

THE ANALYSIS OF ACCOUNTING TREATMENT OF FIXED ASSETS POST CHANGES IN ORGANIZATIONAL STRUCTURE AND WORKING MANAGEMENT ON MALANG CITY GOVERNMENT

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ABSTRACT

This research aims at determining the process of accounting for fixed assets in line with changes in the Organizational Structure and Work Procedure (SOTK) in the form of mergers, joining Regional Device Organizations (OPD) in Malang City Government. This research reveals changes in Organizational Structure and Work Procedure (SOTK) of fixed asset accounting treatment in the merger with Regional Device Organization (OPD), and the role of actors in fixed asset accounting treatment in the merger with Regional Device Organization (OPD) in Malang City Government. The method used in this study is a multi-site case study. Furthermore, this study reveals that changes in SOTK in Malang City Government were influenced by coercive, mimetic, and normative isomorphism according to institutional theory. The accounting treatment of fixed assets when merging cannot be separated from the administration of Regional Property (BMD) which must be in accordance with accrual-based Government Accounting Standards. The role of actors according to their professional expertise determines the treatment of fixed assets in the merger time that is explained based on institutional work theory.

Keywords: Organizational Change, Merger, Accounting for Fixed Assets, Institutional Work Theory

INTRODUCTION

Institutional structuring in the form of changes in Organizational Structure and Work Procedure (SOTK) is identical with attempts to create a leaner, more effective and efficient government organizational structure. Institutional arrangements and management at the central level influence the institutional and management arrangements in the regions. Regional autonomy gives the regional government the authority to manage the area according to their needs. Based on this fact, thus in the administration of regional government and development, local governments are required to pay attention to the potential and complexity of the region to be able to organize good governance.

Thus, issues in the change of SOTK have an impact on the diversion of number of government functions and management of regional assets because they relate to the addition or reduction of work units to further optimize performance and public services. The change in SOTK in the form of a separate merger has an impact on the finances of local governments, one of which is in the balance sheet through the post of fixed assets. Fixed assets have a significant and significant influence on the presentation of the balance sheets of local governments (Erlina, 2015: 245).

Fixed asset management happens during the merger of OPD through the accounting process, solving the balance sheet, the division of fixed assets of each new service, deletion and other stages in accordance with applicable regulations. The accounting for fixed assets at the time of merging involves Human Resources (HR) who in practice is not spared from problems because the related agency has an obligation to administer or inventory assets. Assets owned by the region must be reported accountably and transparently. Malang City Government continues to develop accounting systems, human resources, information technology to improve the application of accrual-based accounting. Improvements need to be made by adjusting the real conditions in the field and new rules.

The accounting for fixed assets in the merger time involved several administration parties, including the head of service and the management of the related Regional Device Organization (OPD), as well as the Regional Financial and Asset Management Agency (BPKAD) Malang City Government through the asset administration and accounting department. There are pros and cons in administering and accounting for fixed assets in the merger time, so that the process needs to be studied in line with the application of accrual-based accounting to local governments.

Institutional Theory Relation with Changes in Organizational Structure and Work Procedure (SOTK)

Institutionalism theory generally explains change (Selznick, 1948); (DiMaggio, 1983); (Zarifah, 2012); (Normansyah, 2015) and highlight the actors involved in the institutionalization process, including individuals, local or national organizations (Meyer, 2007: 789). DiMaggio and Powell (1983: 147-156) explained that basically when rational actors in organizations try to change, there are three isomorphic processes that occur that is coercive, mimetic, and normative. Coercive isomorphism occurs because of political influence and legitimacy as well as formal and informal pressures on organizational functions. Pressure can be in the

form of government mandates or legislation. Mimetic isomorphism occurs because of the response to uncertainty that drives organizations to imitate more successful organizations. Meanwhile, normative isomorphism is related to professionalization. These three isomorphism relates to conditions that affect changes in Organizational Structure and Work Procedures in the form of mergers in Malang City Government.

Relation of Institutional Work Theory on the Role of Actors in the Accounting Treatment of Fixed Assets during the Merger

Institutional work theory was developed by Lawrence and Suddaby (2006: 2) in order to explain the purposive actions of individuals and organizations that aim to create, maintain, and disrupt institutions. The theory of institutional work (institutional work theory) is one theory of action based on institutional theory (Lawrence and Suddaby, 2006: 2). Institutional working theory highlights three things that are: 1) the role of institutional actors as agents who are purposeful, skilled and flexible, 2) focus on social action or various actors' practices / actions as the main media of the institution, 3) linkages between institutions and structures. The link between institutional work theory and the role of actors in managing fixed assets when merger is seen from actions aimed at maintaining institutions.

Accounting for Fixed Assets

This study focuses on Malang City Government because of fixed asset problems in the form of mergers joining Regional Devide Organizations (OPD) happened in 2017. The accounting treatment of fixed assets is in accordance with the Statement of Government Accounting Standards No. 7, consisting of recognition, measurement, preliminary assessment, expenditure after acquisition, subsequent measurement of initial measurement, termination and disposal, and disclosure. Furthermore, the management of fixed assets is in accordance with the Regulations Minister of Home Affairs 19 of 2016 which corresponds to the treatment of fixed assets at the time of merging are administration, appraisal, and deletion.

RESEARCH METHOD

The approach used in this study is a qualitative (non-positivistic) type of case study. This kind of case study focuses on knowing in depth the problems that exist in a real context (Creswell, 2015: 411). This case study research was carried out with a multi-site design because it was carried out in four research locations, namely the Regional Financial and Asset Management Agency (BPKAD), the Housing and Settlement Office (Disperkim), the Environment Service (DLH), and the Public Works Agency (DPU). The focus of the research is in the field of Accounting and Regional Asset Administration, which consists of sub-fields: Accounting and Reporting Sub-Section, as well as Regional Asset Data Collection or Management of Goods

Data sources or data collection methods used in this study consist of primary data sources secondary data sources. Data collection procedures used in this study are participatory observation; interviews (in-depth interviews) with six respondent relate to Accounting and Regional Asset Administration in Regional Financial and Asset Management Agency (BPKAD), the Housing and Settlement Office (Disperkim), the Environment Service (DLH), the Public Works Agency (DPU); and documentation. Data analysis used in this study is a single site data analysis and cross-site data analysis. Single site data analysis consists of interconnected components, namely data collection, data reduction, data presentation, and conclusion drawing / verification (Miles & Huberman, 1992: 20). Cross-site data analysis serves to see and understand the focus of research from several sites or research sites. In other words, cross-site data analysis can explain certain local contextual variations (Miles & Huberman, 1992: 279). Checking the validity of the findings was carried out using source triangulation and method triangulation. Source triangulation was conducted through comparing observational data with interview data from respondents. Method triangulation was conducted through several techniques collecting data method purposive sampling and snowball sampling. This research was conducted through the pre-field stage, the field work phase, and the data analysis stage.

RESULTS AND DISCUSSION

This study will discuss three sub-sections that are: 1) changes in Organizational Structure and Work Procedure (SOTK) in the City Government of Malang, 2) Treatment of Accounting for Fixed Assets when merging with Regional Devide Organizations (OPD), and 3) The Role of Actors in Accounting Treatment remain at the time of merger, join the Regional Devide Organization (OPD).

Change of Organizational Structure and Work Procedure (SOTK) in Malang City Government

Changes in the organization are marked by changes in the status of the organization, the transfer of ownership of goods, and the transfer of employees. DiMaggio and Powell (1983: 147) explained that when rational actors try to change there are three isomorphic processes that occur, namely coercive, mimetic, and normative. Coercive isomorphic on the local government of Malang City when SOTK changes occur due to government mandate or legislation, namely Government Regulation Number 18 of 2016 concerning Regional Tools and Regional Regulation Number 7 of 2016 concerning Establishment and Composition of Regional Devices.

Establishment and composition of regional apparatus in the Malang City Government in accordance with several principles contained in article 2 of Government Regulation No. 18 of 2016, including government affairs that are regional authorities,

efficiency, effectiveness, division of tasks, and clear work procedures. The realization of the implementation of the regulation is the merger of Regional Organization (OPD) in Malang City. Malang City as an autonomous region has the authority to carry out government in accordance with government affairs adjusted to regional potential. The effectiveness when merger with OPD can be seen from: 1) more organized affairs of each related field or service because it is adapted to the legal umbrella or the ministry that covers it; 2) the work is divided thoroughly according to performance targets. Clear work procedures are realized through the division of tasks, principal, functions and authority of each department or field within the Malang City Government's organizational structure in accordance with Regional Regulation Number 7 of 2016.

When coercive isomorphism happened at the time on mergers joining Regional Device Organization (OPD), then what is needed is to make changes in accordance with what is mandated by the new legislation in force. Considering the reason the central government initiated the change because of the demands to organize good governance at the central and regional levels. Therefore, there needs to be an effort made by regional government in facing the demands of new legislation to realize the synergy of the central and regional governments.

Mimetic isomorphism is carried out by the Malang City Government through the Regional Financial and Asset Management Agency (BPKAD) by conducting imitations with other regional governments that make organizational changes to implement the Regional Goods Management Information System (SIMBADA) application specifically to separate OPD in terms of managing Regional Property (BMD) including fixed assets. This application is used when changes in Regional Device Organizations (OPD) to manage BMD including fixed assets due to changes in ownership status and recognition from one service to another due to added or less mutations that will affect the financial reporting of the related services. In line with the findings of Hanis (2011: 36) and Arnaboldi (2010: 392), the practice carried out by the board and the administration of assets is aimed at reducing the inefficiency of public asset administration by providing data in accordance with the existing reality.

Technology is one of the things behind imitation so that organizations can adjust to the changes. This is in line with the statement of DiMaggio and Powel (1983: 147) which states that uncertainty about technology can increase interest in adopting imitation behavior. In addition, the reality that exists in the Malang City Government shows relevance to Goddard's statement (2005: 41) which states that when reforming, the government must be responsive to improve accountability and governance with system development. In addition, in line with the findings of Inayatullah (2005: 51), presenting technology in the face of change is a strategic step when facing changes in organizations that are oriented towards better conditions.

Based on description of mimemism isomorphism, it can be conclude that one of the efforts that needs to be done by local governments in facing organizational change is to develop technology as needed. The inability of the organization independently in developing technology can be overcome by working with third parties. Synergy between human resource capabilities within the organization and parties outside the organization is needed to manage change.

Normative isomorphism is carried out by interested parties in this case Human Resources (HR) who are involved in merger with OPD to work in accordance with their professional expertise based on the prevailing laws and regulations, including the management of the goods in each related department, administration section the assets of BPKAD Malang City, and the accounting department of BPKAD Malang City. The challenge when organizational change is the ability of Human Resources (HR) who manage change. HR who have more ability in managing change will be adaptable. However, this is not the case with human resources who have non-linear capabilities or very less capable human resources will need time to adapt to manage change. Professional expertise needed in terms of managing fixed assets is regarding asset security, asset administration including correctly recording, journalizing, and managing damaged goods so as to determine BMD management. In addition, in order for HR to work according to their professional expertise, the human resources in the field or service who experience merger from OPD are also transferred according to their work. This is done so that the work can be done professionally, efficiently and optimally.

Correspondingly (Cavanagh, 2016: 2) stated that accrual-based recording carried out by the Malang City Government with technology-based and supporting OPD split support applications in the form of Regional Goods Management Information System (SIMBADA) Separate Merger has a positive impact that can be felt by stakeholders marked by increasing transparency and accountability. Contrary to the findings of Mellert et al (2015: 59) that mergers, acquisitions, changes in ownership, downsizing, and restructuring are negative because there is no change in reporting causing losses, but changes in organizational structure in the form of separating OPD in Malang City Government provide changes in reporting, both in the form of Handover of Goods (BAST), depreciation, and adjustment data that affect the initial balance of fixed assets at the end of 2016 which became the basis of the balance in early 2017.

Based on the description above, it can be conclude that changes to the Organizational Structure and Work Procedure (SOTK) in the City Government of Malang based on the applicable regulations and requires Human Resources who are professional in managing change including adopting new technology in administration of fixed assets and accounting for fixed assets.

Accounting Treatment for Fixed Assets when Merging with Regional Device Organizations (OPD)

1. Fixed Asset Classification of OPD Merger

Classification of assets is still separated from the Department of Sanitation and Landscaping (DKP), which is transferred to the Housing and Settlements Agency (Disperkim), which is a new service, the Environmental Service (DLH), Public Works and Spatial Planning (DPUPR) and Public Works, Housing and Development Supervision (DPUPPB) to DPUPR consisting of six posts in accordance with the Statement of Government Accounting Standards (PSAP) No. 7 concerning the classification of fixed assets, namely Land; Equipment and Machinery, Buildings and Buildings, Roads, Irrigation and Networks; Other Fixed Assets; Construction under construction. In separating from DKP, there is no fixed asset mutation in the form of Construction in Work because there is no project that is being worked on by DKP. However, DPUPR carries out a fixed asset mutation in the form of Construction in Work to Disperkim because there is a project that is being worked on that is the Simple Rental Flats electrical software (Rusunawa).

2. Fixed Asset Recognition of OPD Merger

Technical recognition of fixed assets is merged based on receipt of goods and mutated according to the field or Technical Service Unit (UPT) destination, purchase data from which UPT capital expenditure will follow the destination UPT, and the master book or inventory. This is in line with PSAP No. 07 paragraph 20 concerning the recognition of fixed assets which states that the recognition of fixed assets will be very reliable if the fixed assets have been received or handed over their ownership rights and or when their ownership moves. The recognition was carried out on the basis of the Handover event (BAST) of goods so that it will be recorded at the destination service. Such recognition is in accordance with PSAP No. 07 paragraph 21 which stated that recognition is more reliable if there is evidence that there has been a transfer of ownership rights and / or legal control. Furthermore, the data from each separate OPD will be recorded on the adjustment column work paper to get the final balance after the 2016 adjustment as the basis of the balance beginning in 2017. Journalization is carried out by the accounting department of Malang City BPKAD to administer the 2016 fixed asset balance and then register it for the newly formed OPD in 2017 is the basis for the preparation of the 2017 Malang City Government Financial Report. One of the asset problems that remain separate is the recognition of land, because it is still in one certificate, which has no boundaries, division of regions, and measurements, so it has not been recorded in the MNH A land. However, over time BPKAD together with the Regional Secretary issued a regulation in the form of a Mayor's Regulation concerning the division of space so that land could be recorded in accordance with the respective parts of the OPD. In line with the findings of Molland et al (2008: 100) which stated that one of the obstacles to accrual-based asset management is the identification or recognition of assets such as roads, bridges so that it requires handling from the local government.

3. Fixed Asset Measurement for OPD Merger

The measurement of fixed assets is merged using the basis of the acquisition price of the item when the item is still the property of the previous service. When the acquisition price is transferred, it will be mutated according to the service, field or designated UPT. This is according to PSAP No. 7 concerning Measurement of Fixed Assets stating that fixed assets are valued at cost. Regional Property Measurement (BMD) after merger with OPD is carried out in accordance with the new service. The measurement is based on the acquisition cost, which is the purchase price of the item plus other expenses so that the asset remains ready for use. The measurement of fixed assets is combined using the acquisition price not including the price of accumulated depreciation of fixed assets. This is the way the Malang City government responds to changes in organizational structure related to the measurement of fixed assets, namely using the acquisition cost. These findings are in line with Molland (2008: 100) regarding recommended measurement alternatives, one of which uses acquisition prices because of the many measurement problems for financial reporting purposes.

4. Initial Assessment of Fixed Assets for OPD Merger

The initial valuation of fixed assets is merged based on the acquisition price in accordance with the mutation of assets in the newly formed OPD in 2017 that is Disperkim, DLH, and DPU. The initial assessment is carried out in accordance with the mutation data of each newly formed OPD. The initial valuation of merged split assets from the mutation data is used as one of the balance adjustments at the end of 2016. Apart from the data of fixed asset split, which has an effect on adjustments, there are still some other adjustments needed to form the final balance after the 2016 adjustment or initial balance in 2017. Another adjustment is the elimination of goods at the end of 2016 and changes to Mayor Regulation No. 33 of 2017 concerning Accounting Systems and Policies that value under capitalization enters extracurricular goods or items that are not included in the balance sheet. Thus, the initial balance sheet of the Housing and Settlement Area (Disperkim) as a new agency was prepared and the fixed asset value of DLH and DPUPR increased.

5. Expenditures after Initial Acquisition of Assets for OPD Merger

Expenditures after the initial acquisition of assets remain separated by joining OPD in the form of capital expenditures to repair equipment and machinery. Treatment of equipment and machinery repair expenditures is in accordance with Mayor Regulation No. 33 of 2017 concerning accrual government-based systems and accounting policies. This means that the recording of capital expenditures for the repair of equipment and machinery is carried out in two mechanisms, namely the direct mechanism and the mechanism for the Money Supply / Money Changing / Adding Money (UP / GU / TU) mechanism. Capital expenditures for repair of equipment and machinery will increase total fixed assets (equipment and machinery) in 2017. Recording of capital expenditures for repair of equipment and machinery by the City Government of Malang is in line with Walker's (1999: 441) and Molland (2008: 100) statements, which stated that the cost of maintaining infrastructure is very important for decision making related to planning the cost of maintaining or repairing fixed assets.

6. Next Measurement of Initial Recognition

1) Depreciation

Depreciation of property, plant and equipment is known as an integral part of the subsequent measurement of initial recognition of property and equipment. The measurement of depreciation of all fixed assets of Malang City Government, including fixed assets, has been merged using the help of Regional Property Management Information System (SIMBADA) applications. The use of this application is in accordance with the Regulation of the Minister of Home Affairs (Permendagri) No. 64 of 2013, which relates to accrual-based government accounting standards to administer assets using applications so that depreciation treatment is in accordance with accrual-based government accounting.

Depreciation on fixed assets is merged to determine the determination of the accumulated depreciation that will be recognized in the service that has experienced merger. Depreciation treatment requires accurate fixed asset management data. As can be seen at the end of 2016 adjustments, there were made as the basis for the formation of the beginning of 2017 balance including the accumulated depreciation treatment. Because when merger with OPD accumulated depreciation will be distributed to the newly formed OPD, in which the total must be the same. The recording of accumulated depreciation is carried out on the newly formed OPD by debiting the equity account and crediting the account for accumulated depreciation. The treatment of depreciation of assets remains separated according to PSAP No. 7 regarding fixed assets that take into account the useful life of assets, and different depreciation methods according to Mayor Regulation No. 33 of 2017 concerning accounting systems and policies.

2) Reassessment

Reassessment of fixed assets is not carried out by the city government of Malang because of the recognition of fixed assets based on the acquisition price. Although there are problems in the recognition of assets, they are still separated in the form of land, but this can be solved by the Regulation of the Mayor of Malang regarding Spatial Planning. This is in accordance with PSAP No. 7 paragraph 58 concerning revaluation that is not permitted because SAP assesses assets based on acquisition costs or exchange prices and indeed if a revaluation is carried out there will be government regulations that apply nationally.

7. Fixed Asset Termination and Release for OPD Merger

Termination and release of fixed assets are merged after data on the transfer of fixed assets to each department, field or UPT is accepted. After the item is received, the goods manager checks it. When there are fixed assets that are deemed unable to be used again, the management of goods with the approval of the goods user in this case the head of the office submits the deletion to the Regional Financial and Asset Management Agency (BPKAD) to be further verified by BPKAD and removed from the asset balance. Verification carried out by BPKAD is assessing the assets to be deleted and issuing a statement of deletion.

There are two mechanisms for the release and termination of fixed assets carried out by the Malang City Government that is the destruction of fixed assets due to severe damage and the elimination of fixed assets followed by the sales process (the selling price is above the acquisition price and the selling price is below the acquisition price). Destruction of heavily damaged goods in accordance with PSAP No. 7 paragraph 76 because assets cannot be utilized in the future. The submission of termination and release of fixed assets is in the interest of each OPD because the budget for the deletion of expenses is now at the respective OPD concerned. The City Government of Malang also reports the details of the fixed assets that were deleted in the annex to the Notes to the Financial Statements in accordance with PSAP No. 7 paragraph 77.

8. Fixed Asset Disclosure for OPD Merger

Disclosures of assets remain segregated by each OPD are carried out through the news of the split program. Asset balance remains separated Join OPD will increase the value of fixed assets as a basis for adjusting the balance at the end of 2016 and the initial balance of the newly formed OPD balance sheet in 2017. However, it should be noted that the impact of changes in Mayor Regulation No. 33 of 2017 related to goods under the capitalization value of extracted goods, will reduce the value of fixed assets so that the assets remain segregated which are below the capitalization value will also enter extracurricular goods. This extract goods adjustment is carried out by OPD against the balance of the end of 2016 as the basis for the initial balance of 2017 and the balance at the end of 2017 as the basis for calculating the total capital of the fixed assets of each OPD.

Reports on fixed assets are incorporated in the Receipt of Fiber (BAST) Minutes of goods including the use of goods that become a marker that there is a merger between Joining the Sanitation and Landscaping Service (DKP) into the Housing and Settlement Areas (Disperkim), the Environmental Service (DLH), and the Office of Public Works and Spatial Planning (DPUPR) in 2017. The impact of the existence of the BAST, the assets remain segregated join will be the responsibility of the OPD destination. The amount of assets that remain separated will be consolidated BPKAD with the total fixed assets of all OPDs for the preparation of the 2017 balance sheet. While other disclosures are in the Notes to the Financial Statements which indicate that there are changes in government regulations requiring the dissolution of SKPD and the formation of new OPD so that it affects the changes in accounting entities and financial reporting of the entity.

Based on description above, it can be concluded that the accounting treatment of fixed assets for OPD Merger requires correct and accurate data from the administration of fixed assets so as to produce reports that are in accordance with the applicable regulations on Regional Property Management (BMD) and Accrual-based Government Accounting Standards.

The role of the actor in accounting treatment remains at the time of merger to join Regional Device Organization (OPD).

The role of actors in the accounting treatment of fixed assets at the time of merging can be explained using three sets of activities that exist in the theory of institutional work (institutional work theory) (Lawrence, et. Al, 2006: 15). The first tool describes three types of actor activities that form mutually reinforcing cycles at the time of organizational change. The second tool describes three types of interactions that are carried out by actors at the time of changes in institutions. Meanwhile, the third device also explains three activities that focus on the cognitive side of the new institution.

The first tool consists of three activities called advocacy, defining and vesting. Advocacy is reflected in the actions of key DKP administrators when actively lobbying or negotiating in a new institutional environment, namely a new DPO structure related to the division of fixed assets which ultimately forms cognitive legitimacy. Cognitive legitimacy in this case takes the form of acceptance, acknowledgment of the mind of the goods manager in coordination with the staff of the administration of the assets of BPKAD Malang City regarding the basis of the division of fixed assets by other parties involved, namely the board of goods and the secretary of the OPD destination (Lawrence et. Al, 2006: 16) This is in line with the findings of Jansson (2013: 1041) which states that there is a social aspect of the reality of an organization that makes changes through the practices or interactions built by the actors involved.

Defining activity is defined by the division of status, identity, hierarchy in the organizational structure to manage the asset accounting treatment remains separate merge, which consists of actors in the field of asset administration and accounting of Malang City BPKAD, goods administrators and related service heads, as well as Regional Secretary in managing assets still as a basis for the accounting treatment of fixed assets in accordance with applicable regulations (Lawrence et. al, 2006: 17). Whereas vesting activities are reflected in the involvement of several coercive levels, namely the Regional Secretary (Sekda) which produces regulations in the form of Spatial Planning Certificate (SK) in accommodating asset problems that remain part of the associated OPD (Lawrence et. Al, 2006: 19). In other words, vesting can be interpreted as giving someone power or authority.

The second device consists of three activities called constructing identities, formulating normative associations (formulating normative associations), constructing normative networks. These three activities are related to the interactions carried out by actors. Identity building activities are an embodiment of interactions between actors and the field that lead to professional development (Lawrence, et al. 2006: 21). Joining OPD separates the consequences of the need for the ability of the actors to manage changes in organizational structure by using their professional skills to focus on managing fixed assets and asset accounting treatment to remain separate, by managing conditions, cooperating between interested actors, operating SIMBADA Separate Join applications and e-finance correctly and accurately.

The activity of formulating normative associations illustrates the interaction between norms and the field in which the actors carry out their activities (Lawrence, et al. 2006: 22). This activity is reflected in the actors involved in the OPD who split and join the coordinator of the management and accounting department of BPKAD Malang City to adjust to changes in the organizational structure and new work procedures to connect the norms and practices in the management of fixed assets and asset treatment keep merger in accordance with applicable regulations.

While network building activities occur because of the interaction between actors involved in practice, including monitoring and evaluation activities (Lawrence, et. Al, 2006: 23). This activity is reflected in the activities of actors that are interrelated with one another to manage fixed assets and accounting treatment of assets to remain separated. The parties involved are the officials of the related OPD goods, staff of the administration and accounting department of the Malang City BPKAD. Each party is responsible for the 2017 Malang City Government financial report in accordance with the new organizational structure based on applicable regulations. One form of monitoring is the assistance carried out by BPKAD on assets that remain segregated to join related OPD. The result of the evaluation is that there is no BPK correction on asset management that remains segregated together and its accounting treatment because it is in accordance with applicable regulations.

The third tool of institutional work theory consists of three activities consisting of mimicry (mimicry), theorizing (theorizing), and educating (educating). Lawrence, et al (2006: 25) mentions that actors in new institutions associate old and new designs use practices, technology and rules to facilitate adoption. This is reflected in the steps taken by the City of Malang BPKAD to continue to use SIMBADA and develop a separate SIMBADA join in managing Regional Property (BMD) including fixed assets to merge to facilitate the recording of fixed assets in the OPD destination. In addition, accounting treatment is guided by accrual-based Government Accounting Standards and the management of Regional Property refers to Regulation of the Minister of Home Affairs No. 19 of 2016 concerning Guidelines for the Management of Regional Property. In addition, mimicry is also carried out on HR which is affected by changes in organizational structure. HR who experience a mutation continue to work according to their expertise despite being transferred to the new service so that work is more optimal.

Theorizing activities are the planting of new concepts and practices so that they become part of the cognitive map in the field (Lawrence, et. Al, 2006: 27). The new practice was formed due to changes in the Organizational Structure and Work Procedure (SOTK). This change has an impact on the performance of the actors involved in separating OPD. There is a change in the tasks, principal, function, and authority experienced by OPD who experience merger, so that the HR involved must be able to adjust to

the new conditions. In addition, BPKAD also conducted socialization of Mayor Regulation No. 33 of 2017 concerning new accounting systems and policies affecting the accounting treatment of fixed assets, one of which is related to the treatment of extracurricular goods. This socialization is needed so that a new concept is applied by the actors associated with separating OPD in managing and accounting for fixed assets.

The third activity is educating actors with the skills and knowledge needed to support new institutions. When a new institution is created, it will involve the development of new practices and control mechanisms. This is reflected in the role of the actors in BPKAD as the coordinator in the administration and accounting of assets in the City of Malang is responsible for educating the board of goods in each OPD in order to administer the assets properly and correctly when changes in Organizational Structure and Work Procedure (SOTK) in Malang City Government. One of the education programs carried out by BPKAD was the dissemination of the SIMBADA merger application to manage Regional Property (BMD) affected by OPD join split. In addition, periodic assistance is always carried out to check the work of the management of the goods in managing assets to remain separate. Assistance is needed to check synchronization and accuracy of data as the basis for preparing the financial statements of the Malang City Government. In line with Jacobs's statement (2013: 785), the activities carried out by the actors involved lead the process of institutionalization of the new Organizational Structure and Work Structure that requires the role of actors in managing organizational change.

Based on the description of the actor's practice using all three sets of activities (Lawrence, et al 2006:15) it can be seen that when the change occur it requires the activity of actors in the field to coordinate and synergize the accounting treatment of assets to remain separate. Coordination and synergy is carried out by actors consisting of goods administrators, related agency heads, staff administration and accounting department of the Regional Financial and Asset Management Agency (BPKAD), as well as the Regional Secretary greatly determines the administration and accounting treatment of fixed assets i.e distribution of assets, treatment of land, operation of the system when changes in organizational structure in the form of merger Regional Device Organization (OPD).

CONCLUSIONS, LIMITATIONS, SUGGESTIONS

Based on the results and discussion above, it can be concluded that: (1) The new government regulations influence to local governance. The local government responded by issuing Regional Regulation on the Establishment and Composition of the Region. The realization of the enactment of the new regulations is the change in the organizational structure and the Malang City Government to improve the synergy with the central government. Moreover, the impact of changes on the organizational structure is the need of fixed asset management by Regional Device Organization (OPD) who do mergers. (2) Development of the fixed asset management system is required to deal with changes organizational structure for financial presentation. In this context, Regional Financial and Asset Management Agency (BPKAD) brings Regional Goods Management Information System (SIMBADA) application specifically to separate OPD in terms of managing Regional Property (BMD) including fixed assets. This is done to improve the accuracy of the amount of fixed asset. (3) Skilled human resources and alert the appropriate professional expertise required to manage the impact of changes in the organizational structure and primarily related to fixed asset management including accounting treatment of fixed asset when merger occurred.

Furthermore, the limitations of this study are listed as follows: (1) this study is limited to one accounting treatment for fixed assets, (2) This study cannot reach informants involved in merger Regional Device Organization (OPD), that is goods administrators the Environment Service (DLH) and Regional Secretary because the administrators have mutations in the Regional Device Organization (OPD) other than research purposes. Limitations of the study period into consideration in reaching out to data from the Regional Secretary.

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