

Creative Accounting Practices in the Perspective of Actors as Managers of Student Activities Units in the Faculty of Economics University Tadulako

M. IKBAL A, RAHAYU INDRIASARI, JURANA, NURLAELA MAPPARESA, MUHAMMAD AFDAL, FEIBY CHINTYA DEWI
Departement of Accounting Universitas Tadulako, INDONESIA

Abstract: - The aim of this study is to understand the creative accounting practices that occur in the Tadulako University Faculty of Economics Student Organization environment in compiling the accountability reports through the perspectives of the subject, namely the board of the student organizations. The method used is qualitative with an interpretive approach. The first findings in the study show that Creative Accounting Practice is an option that must be taken by 'fighters' to fight for their 'rights'. Furthermore, Creative Accounting practices are also 'gray' war areas where 'fighters' cannot determine whether their position is right or wrong. They are also faced with a situation that is reversed from common understanding in Accounting where the content must outperform the object, known as the term substance over form. But in reality, the form outperforms the content where the transaction evidence is more important than the content of the accountability report.

Key-Words: - Creative Accounting, Student Organization, Rights

1 Introduction

Student activity unit which is part of a public sector organization formed to meet student needs. As stated in Law No.12 of 2012, article 77 concerning student organizations. Based on paragraph 4 of the Law, we can know together that student organizations receive funding from universities and of course student organizations also need to report the management of these funds as accountability to various parties concerned in accordance with the systems and standards set by the College. High.

Based on preliminary observations of researchers who are also active in Student Organizations. Detecting the existence of creative accounting practices that have infected student organizations that are growing and developing in the world of education. The organization should be a forum for forming student character. The practice of creative accounting or fraud in making financial reports currently occurs in almost all student organizations at Tadulako University. The form of this creative accounting practice is in the form of making fictitious transaction evidence in making accountability reports from funds provided by the university in supporting the implementation of work programs up to making fictitious accountability reports for new work programs that will be implemented in order to get funds from the university. Every practice carried out by the management of the institution is of course

driven by several factors, it may be that manipulation occurs due to negligence of the institution's management itself or perhaps the controlling system ultimately "forces" them to manipulate the financial reports they make.

The description from the researcher above then motivates the researcher to study the reality that is happening. This study presents a different view from previous researchers regarding creative accounting that occurs in private companies and government offices. In this study, the researcher wanted to discuss about creative accounting that occurs in the most basic public organizations, namely the student activity unit which is one of the informal learning media in universities. Considering tertiary institutions as educational institutions, where the nation's future generations who will later become policy makers and economic actors are formed not only intellectually but also in character. So that the creative accounting practice which according to the researcher is an unethical act becomes very crucial to be discussed and resolved so that it does not become a culture which will ultimately shape the character of the Tadulako University students.

This research is expected to be the basis for making improvements in the Operational Standards governing accountability reporting of student organizations and researchers also hope that this research can be a reference for future researchers who

want to research the same topic or use the same analysis tools.

2. Literature Review

Student life is inseparable from the organization where students develop their soft skills. Intra-campus student organizations, which are often referred to as student activity units, are informal educational facilities that provide practical knowledge that is not obtained in the formal lecture process.

Research conducted by (Kosasih, 2016) shows that student organizations function to train students to be ready to enter society. In student organizations, students are required to have the courage to express opinions, dare to make decisions quickly, have the power of responsibility, and can cultivate civic skills values.

Almost all universities in Indonesia, both private and public, have student organizations. As this has been regulated in the Law of the Republic of Indonesia Number 12 of 2012 Paragraph 3 of Article 77 concerning Student Organizations in Higher Education. This law further strengthens the existence of student organizations in higher education and obtains funding from the government through universities for activities carried out by student organizations to support the development of soft skills from students, and also as the basis for arranging student organization financing by the government through the Ministry of Research and Technology.

Therefore, student organizations can be classified as public sector organizations and receive funding from the government through universities. So that student organizations are required to provide accountability to the public at least from the university and members of the organization. Organizational financial management is one of the important aspects in the accountability reports prepared by student organizations. So that every organization is required to be able to provide financial management reporting in a transparent manner and in accordance with the reporting standards set by each university.

2.1 Creative Accounting Practices

Until now, creative accounting is still viewed from two different points of view among accounting practitioners. Some consider creative accounting a reasonable act to see that the notion of accounting itself is an art, which of course an art is born from the creativity of the maker. On the other hand, most accounting practitioners consider that creative accounting is an unethical thing to do in the world of

accounting, this is based on the usefulness of accounting as information or a description of an organization. So that the accounting process should be carried out transparently and can provide a true description of an organization.

The difference in these views actually depends on the goals and motivations that encourage accounting practitioners to do creative accounting itself. If it may be reflected in creative accounting, it is like a knife. If the knife is in the hands of a chef who has the aim of preparing delicious food, of course the knife becomes a very useful tool and has a good purpose. However, if the knife is in the hands of a criminal who is about to use the knife to stab someone, then eating the knife becomes a dangerous and threatening tool.

Likewise with creative accounting, we cannot ensure that the use of accounting policy choices in this case creative accounting is used for a good purpose or not. It depends on whose hands it is and what it is being done for. Mydelton (2009) in Dedhy, Yeni, and Liza (2011: 18) states that accountants who are considered creative are accountants who interpret gray areas to get benefits or benefits from the results of this interpretation. So, in the hope of achieving certain goals, they will interpret accounting policies in certain ways as well.

In a positive accounting viewpoint, creative accounting is a legal action, as long as it is still in accordance with generally accepted accounting principles and there is no asymmetric information between creative accounting actors and users of financial information.

Creative accounting is like a "bacteria" in the world of accounting, which has now evolved into public sector organizations which basically have the purpose of serving the public interest. This is supported by the findings of Kristin, Achmad, and M.khoiru (2011) who describe the forms of creative accounting in a government institution. The forms of creative accounting are:

- a. Cross-cutting budget realization among activity posts without going through a budget revision mechanism
- b. Making fictitious evidence for actual expenditure that cannot be accommodated in the Output Budget Item (MAK)
- c. Intentionally recognizing assets that should not be recognized.

Meanwhile, the data that the researchers obtained from the IHPS BPK Semester II 2017 showed that there were 4,430 findings containing 5,582 problems that occurred with a total state loss of almost Rp. 10.56 trillion. Some of the findings reported are types of losses due to insufficient volume of work and / or

goods, overpayments other than lack of volume of work and / or goods, expenditures that do not match or exceed the provisions, fictitious and non-compliant official trips, and evidence of incomplete accountability (BPK, 2017: 115).

Seeing the many cases of creative accounting in the public sector that lead to state losses, this is certainly contrary to the basic function of the application of accounting in the public sector which should be able to increase the accountability of public sector organizations. In the end public sector accounting lost its basic function.

3. Method

This research is a type of qualitative research conducted to provide a clear description of the object of research so that it can answer any problems that occur by emphasizing the quality aspect. Through the interpretive paradigm the researcher sees and understands a reality in this case the creative accounting practice with a different point of view to find the meaning behind the action.

After observing several existing student organizations, the researcher chose to conduct research at the Student Executive Board (BEM) of the Faculty of Economics, Tadulako University. The main reason for the researchers choosing this organization is that the Student Executive Board is one of two student organizations that receive full funding from the Faculty for the programs they are working on. In addition, the availability of experienced informants who understand well the substance of this research is also a consideration for researchers to choose the organization as the object of research. The informants in this study were people who had direct contact with the organization's funding process to the process of compiling an accountability report for the funds obtained. Interviews were conducted at the Faculty of Economics, University of Tadulako, considering that the three informants were students who were preparing their final project.

The results of the interviews in this study were then analyzed through an interpretive approach, in which the researcher attempted to understand the deepest awareness of the informants regarding their views regarding the Creative Accounting practices they carried out in the organization.

4. Results and Discussion

After carrying out the research process starting from the participant observation process, interviewing sources, then entering the data processing process, and reflecting on the data obtained. So, all of these

processes lead researchers to an understanding of Creative Accounting Practices in the student environment. Reflection on finding the deepest awareness of Creative Accounting practitioners and how they do it provides an understanding for researchers to analogize the practice as a "battlefield".

The battlefield that the researchers mean here is not physical warfare or armed contact. But the battlefield is going on in the mind of every individual who practices Creative Accounting. The warfare that occurs when the conscience questions the will of the brain to take an action to achieve a common goal.

As in warfare that occurs in the real world which has stages in waging war between allies, the results of this study will be presented in the form of an analogy to the stages of warfare. The presentation of the results in the form of an analogy is done to make it easier for the reader to understand Creative Accounting Practices and how the actors do it.

4.1 Grand Strategi: Creative Accounting A Choice or a Must?

The first stage in the process of entering the 'Battlefield' is creating a Grand strategy which is also called the Grand Strategy. Grand Strategy is usually directed by the political leadership of a country, with input from the most senior military officials. In business, organizations also have a grand strategy. Grand strategy is a general plan of main action of an organization that aims to achieve long-term goals. So, a grand strategy does not describe what who will do, but rather focuses on what the organization wants to do and how they do it. (source: <https://id.m.wikipedia.org>).

If it is drawn into student organizations, the grand strategy stage is here when student organizations hold budget preparation meetings which are often referred to as 'Loka Karya'. According to NA's explanation during the interview on March 13, 2019, the workshop was attended by the core management of each institution, where each institution must explain the work program for one period of management to the Deputy Dean for Student Affairs and also the Deputy Dean for Finance, after which they will find out allocation of student funds given from the faculty to finance the work program.

Furthermore, when researchers ask "when and how do they carry out the budgeting process?" at that time NA gave an explanation to researchers: "No, if for example we make this budgeting from scratch, right. There is a workshop. In the workshop, the chairperson and deputy chairperson at BEM explained the program. So, last year, when I was a BEM administrator, there were 13 million of the

institution's funds for BEM. So, we estimate that one million is one activity "

From this explanation, the researchers then tried to understand the meaning of NA, namely, because they knew that the available funds were thirteen million, they estimated one million rupiah for one work program, this was clarified again by NA when the researcher asked to check the conclusions made by the researcher. Where NA said that they presented the thirteen work programs in front of the Vice Dean for Student Affairs and his assistants and also to the Deputy for Finance. Then NA closed the explanation with a sentence stating that "so, the term is appropriate, we don't overlook it, we don't reduce it." The statement was accompanied by a thin smiling facial expression and a gaze that wanted to convince the researcher to understand the meaning of the action.

From the explanation of NA, the researcher then concluded that it was during these workshops that the actors were indicated to choose to practice Creative Accounting.

This was also supported by a statement from RJ in this research, which said that in preparing their accountability report, they already had a draft containing the Operational Standards from the Faculty. They compiled the draft based on information obtained during the Workshop, the draft was used as a guide for playing "safe". Delivered on Monday, April 1, 2019.

Furthermore, when the researcher entered into a more serious and in-depth discussion with the three informants at different times and places, the researcher found a purpose that underlies the practice. Where both NA, KY, and RJ explained that they did Creative Accounting to get their rights. This then changed the viewpoint of researchers who initially thought that they carried out these practices as one of the "options" to achieve their goals.

One example was when the interview took place on March 13, 2019, NA several times emphasized the reasons for their actions. Like when researchers want to ask who the people who compiled the Accountability Report are. NA said that:

"No, you asked who it was, right? From year to year, the elected chairman and representatives want the treasurer and finance division from accounting people. But the reality is that sometimes before ... in my year with the finance division, I was from an accounting person who understood basic money right. But before, there were many people from management as well as from development that they didn't really understand, didn't really have the basics, but they still carry out their duties for that reason, like we want to get our rights. We don't just use our basics

and knowledge for things like that. Being sued like that seems like it "

In the last sentence of the statement, NA again emphasized that they were doing Creative Accounting because they were being demanded like that. This explains that they actually have to take these actions in order to get full funding from the faculty. They call it a right to be fought for.

As an affirmation and also to answer the questions in this section, let's look at the following NA statement (still on the same day) when researchers ask about NA's opinion regarding the actions they took.

"..... Too bad ee, I think it's too much for us to do that. In fact, from what we have learned, the discipline of accounting is not like that, there is a code of ethics and various other things. It's just that again, sometimes it's like people who have been in BEM first, definitely say, we have to do this, like it or not it has to be like this so we can get our rights. With that reason again, so that we can get our rights".

Then the researcher interview with KY on April 1, 2019 also gave an answer that had the same meaning as NA when asked the same question, namely:

"... it's our responsibility no matter how we want to get our rights. We have to go that way ... "

An hour later on the same date and the same question as KY, RJ said:

"... But it must be done (with a firm tone of voice) because it seems like the need for the institution to get money from institutional funds and create an activity. So that the activity can run".

Based on the three statements, the researcher tries to understand the deepest awareness of NA, KY, and RJ who feel that they are forced and indeed have to make a decision to practice Creative Accounting as a Grand Strategy to fight for their rights, even if it is against their inner self. Therefore, the answer to the subtitles of this section is, Creative Accounting is an option that must be made. It is a choice, because the actors are actually faced with the choice to fight for rights or not. And when they choose to fight for their rights, Creative Accounting becomes a must.

4.2 "Gray War Area": Substance vs Form

After determining the strategy to be used, getting to know the arena of war is something that should not be missed. At this stage the "warriors" must know what kind of battlefield they will face and understand the conditions that will be faced.

Let's start by looking at the shape of the battlefield that will be faced first, based on the statement from the second informant to the researcher when asked about the feelings felt by KY

when they compiled an accountability report with Creative Accounting practices, the informant then answered: "It's not actually true that if we turn back again it is actually a sin, but it is a demand from above, that is our responsibility. Like someone who asks us to do that, in fact if we don't want it we can't either, that's our responsibility no matter how we want to get our rights. We have to go through that way, actually we can't blame people, we can't blame us either, so it's like we just follow the rules "

From this statement, the researcher understands the situation that has to be faced by KY, where KY feels that what they are doing is the wrong thing, but it still has to be done to fight for their rights.

RJ, who the researcher interviewed on the same day as KY, namely Monday, April 1, 2019, also felt the same way where he said that what they faced was a gray area in this case they were dealing with something uncertain, he said that in a disciplined manner The science of accounting that they are working on, the practice seems unethical to do, but the theory they learn in class is inversely proportional to the reality if they are to get a lot of funds. RJ again emphasized his explanation when the researchers concluded that the conditions they were facing were between right or wrong, He said: "Ha'aa, but even though I said it was wrong but from the other side told me to think it was right, so just follow it."

Based on the description above, the researcher concludes that the "warriors" were faced with the form of a gray battlefield, where their actions were completely dependent on orders from the Faculty. They are unable to define the correctness of their actions. Between right or wrong, sin or not, it doesn't matter as long as their Rights are fulfilled.

Next, let's look at the conditions on the gray battlefield. Still on the same date, KY said that the contents of the accountability report that they made did not become a concern of the Faculty finance department, according to him, only notes and absences were paid attention by the Faculty finance department.

This provides a description of the conditions that occur in the field, where the form or form is always more interesting than the content or substance of the accountability report made. The regulations that are made emphasize the adequacy of evidence for the implementation of an activity, but ignore the output generated from the activity. Even though every activity carried out should be able to provide good output for the organization, and achieve the basic objectives of financing the Student organization.

In the world of accounting, we know the term substance over form, which is an accounting principle which recognizes that information is

intended to fairly present transactions and other events that should be presented, so these transactions or other events need to be recorded and presented in accordance with the substance and economic reality, and not only. aspects of the formality. However, in reality an accountability report is carried out only as a formality without paying attention to the reality.

The researcher named this condition Substance versus Form, this is because in reality the substance and form of formality are like two things that cannot go hand in hand and one of them must be chosen. And the form of formality has so far become the favorite choice of accounting actors. This condition eventually led student organizations to practice Creative Accounting. This is illustrated by RJ's leveling on April 1, 2019 when researchers asked about regulations that should be established, the informant said that: "Aa, if from me I mean something like this, like an example note, if he doesn't have a complete stamp, his signature shouldn't be too much like making a rule if it's a complete stamp, signature. Because in reality, when we want to buy goods or whatever, sometimes they just give us a signature or just give a stamp, there's no point or anything. So, we do it again, it's like we add the name, or whatever, that's why the rules there must be like that if you want to stick a note.

From this explanation, the researcher can understand how the demands for formality eventually force the existing reality to follow the applicable regulations.

5. Conclusion

Based on the discussion presented by previous researchers, we can clearly see the form of Creative Accounting practice and understand this practice through the ethnomethodological microscope used by researchers not only as an analytical tool but also a theory in this study.

From the ethnomethodological microscope, the researcher can understand that the practice of Creative Accounting in student activity units is like a battlefield that makes this practice a strategy that must be taken to get a full budget from the Faculty even though it puts the perpetrators in a war against their own minds.

The lack of clarity in regulations and conditions that demand the reality of following the rules makes the management of student organizations to practice Creative Accounting as tactics to stay safe, in this case the needs of the institution are still 100% fulfilled.

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