asset officers are occupied by female employees. From observations of the author at the time of deployment questionnaires, the working units that has a relatively small amount of state assets and only scattered in few places such as working unit within the General Attorney, Supreme Court, Ministry of

Religious Affairs, Central Agency of Statistics, and others in majority have women state asset officer.

5.2.2 Characteristics of Respondents Based on Education Distribution

The results of data tabulation by frequency distribution of education based on the results of questionnaires to the respondents have the following characteristics:

Table 5.2

Characteristics of Respondents Based on Education Distribution

No	Education	Frequency	Percent
1	Master	5	2.3
2	Bachelor	111	50.5
3	Diploma	30	13.6
4	High School	74	33.6
	Total	220	100

Source: Primary Data (processed)

From the table above shows that the position of state asset officer in the working units in the Surabaya State Asset and Auction Service Office working area filled by a majority of employees who are generally college graduates that ranged at 66.4%. This shows that the position of state asset officer occupied by the staff member who has a fairly high level of education. Along with the demands of state asset management reform that requires precision, skill and high productivity from state asset officers, then probably the head of working unit gives the position of state asset officer to the employees who are college graduates with the assumption that they are considered more able to adapt to the high volume of workload. This can be because since the state asset management reforms that initiated by the central government in 2008 that began with the State Asset Arrangement Activities to Semester Reconciliation at this time, each working unit is demanded to provide a valid

and reliable data of its assets. Therefore, each head of working unit is also required to appoint qualified and competent personnel to occupy the position of state asset officer.

On the other hand, from the above table also shows that 33.6% of the position of assets state officers are occupied by employees with high school educational qualifications. It generally occurs in the Ministry of Defense/Army and National Police. Based on the observations of the author at the time of deployment of the questionnaire, the position of state asset officer in those two institutions is filled by employees with the rank of noncommissioned officer or class II staff member and their level of education are mostly high school.

5.2.3 Characteristics of Respondents Based on Age Distribution

The results of data tabulation by frequency distribution of age based on the results of questionnaires to the respondents have the following characteristics:

Table 5.3

Characteristics of Respondents Based on Age Distribution

No	Age	Frequency	Percent
1	18 - 30 years old	88	40.0
2	31 - 40 years old	85	38.6
3	41 - 50 years old	41	18.7
4	Above 50 years old	6	2.7
	Total	220	100

Source: Primary Data (processed)

From the table above shows that the position of state asset officer in the working units in the Surabaya State Asset and Auction Service Office working area filled by a majority of employees aged 18 to 40 years which is about



78.6%. This indicates that these positions are filled by many young groups.

The fact is happening probably because of the policies of state asset management reform are something new in Indonesia and in the implementation of these policies require employees that have a lot of expertise in information technology. For that reason also, the head of working unit probably would prefer young employees for such positions, assuming they are easier to understand and adapt to the use of information technology in implementing state asset management regulations than the more senior generation. Expertise in the areas of state asset management is urgently needed given the almost entire state asset management activities involving computer applications, both offline and online starting from the administration, reporting, reconciliation, up to examination by the audit agency like State Audit Board for example.

On the other hand, from the above table also shows that approximately 21.4% of assets state officer positions are occupied by employees aged over 40 years. This happens probably because of the limited number of employees in the working unit. The policy on the restriction of employee number also slows the regeneration of the position of state asset officer. To overcome it, generally the head of the working units maximizes the productivity of its employees by designate an employee who has experience in the field of logistics for the position of state asset officer even that employee was already quite senior. Then, typically the working unit's head also assigned staff to attend training sessions aimed at improving their skills in information technology related to state asset management with more intensive.



5.2.4 Characteristics of Respondents Based on Year Experience

Distribution

The results of data tabulation by frequency distribution of year experience based on the results of questionnaires to the respondents have the following characteristics:

Table 5.4

Characteristics of Respondents Based on Year Experience Distribution

No	Year Experience	Frequency	Percent
1	1 year	69	31.4
2	2 years	59	26.8
3	3 years	39	17.7
4	More than 3 years	53	24.1
Total		220	100

Source: Primary Data (processed)

From the table above shows that the spread of year experience as an officer of state assets from 1 year to 3 years as a sequential number that is 31.4%, 26.8%, and 17.7%. This can happen because generally the head of working unit make a decree to put the employee as a state asset officer for a period of 2 years to 4 years and after that an employee is reassigned to another division. The head of working unit do so probably because of the position as a state asset officer is a field of work with high job stress level and also at risk. Therefore, although the human resources available in each unit is limited, but generally head of working unit tries to prioritize rotation of the position of state asset officer and make a clear deadline for the position.

On the other hand, from the above table also shows that approximately 24.1% of the positions of state asset officer are still occupied by an employee to more than 3 years, meaning that the employee has worked as a state asset officer for 4 years or even more. This can happen because in addition



to limited human resources available in each unit, the difficulty of regeneration is also due to the difficulty of transfer of knowledge from old to new officers. It is partly due to the variety of problems in various types of state assets as what belongs to a working unit and the diversity of computerized applications that must be mastered by them. In this regard, DGSAM in any dissemination always stressed to working units to do transfer of knowledge on a regular basis, especially for officers in logistic unit, in order to making it easier for the head of working unit to rotate position of state asset officer.

5.3 Description of Research Dimensions

Descriptive statistical analysis is an analysis of the dimensions used in this study to evaluate the response given by each respondent on a number of statements/questions presented to the respondents through a questionnaire. The result of the respondent answer is a response to the questionnaire study as described below.

5.3.1 Dimension of Policy Framework

This dimension is focused on formal and clear public policy that should be existed and can be applied to all state assets that are in control of the government in term of state asset management reform. This dimension consists of 5 attributes; knowledge of policies, understanding of policies, ability to implement policies, comprehensiveness of policies, and need of policy revision. The discussion of each item is given below.

(1) Knowledge of policies

Statement on Questionnaire No. 1: "You understand all of the rules and policies about state asset management."



Table 5.5

Knowledge of policies

Answer	Strongly disagree	Not agree	Agree	Strongly agree
Percent	2.7	36.8	57.3	3.2
Cumulative Percent	39.5		60.5	

Source: Primary Data (processed)

From the responses above shows that 60.5% of respondents are in agree area, it means that most of the state asset officers in the working area of Surabaya State Asset and Auction Service Office already know the rules related to state asset management such as Law No. 17 of 2003, Law No. 1 of 2004, Government Regulation No. 6 of 2006 jo No. 38 of 2009, Government Regulation No. 24 of 2005, and Regulations of the Minister of Finance as the implementing rules. These regulations are the foundation for state asset management reform in Indonesia and it should be known by every state asset officer.

However, 39.5% of respondents are in the area disagree, means that the number of respondents who are not understand with the regulations related to state asset management is also large enough to require further attention from Surabaya State Asset and Auction Service Office to more socialize the regulations periodically, especially for new officers.

(2) Understanding of policies

Statement on Questionnaire No. 2. "You understand the purpose and content of all policies and regulations relating to the state asset management."



Table 5.6

Understanding of policies

Answer	Strongly disagree	Not agree	Agree	Strongly agree
Percent	1.8	37.7	56.4	4.1
Cumulative Percent	39.5		60.5	

Source: Primary Data (processed)

From the above responses shows that the respondents' answers to the content of the regulations are in line with the response on the knowledge of the regulations, that is 60.5% of respondents are in agree area, that most of the state asset officers in the working area of Surabaya

State Asset and Auction Service Office have understood the purpose and content of the regulations relating to state asset management. However, 39.5% of respondents were in disagree area, means that the number of respondents who do not understand the purpose and content of the regulations are also quite large.

(3) Ability to implement policies

Statement on Questionnaire No. 3: "You can carry out the entire contents of the regulations properly."

Table 5.7

Ability to implement policies

Answer	Strongly disagree	Not agree	Agree	Strongly agree
Percent	3.2	38.6	54.5	3.6
Cumulative Percent	41.8		58.2	

Source: Primary Data (processed)



From the above responses shows that 58.2% of respondents are in agree area, that most of the state asset officers in Surabaya State Asset and Auction Service Office working area can carry the regulations in the field of state asset management in their daily work properly. This is a good thing because if an officer is able to understand and implement the rules properly then it can be assumed that the possibility of errors can be minimized. However, in line with the two previous questions, with almost the same value, around 41.8% of respondents are in the area disagree, that is still quite a lot of officers who have not been able to implement these rules well and this is probably due to a lack of knowledge of these regulations.

(4) Comprehensiveness of policies

Statement on Questionnaire No. 4 “Existing regulations are now able to answer all the problems of state asset management.”

Table 5.8

Comprehensiveness of policies

Answer	Strongly disagree	Not agree	Agree	Strongly agree
Percent	5.0	49.1	42.7	3.2
Cumulative Percent	54.1		45.9	

Source: Primary Data (processed)

Most respondents are in disagree area in answering this question and ranged in 54.1%, meaning that the majority of respondents considered that the rules on state asset management are not currently able to address the problems on state asset management that occur today. Although 45.9% of respondents are in agree area that mean the current



regulations can answer the problems that exist but the majority of respondents perceived need to be considered as an input for policy makers to identify these problems in accordance with the circumstances of each working unit because each unit has different characteristics of their state assets.

(5) Need of policy revision

Statement on Questionnaire No. 5: “Regulatory revisions of state asset management are not an urgent thing to be implemented in the near future.”

Table 5.9

Need of policy revision

Answer	Strongly disagree	Not agree	Agree	Strongly agree
Percent	7.7	52.3	39.5	0.5
Cumulative Percent	60.0		40.0	

Source: Primary Data (processed)

The majority of respondents in the range of 60.0% are in disagree area means that they want revisions of the regulations concerning the management of state assets immediately. Without detailing which regulation, this opinion already reflects that the rules that exist today are still too general and cannot answer the specific problems.

However, there are still 40.0% of respondents who are in agree area means that revisions to the regulations concerning the management of state assets is not something urgent. This opinion probably reflects the concerns of them, because revision of regulations is not always



necessarily able to answer specific problems and may even be adding new jobs for them because they have to adapt to the new rules again.

Table 5.10

Descriptive Statistics on the Dimension of Policy Framework

Items	Strongly disagree		Not agree		Agree		Strongly agree		Mean
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	
PF1	6	2.7	81	36.8	126	57.3	7	3.2	3.21
PF2	4	1.8	83	37.7	124	56.4	9	4.1	3.23
PF3	7	3.2	85	38.6	120	54.5	8	3.6	3.17
PF4	11	5.0	108	49.1	94	42.7	7	3.2	2.90
PF5	17	7.7	115	52.3	87	39.5	1	0.5	2.73
Average Mean									3.05

Note: PF = Policy Framework

Source: Primary Data (processed)

To summarize the points above, the table above shows that the average means of this dimension is 3.05. This value is still tend to be in the agree area though of little value. When compared with the other dimensions, that value is the second smallest. This occurs because only 3 items have more respondents in agree area while the other 2 items have more respondents in disagree area on this dimension.

In this dimension, the largest mean on this dimension is the item of understanding of policies, which means the state asset officers have a good understanding of these regulations. Meanwhile, the item of need of policy revision has the smallest average and is followed by the item of comprehensiveness of policies. It means that these items are need to be improved in future because most of respondents argues that the existing



regulations are not able to answer all the problems of state asset management so that those regulations need to be revised.

5.3.2 Dimension of Asset Recognition

This dimension is focused on what assets are included in the control of government, what costs should be recognized, and how to cover these costs. This dimension consists of 5 attributes; ownership of legal documents, determination of usage status, calculation of asset costs, consideration of fund resources for asset, understanding of treatment for idle assets. The discussion of each item above is given below.

(1) Ownership of legal documents

Statement on Questionnaire No. 6: “Your office has had and mastered the entire document ownership of assets in control of your office.”

Table 5.11

Ownership of legal documents

Answer	Strongly disagree	Not agree	Agree	Strongly agree
Percent	2.7	23.7	62.7	10.9
Cumulative Percent	26.4		73.6	

Source: Primary Data (processed)

In response to the statement above, most of the respondents that revolved around 73.6% are in agree area means that their working unit already have and control of legal documents of existing assets in their office. This suggests that most of the working units in the Surabaya State Asset and Auction Service Office working area has undertaken the mandate of the implementation of asset management reform in Indonesia,



which is not only a physical inventory of state assets, but also must be supported with proof of ownership aspects of the legality of state assets, especially for the assets like land and vehicles.

On the other hand, approximately 26.4% of respondent are in disagree area with the statement means that their working unit probably have not mastered the whole proof of ownership of state assets in their office. Generally, the condition occurs in the work force at the Ministry of Defense where proof of ownership of state assets held by the parent unit under the direct coordination of the commander of each military region both for the Army, Navy, and Air Force.

(2) Determination of usage status

Statement on Questionnaire No. 7: "The entire state assets in your agency have been determined the status of its use."

Table 5.12

Determination of usage status

Answer	Strongly disagree	Not agree	Agree	Strongly agree
Percent	2.3	22.7	63.6	11.4
Cumulative Percent	25.0		75.0	

Source: Primary Data (processed)

One of the obligations of each working unit in order to administer state assets is the determination of the usage status of each state asset that within their control. The goal of that determination is to clarify the status of each state asset and to avoid possible errors in bookkeeping or dispute with other parties at a later date. See the response from the statement above shows that the majority of respondents are in agree area



with the range of 75%, which means most of the working units in the Surabaya State Asset and Auction Service Office working area have determined the status of use for each state asset under their control.

While 25% of respondents who are in the area disagree, it happens probably because state assets under their control were still in the process of determination of usage status because, in principle, each state asset must be determined its usage status.

(3) Calculation of asset costs

Statement on Questionnaire No. 8: "Your office has calculated the costs incurred in the use of state assets well, including the cost of procurement, maintenance, processing of documents, and others."

Table 5.13

Calculation of asset costs

Answer	Strongly disagree	Not agree	Agree	Strongly agree
Percent	3.6	26.4	57.3	12.7
Cumulative Percent	30.0		70.0	

Source: Primary Data (processed)

In response to a statement about the funding calculation above, majority of respondents that ranged 70.0% are in agree area means that their working unit has accounted for funding related to the state assets as well. This can happen because each working unit must include the calculation of the budget in the Annual Work Plan in detail, including for the concern of state assets so that each working unit could probably take into account the needs of the procurement and maintenance plan of their state assets. Meanwhile, 30.0% of respondents are in the area disagree,



which means they do not take into account the funding for procurement and maintenance of state assets. This generally occurs for working units in the Ministry of Defense and the National Police where funding decisions for state assets held in the centralized control in which each working unit character only receives orders from their superior level and the unit is not authorized to decide for themselves, especially in the case of procurement of state assets.

(4) Consideration of fund resources for asset (purchasing, maintenance, etc)

Statement on Questionnaire No. 9: "Your office has considered well the sources of funds that to be used for the management of state assets."

Table 5.14

Consideration of fund resources for asset

Answer	Strongly disagree	Not agree	Agree	Strongly agree
Percent	3.6	24.1	63.2	9.1
Cumulative Percent	27.7		72.3	

Source: Primary Data (processed)

In line with the response to the previous statements, for statement about the source of funds in the state asset management, most of respondents which ranged 72.3% are in agree area means that most units have take into account the funding needs and consider the source of funds in the state asset management as well. This happens because, since each unit of work required to prepared the Annual Work Plan each year, they have to adjust the funding needs of state assets to the budget items are available. 27.7% for respondents who are in the area do not



agree that means the unit does not consider the source of funds to be used in a state asset management, it is in line with previous responses that is not all work units in which the authorities plan funding requirements for the state in control of their assets.

(5) Understanding of treatment for idle assets

Statement on Questionnaire No. 10: "You understand and be able to implement the rules relating to the management of idle assets (i.e. assets that are not used) properly."

Table 5.15

Understanding of treatment for idle assets

Answer	Strongly disagree	Not agree	Agree	Strongly agree
Percent	3.2	37.7	54.5	4.6
Cumulative Percent	40.9		59.1	

Source: Primary Data (processed)

In response to statements about the treatment for idle assets, 59.1% of respondents are in agree area means that the majority of respondents understand the rules relating to the idle assets. Currently, each State Asset and Auction Service Office always ask to every working unit in their working areas for giving report of idle assets in their mastery periodically. The report will be used as a basis for consideration of granting assets privatization by other parties through the mechanism of rent, loan use, and Build-Transfer-Operate (BTO)/Build-Operate-Transfer (BOT), especially for idle assets such as land or buildings.

On the other hand, there are 40.9% of respondents who are in the area disagree, which means that these respondents are not understand



the rules regarding the treatment for idle assets. These respondents are probably derived from the working units which have a relatively small number of state assets so that all of it can be used fully to support the duties and functions of the working units.

Table 5.16

Descriptive Statistics on the Dimension of Asset Recognition

Items	Strongly disagree		Not agree		Agree		Strongly agree		Mean
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	
AR1	6	2.7	52	23.7	138	62.7	24	10.9	3.55
AR2	5	2.3	50	22.7	140	63.6	25	11.4	3.59
AR3	8	3.6	58	26.4	126	57.3	28	12.7	3.49
AR4	8	3.6	53	24.1	139	63.2	20	9.1	3.50
AR5	7	3.2	83	37.7	120	54.5	10	4.6	3.20
Average Mean									3.47

Note: AR = Asset Recognition

Source: Primary Data (processed)

To summarize the points above, the table above shows that the average means of this dimension is 3.47. This value is tend to be in the agree area.

When compared with the other dimensions, that value is the second largest.

This occurs because all of 5 items of asset recognition dimension have more respondents in agree area. This means one of a success for the implementation of the state asset management reform policy since the one of primary purpose of these reform is the recognition of all state assets, including the clarity of the status of its use, funding, until the treatment to be taken if there are idle state assets that no longer used for governmental activities.



In this dimension, the item of understanding of treatment for idle assets has the smallest mean, which means that even the majority of respondents are in agree area but it still large enough of respondents that still got difficulties in understanding the treatment for idle assets. Meanwhile, the largest mean on this dimension is the item of determination of usage status, which means that majority of the working units have been trying to determine the status of use for all of its assets well.

5.3.3 Dimension of Information System

This dimension is focused on the number, conditions, and other relevant information related to the reform. This dimension consists of 4 attributes; information of existing assets in mastery, information of recent condition of asset, information of all asset documents, and information of asset distribution. The discussion of each item above is given below.

(1) Information of existing assets in mastery

Statement on Questionnaire No. 11: "You know the existence of the entire state assets which are in control of your agency."

Table 5.17

Information of existing assets in mastery

Answer	Strongly disagree	Not agree	Agree	Strongly agree
Percent	2.7	20.0	62.7	14.6
Cumulative Percent	22.7		77.3	

Source: Primary Data (processed)

Response shown by the respondents toward the above statement is very good, that is 77.3% are in agree area means that the majority of respondents aware of the existence of entire state assets within the



control of their working unit. It is very important to support the daily work of each respondent as state asset officer, especially in the context of administration of state assets. Not only the administration of state assets would be easier to do but also if there is a physical exam by the unit itself in order to audit and inspection will be more easily to be done, if the state asset officer understands and can provide information about the existence of any state assets in detail.

However, there are still about 22.7% of respondents which is in the area disagree, which means that they are less aware of the existence of entire state assets in the mastery of their working units. This is probably due to the turnover of state asset officer in the working unit or the number of state assets is plenty and scattered in many places so it takes a relatively longer time for the state asset officer to identify the existence of state assets.

(2) Information of recent condition of asset

Statement on Questionnaire No. 12: "You know the current condition of the entire state assets which are in control of your agency."

Table 5.18

Information of recent condition of asset

Answer	Strongly disagree	Not agree	Agree	Strongly agree
Percent	3.6	22.3	64.5	9.6
Cumulative Percent	25.9		74.1	

Source: Primary Data (processed)

In line with the response to the previous statement, in response to current knowledge about the condition of the entire state assets, most of the respondents which revolved at 74.1% are in agree area means that



they know and can provide up-to-date information on the latest conditions of state assets in control of their working unit. Information about the condition of state assets is very important for audit purposes and to develop budget requirements both in the context of procurement of state assets and also for its maintenance purposes.

However, almost similar to the previous response, there are 25.9% of respondents are in the area disagree, which means that they are not know about the current condition of all state assets in control of their working unit. It is probably because the turnover of state asset officer or the large number of state assets that require a relatively longer to compile information regarding the condition of it.

(3) Information of all asset documents

Statement on Questionnaire No. 13: "All documents relating to the besides the titling documents have been recorded properly."

Table 5.19

Information of all asset documents

Answer	Strongly disagree	Not agree	Agree	Strongly agree
Percent	2.7	20.9	64.1	12.3
Cumulative Percent	23.6		76.4	

Source: Primary Data (processed)

Most of the respondents in the range 76.4% are in agree area to a statement about the entire collection of state assets documents means that all reports, the list of goods, procurement documents, and document maintenance of state assets in the working units have been well documented. Documentation of these data is the very important as a



source of information in the context of reporting to the supervisory agencies, to reconcile with the state asset manager (i.e. DGSAM), and also in the framework of internal audit by the Inspector General of each Ministry/Agency and external audit by the State audit Board.

On the other hand, there are still 23.6% of respondents who are in disagree area means that the documents relating to state assets are not well documented. This certainly should be the concern State Asset and Auction Service Office to encourage each working unit to improve data documentation of state assets through internal reconciliation activities at the working unit level before reconciliation.

(4) Information of asset distribution

Statement on Questionnaire No. 14: "The entire state assets in your office has properly distributed to the entire sections in your office."

Table 5.20

Information of asset distribution

Answer	Strongly disagree	Not agree	Agree	Strongly agree
Percent	1.8	15.5	70.9	11.8
Cumulative Percent	17.3		82.7	

Source: Primary Data (processed)

In responding to the statement regarding the distribution of assets as mentioned above, more than 80% of respondents ranged at 82.7% are in agree area means that the majority of the working units have carried out the distribution of assets that held by them proportionally to the whole of their entire divisions to support the implementation of the duties and functions assigned to respectively. This shows that the working units are



already take into account the needs of their assets well.

However, there is still a small fraction of respondents which ranged at 17.3% in the area disagree, which means that not all state assets in those working units properly distributed. This is probably due to internal procedures in the scope of the working unit is quite complicated, especially for working units with plenty number of divisions like in working units the scope of the Ministry of Education and National Police.

Table 5.21

Descriptive Statistics on the Dimension of Information System

Items	Strongly disagree		Not agree		Agree		Strongly agree		Mean
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	
IS1	6	2.7	44	20.0	138	62.7	32	14.6	3.66
IS2	8	3.6	49	22.3	142	64.5	21	9.6	3.54
IS3	6	2.7	46	20.9	141	64.1	27	12.3	3.62
IS4	4	1.8	34	15.5	156	70.9	26	11.8	3.75
Average Mean									3.64

Note: IS= Information System

Source: Primary Data (processed)

To summarize the points above, the table above shows that the average means of this dimension is 3.64. This value is tend to be in the agree area.

When compared with the other dimensions, that value is the largest mean.

This occurs because all of 4 items of information system dimension have more respondents in agree area in a high level. This means another purpose of the implementation of the state asset management reform policy is already achieved and reflected from the result above. With the adequate system information about the state assets then the central government able to



develop a data bank that containing the details of state assets that secure their validity. Due to since Indonesia's independence, the country has never had a data bank containing valid information on the state-owned assets.

In this dimension, the item of information of recent condition of asset has the smallest mean, which means that even the majority of respondents are in the agree area but it there is still some working units that have not been able to gather the latest information about the condition of assets well. Meanwhile, the largest mean on this dimension is the item of information of asset distribution, which means that the majority of working units are already manage the needs of their state assets well.

5.3.4 Dimension of Accountability Mechanism

This dimension is focused on clear mechanism of accountability of government in terms of state asset management. It consists of 4 attributes; procedures of submitting asset report, procedures of asset reconciliation, understanding of audit opinion, and frequency of internal inspection of asset.

The discussion of each item above is given below.

(1) Procedures of submitting asset report

Statement on Questionnaire No. 15: "The current procedures for state asset reporting are easy to be understood and easy to be implemented."

Table 5.22
Procedures of submitting asset report

Answer	Strongly disagree	Not agree	Agree	Strongly agree
Percent	1.4	26.8	63.2	8.6
Cumulative Percent	28.2		71.8	

Source: Primary Data (processed)



Most of the respondents in the range of 71.8% are in agree area when responding to a statement on state asset reporting procedures, which means the majority have been able to understand and implement the procedures properly in accordance with the mandate of the Minister of Finance Regulation No. 59/PMK.06/2005 on Central Government Accounting and Financial Reporting System. In these regulations, the type and reporting lines are clearly drawn in the chart and comes with a clear timetable that is assumed to be easily understood by its users.

However, the fraction ranged at 28.2% of respondents who are in the area disagree, which means that they do not understand the state asset reporting procedures as a whole. This is probably due to the change of state assets officer in a unit of work so that new officers are still adapting to the rules and procedures relating to reporting the state assets.

(2) Procedures of asset reconciliation

Statement on Questionnaire No. 16: The existing procedures of state asset reconciliation are easily to be understood and easily to be implemented.

Table 5.23

Procedures of asset reconciliation

Answer	Strongly disagree	Not agree	Agree	Strongly agree
Percent	2.7	19.1	65.9	12.3
Cumulative Percent	21.8		78.2	

Source: Primary Data (processed)

In line with previous response, the majority are in agree area which ranged at 78.2% to the statement of reconciliation procedures.



Reconciliation procedures of state assets as stated in the Regulation of Minister of Finance No. 102/PMK.05/2009 and Regulation of the Director General of the State Asset Management No. PER-07/KN/2009 has been made in such a way that is understandable and supported by clear tables, especially on the schedule and sequence of reconciliation.

Here we can see that the knowledge of state assets officers tend to be larger on the reconciliation procedures than state asset reporting procedures as a whole. This can occur probably because of the activities for both internal reconciliation and reconciliation with State Asset and Auction Service Office be implemented in a timely, structured in accordance with the schedule set forth in the above regulations, and there are clear sanctions for working units that cannot meet with reconciliation schedule. The sanction is a delay of budget disbursement for a while until the obligations of the reconciliation was performed. Therefore, each head of working unit is generally always encouraged their state asset officer to meet these obligations in a timely manner so that the officers are encouraged to understand the whole procedure of reconciliation.

However, 21.8% are in disagree area means that the reconciliation procedures are not too easy to be understood and implemented. In line with the previous response, this is probably due to the rotation of officers in the working unit so that the new state asset officers are still adapting to the existing procedures.

(3) Understanding of audit opinion

Statement on Questionnaire No. 17: "You understand the audit opinion that given by State Audit Board (BPK) for your institution each year."



Table 5.24

Understanding of audit opinion

Answer	Strongly disagree	Not agree	Agree	Strongly agree
Percent	2.7	35.0	56.4	5.9
Cumulative Percent	37.7		62.3	

Source: Primary Data (processed)

The majority gave a positive response about the statement regarding the understanding of the audit opinion shown by the 62.3% of respondents are in agree area means that they understand the audit opinion obtained by the Ministry/Agency that houses their working units.

Even there is no obligation for any state officer to understand asset audit opinion. However, if they know it, it is very good because the state asset management policies in a Ministry/Agency in a period heavily influenced by the audit opinion obtained in the previous reporting period.

On the other hand, there are still about 37.7% of respondents residing in disagree area means that they did not understand the audit opinion received by the Ministry/Agency on a regular basis each year. This is probably because the state asset officer in working unit is the lowest level of in the reporting lines of state assets so that the officers are not in direct contact with the inspection process for forming the audit opinion. It happened because the audit opinion is given to the financial statements of a Ministry/Agency as a whole.

(4) Frequency of internal inspection of asset

Statement on Questionnaire No. 18: "You always do checks on a regular basis of state asset conditions at your office."



Table 5.25

Frequency of internal inspection of asset

Answer	Strongly disagree	Not agree	Agree	Strongly agree
Percent	1.4	30.9	60.0	7.7
Cumulative Percent	32.3		67.7	

Source: Primary Data (processed)

Most of the respondents in the range of 67.7% are in agree area means that they are always doing periodic internal inspection of the conditions of state assets at their working unit. Periodic inspection is very important not only in order to construct information related with state assets but also to maintain the validity and accountability reports prepared by them when compared with the actual condition. Therefore, generally the head of working unit are always pushing their state asset officer to cross check the data contained in the report with the condition in the field.

However, the fraction ranges from 32.3% of respondents who are in the area disagree, which means they do not conduct periodic checks of the conditions of state assets at their working unit. This was probably due to limited human resources in those working unit so that the examination of state assets conditions are generally only done if there are orders from their superiors agency followed up by forming a team to carry out the internal inspection.



Table 5.26

Descriptive Statistics on the Dimension of Accountability Mechanism

Items	Strongly disagree		Not agree		Agree		Strongly agree		Mean
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	
AM1	3	1.4	59	26.8	139	63.2	19	8.6	3.51
AM2	6	2.7	42	19.1	145	65.9	27	12.3	3.66
AM3	6	2.7	77	35.0	124	56.4	13	5.9	3.28
AM4	3	1.4	68	30.9	132	60.0	17	7.7	3.42
Average Mean									3.47

Note: AM = Accountability Mechanism

Source: Primary Data (processed)

To summarize the points above, the table above shows that the average means of this dimension is 3.47. This value is tend to be in the agree area.

When compared with the other dimensions, that value is the third largest and all of 4 items of accountability mechanism dimension have more respondents in agree area. This occurs because the central government has always encouraged all ministries/agencies to improve their accountability and even threatened to impose sanctions upon institutions with poor accountability.

Accountability in this case is reflected in the audit opinion that received from the State Audit Board since 2005. Therefore, each of working unit is always driven to fulfill all obligations with respect to the accountability mechanisms.

In this dimension, the item of understanding of audit opinion has the smallest mean, which means that even the majority of respondents are in agree area but it still large enough of respondents that still do not know and understand the audit opinion of their working units. Meanwhile, the largest mean on this dimension is the item of procedures of asset reconciliation,



which means that the majority of respondents already understand the implementation of asset reconciliation with State Asset and Auction Service Office properly.

5.3.5 Dimension of Decentralization of Management Responsibility

This dimension is focused on delegation of authority, the provision of incentives, guidance, and supervision that linked to the performance of the agencies-given-authority in term of state asset management reform. It consists of 5 attributes; infrastructure and facility for state asset officer, reward for state asset officer, guidance from top level of organization, supervision from top level of organization, and understanding the regulation of authority delegation. The discussion of each item above is given below.

(1) Infrastructure and facility for state asset officer

Statement on Questionnaire No. 19: "You obtain adequate facilities to carry out the state asset management tasks such as computers, laptops, printers, measuring instruments, cameras, and others."

Table 5.27

Infrastructure and facility for state asset officer

Answer	Strongly disagree	Not agree	Agree	Strongly agree
Percent	9.5	37.7	42.3	10.5
Cumulative Percent	47.2		52.8	

Source: Primary Data (processed)

In the response to the adequacy of infrastructure and facilities, the position of the respondents are almost equal that is 52.8% in agree area which means they receive adequate facilities and 47.2% in disagree area



which means they have not received adequate facilities to support their daily activities as state asset officer. This happens probably because the fulfillment of the facilities is dependent on the state budget for each working unit and the attention of the head of working unit to them.

Generally, the head of working unit has been giving special attention to the state asset management in the scope of his office to appoint an employee who is considered competent and able to serve as a state asset officer. However, for facility compliance is dependent on the portion of the budget allocated for the working unit. Even it has been a lot of working units that successfully incorporate the budget for the facility on their annual budget but it still quite a lot of other working units that have not been able to do either as reflected in the percentage of responses above.

(2) Reward for state asset officer

Statement on Questionnaire No. 20: "You get adequate incentives (allowances or honorarium) to implement the state asset management tasks."

Table 5.28

Reward for state asset officer

Answer	Strongly disagree	Not agree	Agree	Strongly agree
Percent	21.8	38.6	33.2	6.4
Cumulative Percent	60.4		39.6	

Source: Primary Data (processed)

The majority of respondents in the range of 60.4% are in disagree area with the statement about rewards. This means that the majority had not received adequate allowance or honorarium as state asset officer. In



fact, the Regulation of Ministry of Finance on the Standard Chart of Accounts that published each year always includes the amount of allowance for managing the budget and state asset officer. However, not every working unit can realize it. This is probably due to the allowances are not included in the budget allocation of their Ministry/Agency.

However, 40.0% of respondents are in agree area which means that they have had received an adequate honorarium or allowance for state asset officer. Indeed, the working units at several institutions such as Ministry of Finance, Ministry of Law and Human Rights, Ministry of Energy and Mineral Resources, Supreme Court, and General Attorney have included these fees in their annual budget each year.

(3) Guidance from top level of organization

Statement on Questionnaire No. 21: "Your head office/regional office of your agency always gives clear instructions and guidance for you in carrying out daily tasks related to state asset management."

Table 5.29

Guidance from top level of organization

Answer	Strongly disagree	Not agree	Agree	Strongly agree
Percent	3.6	30.0	55.9	10.5
Cumulative Percent	33.6		66.4	

Source: Primary Data (processed)

The table above shows that the majority of respondents is in agree area as much as 66.4% agreed that their top level of organization always provide regular guidance and provide clear instructions on management of state assets in the office. It is very necessary due to problems of state



assets has always been complex and highly dependent on each type of unit and type of assets. Especially for a working unit that has a large amount of assets and scattered in several places, the regular guidance and clarity of the order would be very helpful for state asset officer.

On the other hand, 33.6% of respondents are in disagree area which means that their top level of organization did not always provide regular guidance and clear instructions for the working units under their coordination. This usually happens in the Ministry/Agency that most of its working units have only a small amount of assets and not scattered in several places, so that they assumed that dissemination of the rules and semiannual meeting already give clarity to their working units.

(4) Supervision from top level of organization

Statement on Questionnaire No. 22: "Your head office/regional office of your agency always does checks periodically on the results of your work related to state asset management."

Table 5.30

Supervision from top level of organization

Answer	Strongly disagree	Not agree	Agree	Strongly agree
Percent	5.0	25.9	59.6	9.5
Cumulative Percent	30.9		69.1	

Source: Primary Data (processed)

Responding to the statement of supervision, most of respondents which range at 69.1% gave a positive response which means the superior agencies (such as head office or regional office) on a regular basis always supervise their work in the scope of their working areas to minimize the



occurrence of errors, especially in the reporting process, reconciliation, and audit. This is very good considering the validity and accountability of state assets that in fact the data is should always be supervised in order to making it easy to trace if any discrepancy or mistake was discovered at a later date. It required the role of head office/regional office to supervise the state assets validity of the data that compiled by the working units.

However there are 30.9% of respondents who are in disagree area which means that the superior agencies do not always perform periodic monitoring of the work of state asset officers. This is probably caused by the working units have been constructed system of internal control that are adequate to carry out that supervision so that the head office/regional office does not have to go straight to do it.

(5) Understanding the regulation of authority delegation

Statement on Questionnaire No. 23: "You understand well the rules for authority delegation in term of state asset management in your agency."

Table 5.31

Understanding the regulation of authority delegation

Answer	Strongly disagree	Not agree	Agree	Strongly agree
Percent	3.2	39.5	53.2	4.1
Cumulative Percent	42.7		57.3	

Source: Primary Data (processed)

The position of respondents in response the statement of understanding the regulation of authority delegation is more on agree area which ranges at 57.3%. This means that most of the state assets officers have understood the importance of the authority delegation



regulation on the scope of their Ministry/Agency respectively. The regulation generally governs the authority in applying privatization, transfer, and disposal of state assets in the level of working unit.

On the other hand, respondents who are in disagree area also quite large in the range of 42.7% which means they do not understand the regulation of the authority delegation. This can happen, in general, probably because they are studying the regulation of authority delegation only if their units will apply for the assets privatization or assets disposal. It happened because, in general, the regulation of authority delegation issued to facilitate the bureaucracy in the application procedure of it.

Table 5.32

Descriptive Statistics on the Dimension of

Decentralization of Management Responsibility

Items	Strongly disagree		Not agree		Agree		Strongly agree		Mean
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	
DMR1	21	9.5	83	37.7	93	42.3	23	10.5	3.06
DMR2	48	21.8	85	38.6	73	33.2	14	6.4	2.64
DMR3	8	3.6	66	30.0	123	55.9	23	10.5	3.40
DMR4	11	5.0	57	25.9	131	59.6	21	9.5	3.43
DMR5	7	3.2	87	39.5	117	53.2	9	4.1	3.15
Average Mean									3.14

Note: DMR = Decentralization of Management Responsibility

Source: Primary Data (processed)

To summarize the points above, the table above shows that the average means of this dimension is 3.14. This value is still tend to be in the agree area though of little value. When compared with the other dimensions, that value is



the third smallest. This occurs because 4 items of this dimension have more respondents in agree area and there is 1 item have more respondents in disagree area. It means that the implementation of decentralization of management responsibility in term of state asset management already run on the right track, where the provision of facilities, guidance, supervision, and regulations related to decentralization has been implemented properly.

In this dimension, the item of reward for officers has the smallest mean. This occurs probably due to the inclusion of less powerful verse about the reward in the Standard Chart Accounts each year because it was still linked to the fees for the budget manager. Therefore, with the Regulations on the new Standard Chart Account in the year 2012, hopefully the reward for state asset officers can be realized because it was placed in a separate paragraph.

Meanwhile, the largest mean on this dimension is the item of supervision from top level of organization, which means the head office/regional office of Ministry/Agency have exercised control over the authority that given to working units as well.

5.3.6 Dimension of Initiatives for Privatization

This dimension is focused on identification, disposal of government-owned assets, and asset privatization in state asset management. It consists of 5 attributes; understanding the procedures of asset privatization, understanding the procedures of asset disposal, identification of potential asset privatization, identification of asset depreciation, and understanding bookkeeping procedures of asset privatization and asset disposal revenue.

The discussion of each item above is given below.



(1) Understanding the procedures of asset privatization

Statement on Questionnaire No. 24: "You understand the procedures of state asset utilization including rental, loan use, and Build-Transfer-Operate (BTO)/ Build-Operate -Transfer (BOT)."

Table 5.33

Understanding the procedures of asset privatization

Answer	Strongly disagree	Not agree	Agree	Strongly agree
Percent	8.2	45.5	42.7	3.6
Cumulative Percent	53.7		46.3	

Source: Primary Data (processed)

The majority of respondents in response to the statement of understanding the procedures of privatization of assets located in disagree area that ranges at 53.7%. This means that most respondents do not understand the procedures of asset privatization as set out in the Minister of Finance Regulation No. 96/PMK.06/2007 on the Procedures for Implementation of the Usage, Utilization, Removal, and Transfer of State Property. The procedures in these regulations plus other regulations that are making the procedures of asset privatization become very complex and require the rigor of each state officer to understand it. Especially for working units that have not been proposed privatization of assets, state asset officers generally must often consult with officers of State Asset and Auction Service Office if they will make a proposal of asset privatization.

However, on the other hand, there is 46.3% which is in agree area means that they understand the procedures of asset privatization.



Although the rates are not the majority but the reality has been showing significant growth as a result of state asset management reform. Because before the reform was implemented, privatization of assets is very difficult because the procedure is more complicated because it must pass through long bureaucratic channels.

(2) Understanding the procedures of asset disposal

Statement on Questionnaire No. 25: "You understand that the disposal procedures for state assets because of heavily damaged, obsolete, disaster, or other causes of disposal."

Table 5.34

Understanding the procedures of asset disposal

Answer	Strongly disagree	Not agree	Agree	Strongly agree
Percent	4.5	35.9	53.6	5.9
Cumulative Percent	40.5		59.5	

Source: Primary Data (processed)

The majority of respondents in the range of 59.5% are in agree area in response to a statement of understanding of asset removal procedures, this means that the majority of respondents had understood the removal procedure set out in Appendix VI of the Minister of Finance Regulation No. 96/PMK.06/2007 on the Procedures for Implementation of the Usage, Utilization, Removal, and Transfer of State Property. Generally, the state asset officers can understand and practice the procedure after consultation with officers from State Asset and Auction Service Office, when their working unit needs to apply for state asset disposal.



However, 40.5% of respondents are in disagree area means that they do not understand the asset disposal procedure. This is probably due to their work unit had not applied for the asset disposal so that the state asset officers has not moved to study it.

(3) Identification of potential asset privatization

Statement on Questionnaire No. 26: "You can identify the state assets that exist in your agency that can be leased or other type of asset utilization."

Table 5.35

Identification of potential asset privatization

Answer	Strongly disagree	Not agree	Agree	Strongly agree
Percent	4.1	50.0	42.3	3.6
Cumulative Percent	54.1		45.9	

Source: Primary Data (processed)

In line with the response to previous statement regarding the privatization of assets, in response to a statement on the identification of assets that can be privatized also showed most respondents are disagree area, which ranged at 54.1%. This means that many respondents who do not understand how to maximize the potential privatization of existing assets in their work unit. The fact is understandable because, in general, assets privatization policies carried out if there are the directions from the head office of Ministries/Agencies.

However respondents who are in a position in agree area is many enough which ranges in 45.9%. This means that the number of Ministries/Agencies that concerned with the optimization of the



privatization of existing assets within the scope of its working units has also been considerable.

(4) Identification of asset depreciation

Statement on Questionnaire No. 27: "You can identify the state assets that exist in your agency that can be disposed because it has experienced physical depreciation, functional depreciation and economic value depreciation."

Table 5.36

Identification of asset depreciation

Answer	Strongly disagree	Not agree	Agree	Strongly agree
Percent	5.5	30.4	55.9	8.2
Cumulative Percent	35.9		64.1	

Source: Primary Data (processed)

In line with the previous response regarding the disposal procedure, the percentage of the response to the identification of asset depreciation has almost the same results, namely 64.1% of respondents are in agree area and 35.9% of respondents are in disagree area. That is, most respondents could identify the depreciation of state assets in their working units. Generally, they perform the identification along with an internal examination of the asset condition. And, for the working units that have been or are in the process of filing the assets disposal, inspection is usually more comprehensive, they do not just look at the physical depreciation of an asset but also considers economic depreciation and depreciation functions as they are set out in Annex VI of the Minister of Finance Regulation No. 96/PMK.06/2007.



(5) Understanding bookkeeping procedures of asset privatization and asset disposal revenue

Statement on Questionnaire No. 28: "You understand the procedures of bookkeeping results of asset privatization and asset disposal to the state treasury."

Table 5.37

Understanding bookkeeping procedures of asset privatization and asset disposal revenue

Answer	Strongly disagree	Not agree	Agree	Strongly agree
Percent	6.8	53.2	35.9	4.1
Cumulative Percent	60.0		40.0	

Source: Primary Data (processed)

The majority in the range 60.0% are in disagree area in response to the statement of understanding bookkeeping procedures of the revenue from asset privatization and asset disposal. This means that most of the state asset officers do not understand the accounting procedures of state revenues derived from the asset privatization and asset disposal. This is probably due to their working unit has never been implementing asset privatization or asset disposal so that they have not experienced for the bookkeeping of state revenue from asset privatization and asset disposal.

However, there are still 40.0% of respondents who are in agree area means that they are familiar with the accounting of state revenues as well. It is important due to the bookkeeping of state revenues must be done properly. Bookkeeping should consider the type of deposit letter, the budget code, and appropriate officials in charge.



Table 5.38

Descriptive Statistics on the Dimension of Initiatives for Privatization

Items	Strongly disagree		Not agree		Agree		Strongly agree		Mean
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	
IP1	18	8.2	100	45.5	94	42.7	8	3.6	2.88
IP2	10	4.5	79	35.9	118	53.6	13	5.9	3.20
IP3	9	4.1	110	50.0	93	42.3	8	3.6	2.91
IP4	12	5.5	67	30.4	123	55.9	18	8.2	3.31
IP5	15	6.8	117	53.2	79	35.9	9	4.1	2.77
Average Mean									3.01

Note: IP = Initiatives for Privatization

Source: Primary Data (processed)

To summarize, the table above shows that the average means is 3.01.

This value is still tend to be in the agree area though of little value. This value is the smallest mean among other dimensions. It occurs because only 2 items have more respondents in agree area and the rest 3 items have more respondents in disagree area.

The item of bookkeeping procedures of revenue has the smallest mean and followed by the item of understanding the procedures of asset privatization and identification of potential asset privatization. This is because since the reforms rolled out in 2008, all ministries/agencies devote all its efforts to carry out the administration of state assets. In addition, concurrent with the administration, each ministry/agency seeking to dispose their state assets that already depreciated. As a result, the sector of assets privatization received less attention. Consequently, many working units are not yet understand the regulations in terms of the asset privatization including its



procedures, its identification, and its revenue bookkeeping. Meanwhile, the largest mean on this dimension is the item of identification of potential asset disposal, which means that majority of the working units already have the ability to identify properly the state assets that reach its end of depreciation level and can be disposed.

5.3.7 Dimension of Accounting System

This dimension is focused on new government accounting system is applied on state asset management and how the implementation from cash accounting to accrual-based accounting system. It consists of 4 attributes; understanding of the computerized accounting system on state asset, understanding of the recording method of state asset, understanding state asset report forms and procedures, and understanding the differences between cash accounting and accrual accounting on asset recording. The discussion of each item above is given below.

(1) Understanding of the computerized accounting system on state asset

Statement on Questionnaire No. 29: "You understand and can operate all computerized applications for the state asset management such as SIMAK, BMN and Inventory Application."

Table 5.39
Understanding of the computerized accounting system on state asset

Answer	Strongly disagree	Not agree	Agree	Strongly agree
Percent	1.4	19.1	64.1	15.5
Cumulative Percent	20.5		79.5	

Source: Primary Data (processed)



The majority in the range 79.5% are in agree area means that they understand and can operate all applications for the computerized state asset management such as SIMAK BMN and Inventory Application. This fact is very good where nearly 80% of respondents able to operate these applications properly because it is the main way to carry out the administration and reporting so that each officer is required to master it.

However, 20.5% of respondents were in area disagree means that they still do not understand it. This is probably due to the turnover of officers and the use of a special type for the applications like in Ministry of Defense/Army. Especially for the working units in Ministry of Defense/Army, they have different computerized applications because it should be tailored to the type of state assets under their control, namely in the form of weapons, thus requiring a more specialized confidential applications. And, for specificity, the state asset officers in Ministry of Defense/Army need more time to master those computerized applications for the state asset management in the scope of its working units.

(2) Understanding of the recording method of state asset

Statement on Questionnaire No. 30: "You understand the recording methods of all state asset types."

Table 5.40

Understanding of the recording method of state asset

Answer	Strongly disagree	Not agree	Agree	Strongly agree
Percent	1.8	25.5	63.6	9.1
Cumulative Percent	27.3		72.7	

Source: Primary Data (processed)



The majority in the range of 72.7% are in agree area means that they understand the whole method of recording for all types of state assets. It has similar response to the previous. It is because all these recording methods can be studied simultaneously because all of these methods must be practiced when the officers enter the data into those applications.

Meanwhile, 27.3% of respondents who are in disagree area, which means that they have not understood the whole method of state asset recording, this is probably due to the turnover of officer or the use of specific applications for particular institutions.

(3) Understanding state asset report forms and procedures

Statement on Questionnaire No. 31: "You understand all forms of state asset reports and its reporting procedures."

Table 5.41

Understanding state asset report forms and procedures

Answer	Strongly disagree	Not agree	Agree	Strongly agree
Percent	1.4	17.2	71.4	10.0
Cumulative Percent	18.6		81.4	

Source: Primary Data (processed)

In line with the two previous responses, the majority are in agree area that ranged at 81.4% means that they understood all forms of state asset reports and its reporting procedures properly. Currently, all reports of state assets have been able to be accommodated in the applications mentioned above so that each officer is easily print them out as long as all procedures are adhered to the recording and printing. Absolute compliance procedures must be met for each application because it is



designed in such a way as to refuse a command from the operator that does not comply with existing regulations.

On the other hand, there are still 18.6% of respondents residing in disagree area, which means that they do not understand all forms of reports of state assets and its reporting procedures. In line with the two previous responses, this is probably due to the turnover of state asset officer or the use of applications that designed for specific institutions.

(4) Understanding the differences between cash accounting and accrual accounting on asset recording

Statement on Questionnaire No. 32: "You understand the difference between cash accounting and accrual accounting in the state asset accounting system."

Table 5.42

Understanding the differences between cash accounting and accrual accounting on asset recording

Answer	Strongly disagree	Not agree	Agree	Strongly agree
Percent	5.0	53.6	37.3	4.1
Cumulative Percent	58.6		41.4	

Source: Primary Data (processed)

Unfortunately, the majority are in disagree area in responding to a statement of understanding of the principle of cash to accrual. It is actually not good because the actual principle is a valuable theoretical basis for each state asset officer. By knowing this principle, each officer is able to understand the process of managing state assets is not only practically but also theoretically. The principles set out in the Government Regulation



no. 24 of 2005 on the Governmental Accounting Standards (SAP), particularly on the Government Accounting Standards Statement (PSAP) No. 01 of the Financial Statements paragraph 5 stated that the accounting basis is used in the government financial statements namely cash basis for the recognition of revenue, expenditure, transfer, and financing and accrual basis for the recognition of assets, liabilities, and equity funds. In other words, the accounting basis that used is the cash toward accrual.

However, there are 41.4% of respondents are in agree area which means that the respondents are understand the principles of cash toward accrual. This good fact is probably due to these respondents had attended training program of state asset management that conducted either by their agency or by DGSAM continuously. Therefore, training and dissemination activities of state asset management should be properly addressed by all concerned parties so that the process of state asset management reforms can work well and provide a significant change.

Table 5.43

Descriptive Statistics on the Dimension of Accounting System

Items	Strongly disagree		Not agree		Agree		Strongly agree		Mean
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	
AS1	3	1.4	42	19.1	141	64.1	34	15.5	3.73
AS2	4	1.8	56	25.5	140	63.6	20	9.1	3.53
AS3	3	1.4	38	17.2	157	71.4	22	10.0	3.71
AS4	11	5.0	118	53.6	82	37.3	9	4.1	2.82
Average Mean									3.45

Note: AS = Accounting System

Source: Primary Data (processed)



To summarize the points above, the table above shows that the average means of this dimension is 3.45. This value is tend to be in the agree area.

When compared with the other dimensions, that value is in the middle of other values. This occurs because 3 items of accounting system dimension which are concerned on the practice of accounting systems have more respondents in agree area and 1 item which concerned on the theory of its accounting system have more respondents in disagree area. This means that the majority of the working units are able to practice the accounting system that is embedded in the computerized applications of state assets that existing currently well.

In this dimension, the item of understanding the differences between cash accounting and accrual accounting on asset recording has the smallest mean, it is because the accounting system is understood in term practice on daily basis and it is not followed by a theoretical understanding of the accounting system itself so many of the working units do not understand the philosophy of accounting systems in the administration of state assets itself.

5.4 Evolution of Analysis

Judging from the results of the questionnaire and supported by the interviews, the author can argue that it needs a policy setting that can address the weaknesses of the implementation of state asset management reform policies. Its main weakness that is most noticeable is the lack of mastery of the theory of asset management itself and the lack of comprehensiveness of existing regulations that have not been able to address the challenges in the field such as asset privatization, incentives,



labor turnover, and others. Therefore, it is necessary to build policy-oriented research that can accommodate information from relevant parties to establish effective and comprehensive policies. Thus, the relevant parties to work together to improve the regulations are:

(1) Working units on Ministries and Agencies

Working units as those who use state assets in the day-to-day activities are certainly aware of the matter relating to the recording and management of the state assets. Therefore, detailed information about the problem is certainly very useful for policy makers to formulate regulations that can address these problems. It was revealed in an interview on February 27, 2013 with MAS, Female, 29 who said:

“Kami mengadakan konsinyering dengan Pusat setidaknya-tidaknya setiap 3 bulan atau 6 bulan, atau jika ada peraturan baru. Dalam konsinyering tersebut, kami mendapat sosialisasi tentang hal-hal baru tentang state asset management dan berdiskusi tentang masalah-masalah yang kami temui di lapangan.”

(Our head office held focus-group-discussion (FGD) in at least every 3 months or 6 months, or if any new regulations. In the FGD, we got the socialization of new things about the state of asset management and discuss the problems we encountered in the field.)

Of the sentence is clear that the meaningful sources of information from regular focus-group-discussion (FGD) are absolutely necessary for making policies based on research. In this case, FGD, which is a form of bottom-up approach to the central government working units and is a new approach in the government system, but its contribution for policy makers are very significant.

(2) Directorate General of State Asset Management

DGSAM as the representative of Ministry of Finance for State Asset Treasurer seemingly must always be strengthened, especially in the field



of human resources. As a new unit in the MOF in charge of state assets, DGSAM surely must cooperate with other units, especially Directorate General of Treasury because it is the unit in charge of state assets before the establishment DGSAM (see Figure 4.2). For instance, in the case of government accounting training program that includes training on state asset management, DGSAM should collaborate with the Directorate General of Treasury to implement them. It was revealed from the interview on March 5, 2013 with EBH, Male, 34 who said:

“Untuk pelatihan khususnya PPAKP, pengajarnya kebanyakan masih berasal dari Direktorat Jenderal Perbendaharaan, hanya beberapa dari DJKN.”

(For training, particularly PPAKP⁹, most teachers still come from the Directorate General of Treasury, only a few of DGSAM.)

Of the sentence, it can be interpreted that the collaboration between the units in MOF is very useful to support the improvement of state asset management policies.

(3) Professional Organizations

Professional Organizations related to state asset management such as MAPPI (*Masyarakat Profesi Penilai Indonesia - Indonesian Society of Appraisers*), IPLI (*Ikatan Pejabat Lelang Indonesia - Indonesian Association of Auctioneers*), and IAI (*Ikatan Akuntan Indonesia - Indonesian Institute of Accountants*) is necessary to be involved in the

⁹ Government Financial Accountability Acceleration Program (abbreviation in Bahasa is PPAKP – *Program Percepatan Akuntabilitas Keuangan Pemerintah*) is a training program for government officer who in charge in preparing financial statement at working unit level. This program is intended to improve the quality of financial reporting at the working unit level as the lowest level and is expected to improve the quality of financial reports of Ministries/Agencies (based on Director General of Treasury Circular Letter No. S-01/PPA.2/2011 dated May 30th 2011).



preparation of policies, especially in terms of the use of the general rules of practice of the profession in the day-to-day asset management practices and also in training to improve the technical capacity of the employees at DGSAM and Ministries/Agencies. Long-term and sustainable communication between policy makers and professional organizations must be able to be built effectively.

(4) Educational Institutions

Cooperation with educational institutions is also absolutely necessary as well as cooperation with professional organizations because they can help to balance between theory and practice in the asset management field. For now, DGSAM has cooperation with Gadjah Mada University in Jogjakarta and Padjadjaran University in Bandung in the form of master programs majoring in appraisals and property management for its employees. In future, this cooperation needs to be extended to other universities in Indonesia or even asset management can be a major in the universities. Furthermore, educational institutions can also be suitable institutions to disseminate the importance of state asset management to the citizen. Therefore, the form of cooperation also needs to be upgraded to be a long-term cooperation in the framework of the preparation of the policies of state asset management. The role of educational institutions as research institutions must be able to be used by policy makers in formulating policies based on their research.

Cooperation of the parties mentioned above is needed to establish comprehensive policies without creating multiple interpretations. Moreover, such cooperation can also be used to improve the performance of human



resources. It was revealed in an interview on March 11th 2013 with LHY, Male, 55 who said:

“Sekarang ini yang kita butuhkan adalah pola pelatihan dengan kurikulum yang dapat meningkatkan mutu SDM yang tidak hanya pada pengetahuan dan keterampilannya saja tetapi juga mampu memperbaiki perilakunya juga.”

(Right now what we need is a training pattern with a curriculum that can improve the quality of human resources that not only in term of knowledge and skills but also able to improve their behavior as well.)

In short, the role of various stakeholders is needed to enhance the state asset management policies and it must be also supported by political will of the government to bring transparency and accountability in accordance with the principles of New Public Management and Good Corporate Governance.



CHAPTER VI

CONCLUSION AND RECOMMENDATION

6.1 Conclusion

Based on the results of research that conducted by the author, it is about seven dimensions essential to any efforts to reforms the state asset management in Indonesia with the case study to the state asset officers that derived from working units at Surabaya State Asset and Auction Service Office working area, the author can conclude the following matters:

(1) From the characteristics of the 220 respondents can be seen that the majority of respondents are male which ranged at 77.70%, the majority of respondents are college graduates which ranged at 66.40%, the majority of respondents are aged 18 to 40 years which ranged at 78.60%, and the majority of respondents has worked as a state asset officer for 1 to 3 years which ranged at 75.90%.

(2) The implementation of state asset management reform policy which organized by Surabaya State Assets and Auction Service Office has been running quite well. It is because from 32 item statements in the questionnaire, there are 25 items that the majority of responses were in the agree area and only 7 items that the majority of responses were in the disagree area. It means that the majority parts of implementation of policies had been running quite well at the office.

(3) Responses to the dimension of policy framework are not good which marked by only 3 out of 5 items of statements in that dimension are in



agree area. As a result, this dimension need to be improved in future because most of respondents argues that the existing regulations are not able to answer all the problems of state asset management so that those regulations need to be revised.

(4) Responses to the dimension of asset recognition are very good which marked by all of 5 items of statements in that dimension are in agree area. As a result, this dimension needs to be maintained because it already got good responses from the respondents.

(5) Responses to the dimension of information system are also very good which marked by all of 4 items of statements in that dimension are in agree area. As a result, this dimension needs to be maintained because it already got good responses from the respondents.

(6) Responses to the dimension of accountability mechanism are also very good which marked by all of 4 items of statements in that dimension are in agree area. As a result, this dimension needs to be maintained because it already got good responses from the respondents.

(7) Responses to the dimension of decentralization of management responsibility are good enough which marked by 4 out of 5 items of statements in that dimension are in agree area. On the other hand, one item namely 'reward for state asset officer' still need to be improved in future because most of respondents stated that they had not received adequate incentives while working as state asset officer.

(8) Responses to the dimension of initiatives for privatization are not good which marked by only 2 out of 5 items of statements in that dimension are in agree area. As a result, this dimension need to be improved in future



because from the responses of most respondents can be concluded that many working units are not yet understand the regulations in terms of the asset privatization including its procedures, its identification, and its revenue bookkeeping.

(9) Responses to the dimension of accounting system are good enough which marked by 3 out of 4 items of statements in that dimension are in agree area. As a result, the items that related with accounting system in practice have to be maintained because most respondents already had good understanding on it. Nevertheless, one item that related with theoretical understanding of the accounting system itself need to be improved because many respondents do not understand the philosophy of state asset administration itself.

(10) In short, there are 7 items that still have to be improved to enhance the state asset management policies in future including:

- a. Comprehensiveness of policies;
- b. Need of policy revision;
- c. Reward for state asset officer;
- d. Understanding the procedures of asset privatization;
- e. Identification of potential asset privatization;
- f. Understanding bookkeeping procedures of asset privatization and asset disposal revenue; and
- g. Understanding the differences between cash accounting and accrual accounting on asset recording.

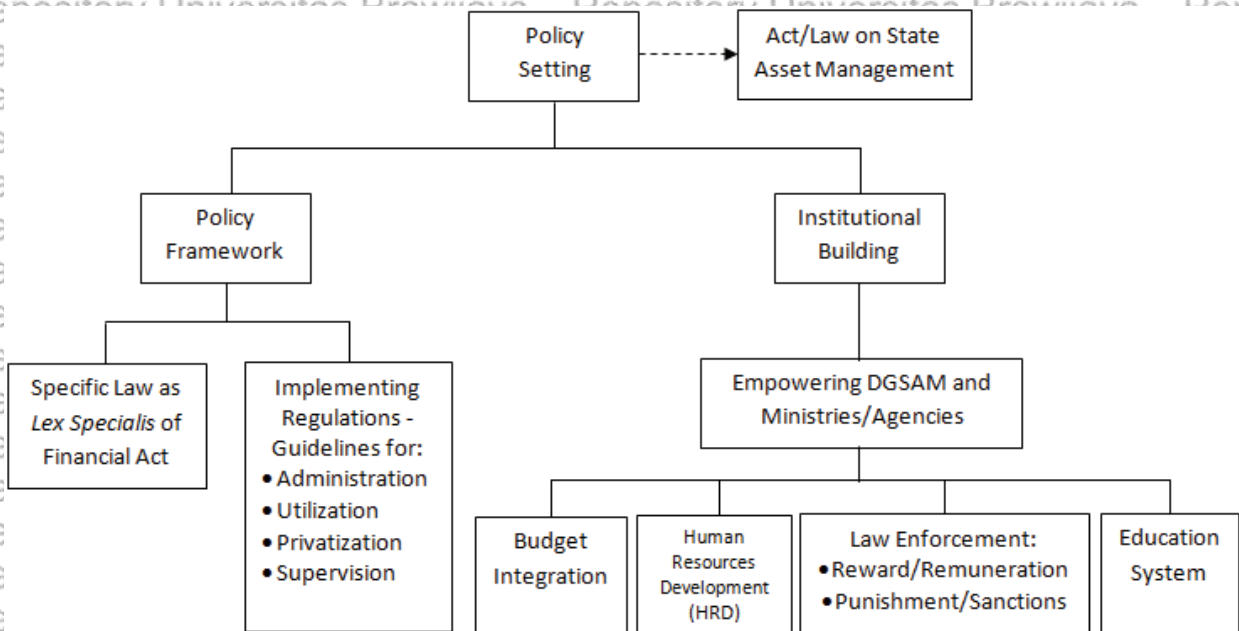


6.2 Recommendation

(1) Based on the analysis, the author can provide an overview of the policy setting that includes regulatory components of state asset management that can be applied with more comprehensive by government in the chart below:

Figure 6.1

Policy Setting of State Asset Management



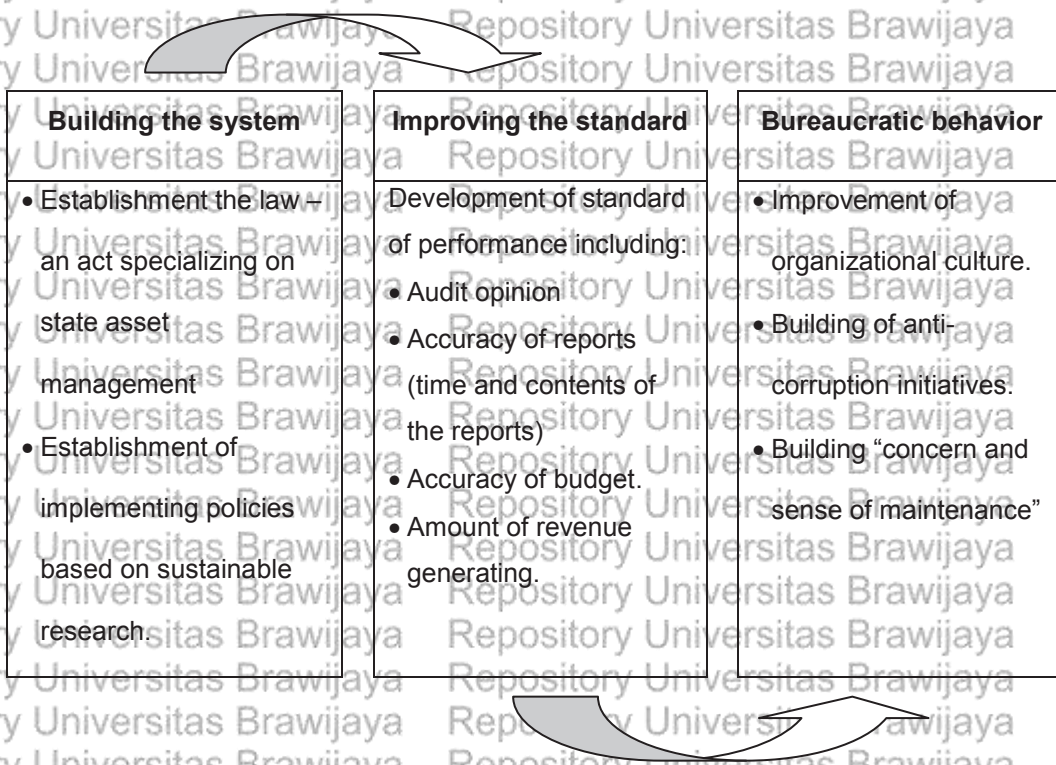
(2) According to the chart above, it can be concluded that the sustainable long-term synergy between the Ministries/Agencies, DGSAM, professional organizations, and educational institutions absolutely necessary to build an education system as well as providing better professional human resources for state asset management so as to produce research-based-policies (either in the form of laws and implementing regulations) which can be carried out more efficiently and on target. As a result, the system and standard of performance can built by sustainable research that



supported by political will of the government. Also, by the improvement of the system, it can be assumed that it can improve the behavior of government toward clean government practices by using and managing state assets respectively. In short, the advantages of the long-term synergy can be drafted in table below:

Figure 6.2

The Improvement of Three Key Point of State Asset Management



(3) Recommendation for Surabaya State Asset and Auction Service Office:

a. Carrying out dissemination activities regarding the management of state assets on a regular basis, especially to maintain the common perception of the rules relating to the administration, privatization, and reporting of state assets. In addition, dissemination should be done proportionally between theory and practice, making it easier for state



asset officers to transfer of knowledge if any turnover of state asset officer in their working unit;

b. Encouraging each working unit to optimize the use of state assets through the data verification and validation activities on a regular basis. So that each working unit can identify the existence of idle assets and potential assets to be privatized. It is necessary to prevent dissipation of the annual budget for the maintenance of idle assets and, at the same time, encouraging an increasing number of asset privatization;

c. Optimizing the reconciliation activities that have been routinely implemented by having each working unit to actually comply with the schedule and procedures; and

d. Optimizing the role of help desk in the service office and, if possible, made help desk in the form of an online website that can simplify each state asset unit officer to consult with State Asset and Auction Service Office.

(4) Recommendation for Working Units on Ministries/Agencies:

a. Implementing the activities of knowledge transfer in term management of state assets on a regular basis in each working unit and the top level of organization should always assist the establishment of such activities by continuing to monitor the implementation of it in order to facilitate the rotation of state asset officers;

b. Optimizing the arranging of the annual budget especially with regard to the reward for state asset officers, so as to satisfy complaints frequently advanced by state asset officers in term of incentives; and



- c. Optimizing all activities and facilities that provided by State Asset and Auction Service Office like dissemination, verification and validation activities, and help desk facility so as to simplify the state asset officers in completing their daily work.

6.3 Limitation of Research and Recommendation for Future Studies

Researcher realized that the results in this study had various limitations that need to be observed by subsequent researchers. The limitations in this study that can be identified are as follows:

- (1) The research was hampered by the difficulty of knowing the condition of the respondents when providing answers are strongly associated with feelings of pleasure and fun, seriousness, and other factors that are not identified.
- (2) This study highlights the perception of state asset officers who was in the working area of Surabaya State Asset and Auction Service Office only. For future studies, similar studies need to be done with a different study sites so that they can see a comparison of perceptions of state asset officers for implementation of state asset management reform policy from a variety of State Asset and Auction Service Offices in Indonesia.



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**Table of
the Attributes defined of Key Success of
State Asset Management Reform**

No.	Dimensions	Definition	Attributes (Items)
1.	Policy Framework	Clear and formal public policy and can be applied to all state asset in control of government	1. Knowledge of policies 2. Understanding of policies 3. Ability to implement policies 4. Comprehensiveness of policies 5. Need of policy revision
2.	Asset Recognition	The recognition of the ownership and use of state assets	6. Ownership of legal documents 7. Determination of usage status 8. Calculation of asset cost 9. Consideration of fund resources for asset (purchasing, maintenance, etc) 10. Understanding of treatment for idle assets
3.	Information System	The management of data and information related with state asset	11. Information of existing assets in mastery 12. Information of recent condition of asset 13. Information of all asset documents 14. Information of asset distribution
4.	Accountability Mechanism	Accountability that included the stewardships of assets	15. Procedures of submitting asset report 16. Procedures of asset reconciliation 17. Understanding of audit opinion 18. Frequency of internal inspection of asset
5.	Decentralization of Management Responsibility	Various incentives, penalties, and rules in asset	19. Infrastructure and facility for state asset officer 20. Reward for state asset officer 21. Guidance from top level of



		management responsibility	organization 22. Supervision from top level of organization 23. Understanding the regulation of authority delegation
6.	Initiatives for Privatization	State assets disposition and privatization	24. Understanding the procedures of asset privatization 25. Understanding the procedures of asset disposition 26. Identification of potential asset privatization 27. Identification of potential asset disposal 28. Understanding bookkeeping procedures of asset privatization and asset disposal revenue
7.	Accounting System	The implementation of new accounting practices	29. Understanding of the computerized accounting system on state asset 30. Understanding of the recording method of state asset 31. Understanding state asset report forms and procedures 32. Understanding the differences between cash accounting and accrual accounting on asset recording



Survey on State Asset Management

Dear Respondents,

In order of completion of my master thesis which is entitled "Analyzing Implementation of State Asset Management Reform Policy in Indonesia (A Case Study in Surabaya State Asset and Auction Service Office, East Java Province)", in this occasion I would like to conduct the survey on that topic. In doing so, I beg the willingness of the respondents to fill this question with heartfelt. The questionnaire results will be the primary data for the completion of the above thesis.

The statements listed below are representing your opinion toward state asset management. Choose the answer based on your opinion toward the statements by using these signs:

or

in which:

1	2	4	5
Strongly disagree	Disagree	Agree	Strongly agree

The Identity of Respondent

Gender :

Male Female

Education :

High School Diploma (D1/D3) Bachelor (S1/D4) Other :

Age : years old

Period of duty on state asset management :

1 year 2 years 3 years more than 3 years



A	Policy Framework	1	2	4	5
1	You know all of the state asset management policies and regulations.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2	You understand the purpose and content of all policies and regulations relating to the state asset management.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3	You can carry out the entire contents of the regulations properly.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4	Existing regulations are now able to answer all the problems of state asset management.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5	Regulatory revisions of state asset management are not an urgent thing to be implemented in the near future.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B	Asset Recognition	1	2	4	5
6	Your office has had and mastered the entire document ownership of assets in control of your agency.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7	The entire state assets in your agency have been determined the status of its use.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
8	Your office has calculated the costs incurred in the use of state assets well, including the cost of procurement, maintenance, processing of documents, and others.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
9	Your office has considered well the sources of funds that to be used for the management of state assets.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
10	You understand and be able to implement the rules relating to the management of idle assets (i.e. assets that are not used) properly.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C	Information Systems	1	2	4	5
11	You know the existence of the entire state assets which are in control of your agency.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
12	You know the current condition of the entire state assets which are in control of your agency.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
13	All related documents beside the titling documents have been recorded properly.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
14	The entire state assets in your office has properly distributed to the entire sections in your office.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D	Accountability Mechanisms	1	2	4	5
15	The current procedures for reporting of state assets are easy to be understood and easy to be implemented.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
16	The existing procedures of state asset reconciliation are easily to be understood and easily to be implemented.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
17	You understand the audit opinion that given by the State Audit Board (BPK) for your institution each year.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
18	You always do checks on a regular basis of state asset conditions at your office.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



E	Management Responsibility	1	2	4	5
19	You obtain adequate facilities to carry out the state asset management tasks such as computers, laptops, printers, measuring instruments, cameras, and others.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
20	You get adequate incentives (allowances or honorarium) to implement the state asset management tasks.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
21	Your head office/regional office of your agency always gives clear instructions and guidance for you in carrying out daily tasks related to state asset management.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
22	Your head office/regional office of your agency always does checks periodically on the results of your work related to state asset management.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
23	You understand well the rules for authority delegation in term of state asset management in your agency.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F	Initiatives for Privatization	1	2	4	5
24	You understand the procedures of state asset utilization including rental, loan-use, and Build-Transfer-Operate (BTO)/Build-Operate -Transfer (BOT).	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
25	You understand that the disposal procedures for state assets because of heavily damaged, obsolete, disaster, or other causes of disposal.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
26	You can identify the state assets that exist in your agency that can be leased or other type of asset utilization.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
27	You can identify the state assets that exist in your agency that can be disposed because it has experienced physical depreciation, functional depreciation and economic value depreciation.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
28	You understand the procedures of bookkeeping results of asset utilization and asset disposal to the state treasury.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G	Accounting System	1	2	4	5
29	You understand and can operate all computerized applications for the state asset management such as Asset Accounting Application and Inventory Application.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
30	You understand the recording methods of all state asset types.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
31	You understand all forms of state asset reports and its reporting procedures.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
32	You understand the difference between cash accounting and accrual accounting in the state asset accounting system.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other topics you want to say relating to the state asset management

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Validity and Reliability Test of Questionnaire

According to Sugiyono (2011, p.121), the research results are valid when there is a similarity between the data collected with the data that actually happened to the object under study. When the probability of the correlation is smaller than 0.05 (5%) then declared valid and invalid otherwise stated.

Table of Validity Test of Questionnaire

No.	Dimensions	Attributes (Items)	r	Sig	Note
1.	Policy Framework	1	0.634	0.000	Valid
		2	0.567	0.000	Valid
		3	0.525	0.000	Valid
		4	0.560	0.000	Valid
		5	0.397	0.000	Valid
2.	Asset Recognition	6	0.573	0.000	Valid
		7	0.563	0.000	Valid
		8	0.491	0.000	Valid
		9	0.457	0.000	Valid
		10	0.622	0.000	Valid
3.	Information System	11	0.564	0.000	Valid
		12	0.633	0.000	Valid
		13	0.577	0.000	Valid
		14	0.531	0.000	Valid
4.	Accountability Mechanism	15	0.579	0.000	Valid
		16	0.589	0.000	Valid
		17	0.574	0.000	Valid
		18	0.611	0.000	Valid
5.	Decentralization of Management Responsibility	19	0.489	0.000	Valid
		20	0.448	0.000	Valid
		21	0.614	0.000	Valid
		22	0.596	0.000	Valid
		23	0.621	0.000	Valid
6.	Initiatives for Privatization	24	0.609	0.000	Valid
		25	0.668	0.000	Valid
		26	0.551	0.000	Valid
		27	0.665	0.000	Valid
		28	0.655	0.000	Valid
7.	Accounting System	29	0.588	0.000	Valid
		30	0.635	0.000	Valid
		31	0.581	0.000	Valid
		32	0.623	0.000	Valid

Source: Primary Data (processed)

From the table above shows that all items of the statement have a probability



value of less than 0.05 (see Appendix M). So there is a connection between the question items 1 to 32 with a variable total. In other words, the instruments used in the questionnaire are valid.

Reliability Test of Questionnaire

Instrument reliability testing that performed is using Cronbach Alpha technique. This technique would indicate that an instrument can be said to be reliable if it has alpha reliability coefficient of 0.6 or more.

Table of Reliability Test of Questionnaire

Cronbach Alpha	N of Items
0.937	32

Source: Primary Data (processed)

The value of Cronbach Alpha is 0.937. This value is greater than the required value of 0.6. In other words, the instruments in the questionnaire are reliable.

Furthermore, the author conducted further test to separate groups that exist for the correlation analysis was then performed. By comparing the r table with r counted (Corrected Item Total Correlation), if r counted is greater than r table, so the instruments in the questionnaire is valid. The result is, the value of r table $(_{218; 0.05})$ is 0.132 while the values of r counted for the 32 items (see Appendix N) have value more on it. It can therefore be concluded that the instruments in the questionnaire is valid and reliable.



Appendix D

**Table of the Working Units Distribution of Surabaya State Asset and
Auction Service Office by Ministry/Agency**

No.	Ministry/Agency	Number of Working Units
1	Supreme Court	29
2	General Attorney	8
3	Ministry of Internal Affairs	11
4	Ministry of Defense	118
5	Ministry of Law and Human Rights	8
6	Ministry of Finance	34
7	Ministry of Agriculture	36
8	Ministry of Industry	4
9	Ministry of Energy and Mineral Resources	1
10	Ministry of Transportation	14
11	Ministry of National Education and Culture	9
12	Ministry of Health	18
13	Ministry of Religious Affairs	72
14	Ministry of Labor and Transmigration	9
15	Ministry of Maritime Affairs and Fisheries	14
16	Ministry of Public Works	20
17	Ministry of Culture and Tourism	5
18	Central Agency of Statistics	7
19	National Land Agency	8
20	Ministry of Communication and Information	1
21	National Police	28
22	Food and Drug Administration Agency	1
23	National Narcotics Agency	2
24	National Family Planning Coordinating Agency	1
25	Meteorology, Climatology, and Geophysics Agency	4
26	Electoral Commission	6
27	Agency for the Assessment and Application of Technology	1
28	Ministry of Trade	4
29	Ministry of Youth and Sports	1
30	National Board for Placement and Protection of Indonesian Labor	1
31	Regional Development Agency for Surabaya and Madura	1
32	State General Treasurer	7
	Total	483

Source: Primary Data (processed)



Appendix E

Characteristics of Respondents

Statistics

	Sex	Education	Time	Interval
N	Valid	220	220	220
	Missing	0	0	0

Sex

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid				
F	49	22.3	22.3	22.3
M	171	77.7	77.7	100.0
Total	220	100.0	100.0	

Education

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid				
Bachelor	111	50.5	50.5	50.5
Diploma	30	13.6	13.6	64.1
High School	74	33.6	33.6	97.7
Master	5	2.3	2.3	100.0
Total	220	100.0	100.0	

Time

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid				
1 year	69	31.4	31.4	31.4
2 years	59	26.8	26.8	58.2
3 years	39	17.7	17.7	75.9
More than 3 years	53	24.1	24.1	100.0
Total	220	100.0	100.0	

Interval

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid				
18 - 30	88	40.0	40.0	40.0
31 - 40	85	38.6	38.6	78.6
41 - 50	41	18.6	18.6	97.3
Above 50	6	2.7	2.7	100.0
Total	220	100.0	100.0	



Appendix F

Descriptive Statistics on the Dimension of Policy Framework

Statistics

	Policy_Framework_1	Policy_Framework_2	Policy_Framework_3	Policy_Framework_4	Policy_Framework_5
N	220	220	220	220	220
Valid	220	220	220	220	220
Missing	0	0	0	0	0

Policy_Framework_1

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	6	2.7	2.7	2.7
2	81	36.8	36.8	39.5
4	126	57.3	57.3	96.8
5	7	3.2	3.2	100.0
Total	220	100.0	100.0	

Policy_Framework_2

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	4	1.8	1.8	1.8
2	83	37.7	37.7	39.5
4	124	56.4	56.4	95.9
5	9	4.1	4.1	100.0
Total	220	100.0	100.0	

Policy_Framework_3

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	7	3.2	3.2	3.2
2	85	38.6	38.6	41.8
4	120	54.5	54.5	96.4
5	8	3.6	3.6	100.0
Total	220	100.0	100.0	

Policy_Framework_4

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	11	5.0	5.0	5.0
2	108	49.1	49.1	54.1
4	94	42.7	42.7	96.8
5	7	3.2	3.2	100.0
Total	220	100.0	100.0	

Policy_Framework_5

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	17	7.7	7.7	7.7
2	115	52.3	52.3	60.0
4	87	39.5	39.5	99.5
5	1	.5	.5	100.0
Total	220	100.0	100.0	

Statistics

	Policy_Framework_1	Policy_Framework_2	Policy_Framework_3	Policy_Framework_4	Policy_Framework_5
N	220	220	220	220	220
Valid	220	220	220	220	220
Missing	0	0	0	0	0
Mean	3.21	3.23	3.17	2.90	2.73
Median	4.00	4.00	4.00	2.00	2.00
Mode	4	4	4	2	2
Std. Deviation	1.066	1.067	1.087	1.114	1.085
Minimum	1	1	1	1	1
Maximum	5	5	5	5	5
Sum	707	711	697	638	600
Percentiles					
25	2.00	2.00	2.00	2.00	2.00
50	4.00	4.00	4.00	2.00	2.00
75	4.00	4.00	4.00	4.00	4.00



Appendix G

Descriptive Statistics on the Dimension of Asset Recognition

Statistics

	Asset_Recognition_1	Asset_Recognition_2	Asset_Recognition_3	Asset_Recognition_4	Asset_Recognition_5
N Valid	220	220	220	220	220
Missing	0	0	0	0	0

Asset_Recognition_1

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	6	2.7	2.7	2.7
2	52	23.6	23.6	26.4
4	138	62.7	62.7	89.1
5	24	10.9	10.9	100.0
Total	220	100.0	100.0	

Asset_Recognition_2

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	5	2.3	2.3	2.3
2	50	22.7	22.7	25.0
4	140	63.6	63.6	88.6
5	25	11.4	11.4	100.0
Total	220	100.0	100.0	

Asset_Recognition_3

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	8	3.6	3.6	3.6
2	58	26.4	26.4	30.0
4	126	57.3	57.3	87.3
5	28	12.7	12.7	100.0
Total	220	100.0	100.0	

Asset_Recognition_4

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	8	3.6	3.6	3.6
2	53	24.1	24.1	27.7
4	139	63.2	63.2	90.9
5	20	9.1	9.1	100.0
Total	220	100.0	100.0	

Asset_Recognition_5

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	7	3.2	3.2	3.2
2	83	37.7	37.7	40.9
4	120	54.5	54.5	95.5
5	10	4.5	4.5	100.0
Total	220	100.0	100.0	

Statistics

	Asset_Recognition_1	Asset_Recognition_2	Asset_Recognition_3	Asset_Recognition_4	Asset_Recognition_5
N Valid	220	220	220	220	220
Missing	0	0	0	0	0
Mean	3.55	3.59	3.49	3.50	3.20
Median	4.00	4.00	4.00	4.00	4.00
Mode	4	4	4	4	4
Std. Deviation	1.052	1.032	1.121	1.066	1.095
Minimum	1	1	1	1	1
Maximum	5	5	5	5	5
Sum	782	790	768	770	703
Percentiles 25	2.00	2.50	2.00	2.00	2.00
50	4.00	4.00	4.00	4.00	4.00
75	4.00	4.00	4.00	4.00	4.00



Appendix H

Descriptive Statistics on the Dimension of Information System

Statistics

	Information_System_1	Information_System_2	Information_System_3	Information_System_4
N	220	220	220	220
Valid	220	220	220	220
Missing	0	0	0	0

Information_System_1

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	6	2.7	2.7	2.7
2	44	20.0	20.0	22.7
4	138	62.7	62.7	85.5
5	32	14.5	14.5	100.0
Total	220	100.0	100.0	

Information_System_2

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	8	3.6	3.6	3.6
2	49	22.3	22.3	25.9
4	142	64.5	64.5	90.5
5	21	9.5	9.5	100.0
Total	220	100.0	100.0	

Information_System_3

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	6	2.7	2.7	2.7
2	46	20.9	20.9	23.6
4	141	64.1	64.1	87.7
5	27	12.3	12.3	100.0
Total	220	100.0	100.0	

Information_System_4

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	4	1.8	1.8	1.8
2	34	15.5	15.5	17.3
4	156	70.9	70.9	88.2
5	26	11.8	11.8	100.0
Total	220	100.0	100.0	

Statistics

	Information_System_1	Information_System_2	Information_System_3	Information_System_4
N	220	220	220	220
Valid	220	220	220	220
Missing	0	0	0	0
Mean	3.66	3.54	3.62	3.75
Median	4.00	4.00	4.00	4.00
Mode	4	4	4	4
Std. Deviation	1.041	1.053	1.033	.918
Minimum	1	1	1	1
Maximum	5	5	5	5
Sum	806	779	797	826
Percentiles				
25	4.00	2.00	4.00	4.00
50	4.00	4.00	4.00	4.00
75	4.00	4.00	4.00	4.00



Appendix I

**Descriptive Statistics on the Dimension of
Accountability Mechanism**

Statistics

	Accountability_Mechanism_1	Accountability_Mechanism_2	Accountability_Mechanism_3	Accountability_Mechanism_4
N Valid	220	220	220	220
Missing	0	0	0	0

Accountability_Mechanism_1

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	3	1.4	1.4	1.4
2	59	26.8	26.8	28.2
4	139	63.2	63.2	91.4
5	19	8.6	8.6	100.0
Total	220	100.0	100.0	

Accountability_Mechanism_2

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	6	2.7	2.7	2.7
2	42	19.1	19.1	21.8
4	145	65.9	65.9	87.7
5	27	12.3	12.3	100.0
Total	220	100.0	100.0	

Accountability_Mechanism_3

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	6	2.7	2.7	2.7
2	77	35.0	35.0	37.7
4	124	56.4	56.4	94.1
5	13	5.9	5.9	100.0
Total	220	100.0	100.0	

Accountability_Mechanism_4

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	3	1.4	1.4	1.4
2	68	30.9	30.9	32.3
4	132	60.0	60.0	92.3
5	17	7.7	7.7	100.0
Total	220	100.0	100.0	

Statistics

	Accountability_Mechanism_1	Accountability_Mechanism_2	Accountability_Mechanism_3	Accountability_Mechanism_4
N Valid	220	220	220	220
Missing	0	0	0	0
Mean	3.51	3.66	3.28	3.42
Median	4.00	4.00	4.00	4.00
Mode	4	4	4	4
Std. Deviation	1.023	1.010	1.090	1.050
Minimum	1	1	1	1
Maximum	5	5	5	5
Sum	772	805	721	752
Percentiles 25	2.00	4.00	2.00	2.00
50	4.00	4.00	4.00	4.00
75	4.00	4.00	4.00	4.00

Appendix J

Descriptive Statistics on the Dimension of Decentralization of Management Responsibility

Statistics

	Decentralization of Management Responsibility_1	Decentralization of Management Responsibility_2	Decentralization of Management Responsibility_3	Decentralization of Management Responsibility_4	Decentralization of Management Responsibility_5
N	Valid 220	220	220	220	220
	Missing 0	0	0	0	0

Decentralization of Management Responsibility_1

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	21	9.5	9.5	9.5
2	83	37.7	37.7	47.3
4	93	42.3	42.3	89.5
5	23	10.5	10.5	100.0
Total	220	100.0	100.0	

Decentralization of Management Responsibility_2

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	48	21.8	21.8	21.8
2	85	38.6	38.6	60.5
4	73	33.2	33.2	93.6
5	14	6.4	6.4	100.0
Total	220	100.0	100.0	

Decentralization of Management Responsibility_3

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	8	3.6	3.6	3.6
2	66	30.0	30.0	33.6
4	123	55.9	55.9	89.5
5	23	10.5	10.5	100.0
Total	220	100.0	100.0	

Decentralization of Management Responsibility_4

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	11	5.0	5.0	5.0
2	57	25.9	25.9	30.9
4	131	59.5	59.5	90.5
5	21	9.5	9.5	100.0
Total	220	100.0	100.0	

Decentralization of Management Responsibility_5

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	7	3.2	3.2	3.2
2	87	39.5	39.5	42.7
4	117	53.2	53.2	95.9
5	9	4.1	4.1	100.0
Total	220	100.0	100.0	

Statistics

	Decentralization of Management Responsibility_1	Decentralization of Management Responsibility_2	Decentralization of Management Responsibility_3	Decentralization of Management Responsibility_4	Decentralization of Management Responsibility_5
N	Valid 220	220	220	220	220
	Missing 0	0	0	0	0
Mean	3.06	2.64	3.40	3.43	3.15
Median	4.00	2.00	4.00	4.00	4.00
Mode	4	2	4	4	4
Std. Deviation	1.266	1.312	1.128	1.122	1.095
Minimum	1	1	1	1	1
Maximum	5	5	5	5	5
Sum	674	580	747	754	694
Percentiles					
25	2.00	2.00	2.00	2.00	2.00
50	4.00	2.00	4.00	4.00	4.00
75	4.00	4.00	4.00	4.00	4.00



Appendix K

Descriptive Statistics on the Dimension of Initiatives for Privatization

Statistics

	Initiatives_for_Privatization_1	Initiatives_for_Privatization_2	Initiatives_for_Privatization_3	Initiatives_for_Privatization_4	Initiatives_for_Privatization_5
N	220	220	220	220	220
Valid	220	220	220	220	220
Missing	0	0	0	0	0

Initiatives_for_Privatization_1

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	18	8.2	8.2	8.2
2	100	45.5	45.5	53.6
4	94	42.7	42.7	96.4
5	8	3.6	3.6	100.0
Total	220	100.0	100.0	

Initiatives_for_Privatization_2

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	10	4.5	4.5	4.5
2	79	35.9	35.9	40.5
4	118	53.6	53.6	94.1
5	13	5.9	5.9	100.0
Total	220	100.0	100.0	

Initiatives_for_Privatization_3

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	9	4.1	4.1	4.1
2	110	50.0	50.0	54.1
4	93	42.3	42.3	96.4
5	8	3.6	3.6	100.0
Total	220	100.0	100.0	

Initiatives_for_Privatization_4

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	12	5.5	5.5	5.5
2	67	30.5	30.5	35.9
4	123	55.9	55.9	91.8
5	18	8.2	8.2	100.0
Total	220	100.0	100.0	

Initiatives_for_Privatization_5

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	15	6.8	6.8	6.8
2	117	53.2	53.2	60.0
4	79	35.9	35.9	95.9
5	9	4.1	4.1	100.0
Total	220	100.0	100.0	

Statistics

	Initiatives_for_Privatization_1	Initiatives_for_Privatization_2	Initiatives_for_Privatization_3	Initiatives_for_Privatization_4	Initiatives_for_Privatization_5
N	220	220	220	220	220
Valid	220	220	220	220	220
Missing	0	0	0	0	0
Mean	2.88	3.20	2.91	3.31	2.77
Median	2.00	4.00	2.00	4.00	2.00
Mode	2	4	2	4	2
Std. Deviation	1.160	1.130	1.109	1.149	1.132
Minimum	1	1	1	1	1
Maximum	5	5	5	5	5
Sum	634	705	641	728	610
Percentiles					
25	2.00	2.00	2.00	2.00	2.00
50	2.00	4.00	2.00	4.00	2.00
75	4.00	4.00	4.00	4.00	4.00



Appendix L

Descriptive Statistics on the Dimension of Accounting System

Statistics

		Accounting_System_1	Accounting_System_2	Accounting_System_3	Accounting_System_4
N	Valid	220	220	220	220
	Missing	0	0	0	0

Accounting_System_1

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	3	1.4	1.4	1.4
	2	42	19.1	19.1	20.5
	4	141	64.1	64.1	84.5
	5	34	15.5	15.5	100.0
	Total	220	100.0	100.0	

Accounting_System_2

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	4	1.8	1.8	1.8
	2	56	25.5	25.5	27.3
	4	140	63.6	63.6	90.9
	5	20	9.1	9.1	100.0
	Total	220	100.0	100.0	

Accounting_System_3

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	3	1.4	1.4	1.4
	2	38	17.3	17.3	18.6
	4	157	71.4	71.4	90.0
	5	22	10.0	10.0	100.0
	Total	220	100.0	100.0	

Accounting_System_4

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	11	5.0	5.0	5.0
	2	118	53.6	53.6	58.6
	4	82	37.3	37.3	95.9
	5	9	4.1	4.1	100.0
	Total	220	100.0	100.0	

Statistics

		Accounting_System_1	Accounting_System_2	Accounting_System_3	Accounting_System_4
N	Valid	220	220	220	220
	Missing	0	0	0	0
	Mean	3.73	3.53	3.71	2.82
	Median	4.00	4.00	4.00	2.00
	Mode	4	4	4	2
	Std. Deviation	.987	1.027	.914	1.116
	Minimum	1	1	1	1
	Maximum	5	5	5	5
	Sum	821	776	817	620
	Percentiles				
	25	4.00	2.00	4.00	2.00
	50	4.00	4.00	4.00	2.00
	75	4.00	4.00	4.00	4.00

Validity Test of Questionnaire

		Policy_Framework_1	Policy_Framework_2	Policy_Framework_3	Policy_Framework_4	Policy_Framework_5	Asset_Recognition_1	Asset_Recognition_2	Asset_Recognition_3	Asset_Recognition_4	Information_System_1	Information_System_2	Information_System_3	Information_System_4	Accountability_Mechanism_1	Accountability_Mechanism_2	Accountability_Mechanism_3	Accountability_Mechanism_4	Decentralization_of_Management_Responsibility_1	Decentralization_of_Management_Responsibility_2	Decentralization_of_Management_Responsibility_3	Decentralization_of_Management_Responsibility_4	Decentralization_of_Management_Responsibility_5	Privatization_1	Privatization_2	Privatization_3	Privatization_4	Privatization_5	Accounting_System_1	Accounting_System_2	Accounting_System_3	Accounting_System_4	total			
Policy_Framework_1	Pearson Correlation Sig. (2-tailed)	.770	.453	.484	.329	.141	.330	.258	.179	.195	.371	.326	.332	.281	.334	.386	.390	.436	.389	.304	.216	.408	.335	.335	.257	.392	.309	.345	.366	.380	.351	.363	.443	.634		
	N	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220		
Policy_Framework_2	Pearson Correlation Sig. (2-tailed)	.770	.484	.453	.329	.141	.264	.241	.153	.091	.318	.228	.292	.192	.236	.357	.300	.311	.342	.294	.294	.396	.319	.342	.259	.337	.265	.338	.336	.286	.294	.313	.344	.567		
	N	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220		
Policy_Framework_3	Pearson Correlation Sig. (2-tailed)	.453	.484	.453	.329	.141	.202	.241	.157	.132	.376	.183	.285	.268	.192	.301	.381	.311	.338	.221	.242	.310	.315	.281	.258	.254	.218	.251	.306	.281	.252	.251	.274	.525		
	N	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	
Policy_Framework_4	Pearson Correlation Sig. (2-tailed)	.329	.321	.330	.329	.141	.246	.207	.193	.219	.349	.144	.206	.233	.208	.358	.371	.343	.333	.251	.253	.424	.396	.260	.323	.375	.292	.389	.355	.254	.218	.218	.272	.560		
	N	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	
Policy_Framework_5	Pearson Correlation Sig. (2-tailed)	.141	.134	.237	.329	.141	.169	.173	.178	.201	.245	.054	.126	.226	.139	.171	.173	.308	.253	.142	.184	.316	.197	.205	.225	.191	.178	.237	.336	.145	.109	.119	.223	.397		
	N	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	
Asset_Recognition_1	Pearson Correlation Sig. (2-tailed)	.330	.264	.202	.195	.169	.568	.388	.350	.353	.595	.499	.450	.359	.322	.278	.339	.302	.207	.100	.100	.363	.254	.230	.350	.170	.296	.302	.320	.303	.270	.238	.573			
	N	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	
Asset_Recognition_2	Pearson Correlation Sig. (2-tailed)	.264	.241	.202	.195	.169	.568	.388	.350	.353	.595	.499	.450	.359	.322	.278	.339	.302	.207	.100	.100	.363	.254	.230	.350	.170	.296	.302	.320	.303	.270	.238	.573			
	N	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	
Asset_Recognition_3	Pearson Correlation Sig. (2-tailed)	.179	.153	.147	.176	.169	.388	.388	.350	.353	.595	.499	.450	.359	.322	.278	.339	.302	.207	.100	.100	.363	.254	.230	.350	.170	.296	.302	.320	.303	.270	.238	.573			
	N	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	
Asset_Recognition_4	Pearson Correlation Sig. (2-tailed)	.195	.091	.132	.219	.134	.350	.361	.642	.1	.405	.284	.251	.429	.369	.121	.129	.155	.285	.250	.250	.121	.198	.155	.229	.172	.324	.280	.158	.196	.115	.192	.457			
	N	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	
Asset_Recognition_5	Pearson Correlation Sig. (2-tailed)	.371	.318	.376	.329	.141	.353	.310	.372	.405	.1	.302	.451	.336	.357	.217	.279	.268	.393	.225	.158	.314	.396	.363	.378	.447	.408	.416	.415	.302	.359	.252	.396	.622		
	N	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	
Information_System_1	Pearson Correlation Sig. (2-tailed)	.328	.228	.183	.184	.169	.505	.471	.278	.284	.302	.709	.499	.468	.200	.325	.268	.380	.183	.147	.301	.370	.298	.243	.319	.228	.343	.233	.285	.359	.326	.254	.564			
	N	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	
Information_System_2	Pearson Correlation Sig. (2-tailed)	.322	.292	.236	.228	.169	.499	.486	.335	.291	.451	.709	.1	.537	.459	.265	.329	.235	.422	.197	.183	.300	.437	.395	.299	.386	.298	.356	.337	.312	.398	.261	.310	.633		
	N	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	
Information_System_3	Pearson Correlation Sig. (2-tailed)	.281	.192	.240	.228	.169	.460	.463	.374	.429	.338	.480	.1	.537	.459	.265	.329	.235	.422	.197	.183	.300	.437	.395	.299	.386	.298	.356	.337	.312	.398	.261	.310	.633		
	N	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	
Information_System_4	Pearson Correlation Sig. (2-tailed)	.334	.236	.192	.193	.169	.359	.390	.322	.359	.357	.463	.1	.459	.422	.1	.207	.243	.178	.387	.273	.164	.284	.319	.160	.247	.273	.199	.280	.284	.330	.312	.248	.531		
	N	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	
Accountability_Mechanism_1	Pearson Correlation Sig. (2-tailed)	.386	.357	.301	.300	.171	.322	.203	.148	.121	.217	.200	.1	.265	.191	.207	.1	.580	.446	.273	.373	.370	.359	.227	.370	.374	.309	.236	.309	.302	.480	.369	.464	.382	.579	
	N	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220
Accountability_Mechanism_2	Pearson Correlation Sig. (2-tailed)	.390	.300	.381	.371	.173	.278	.308	.181	.129	.279	.325	.329	.301	.299	.580	.1	.348	.345	.253	.258	.390	.375	.312	.285	.281	.133	.312	.184	.581	.452	.532	.309	.589		
	N	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220
Accountability_Mechanism_3	Pearson Correlation Sig. (2-tailed)	.436	.311	.311	.308	.169	.339	.207	.172	.155	.268	.268	.1	.235	.223	.178	.1	.273	.1	.302	.215	.419	.280	.480	.376	.373	.186	.307	.255	.422	.395	.383	.342	.574		
	N	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	
Accountability_Mechanism_4	Pearson Correlation Sig. (2-tailed)	.389	.342	.336	.303	.171	.302	.369	.345	.289	.389	.580	.1	.422	.336	.367	.273	.346	.273	.102	.184	.417	.344	.325	.385	.341	.471	.411	.250	.341	.278	.316	.611			
	N	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220	220
Decentralization_of_Management_Responsibility_1	Pearson Correlation Sig. (2-tailed)	.304	.294	.251	.142	.169	.207	.198	.226	.250	.226	.187																								

Scale: Reliability Analysis

Case Processing Summary

		N	%
Cases	Valid	220	100.0
	Excluded ^a	0	0.0
	Total	220	100.0

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Policy_Framework_1	102.35	369.581	.601	.931
Policy_Framework_2	102.34	372.507	.529	.932
Policy_Framework_3	102.40	373.848	.483	.932
Policy_Framework_4	102.67	371.757	.520	.932
Policy_Framework_5	102.84	379.376	.350	.934
Asset_Recognition_1	102.01	372.479	.536	.932
Asset_Recognition_2	101.98	373.319	.526	.932
Asset_Recognition_3	102.08	374.720	.446	.933
Asset_Recognition_4	102.07	377.087	.413	.933
Asset_Recognition_5	102.37	369.440	.587	.931
Information_System_1	101.90	373.082	.527	.932
Information_System_2	102.03	369.963	.599	.931
Information_System_3	101.95	372.718	.540	.932
Information_System_4	101.81	376.792	.497	.932
Accountability_Mechanism_1	102.06	372.860	.543	.932
Accountability_Mechanism_2	101.91	372.695	.555	.932
Accountability_Mechanism_3	102.29	371.659	.535	.932
Accountability_Mechanism_4	102.15	370.941	.576	.931
Decentralization_of_Management_Responsibility_1	102.50	372.315	.438	.933



Decentralization_of_Managemen t_Responsibility_2	102.93	373.717	.392	.934
Decentralization_of_Managemen t_Responsibility_3	102.17	369.084	.577	.931
Decentralization_of_Managemen t_Responsibility_4	102.14	369.985	.558	.932
Decentralization_of_Managemen t_Responsibility_5	102.41	369.504	.585	.931
Initiatives_for_Privatization_1	102.69	368.563	.571	.931
Initiatives_for_Privatization_2	102.36	366.589	.635	.931
Initiatives_for_Privatization_3	102.65	372.264	.511	.932
Initiatives_for_Privatization_4	102.26	366.275	.631	.931
Initiatives_for_Privatization_5	102.80	367.141	.621	.931
Accounting_System_1	101.84	373.252	.554	.932
Accounting_System_2	102.04	370.478	.602	.931
Accounting_System_3	101.85	375.056	.549	.932
Accounting_System_4	102.75	368.928	.587	.931

Reliability Statistics

Cronbach's Alpha	N of Items
.934	32