

Analysis of Audit Findings Related to Concession Receivables: Case Study

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Abstrak

Penelitian ini bertujuan untuk menganalisis temuan audit terkait dengan piutang konsesi untuk pelayanan jasa kebandarudaraan di Kementerian Perhubungan. Perbedaan penelitian ini dengan penelitian sebelumnya adalah terletak pada objek penelitian, tahun penelitian, dan tempat dilakukannya penelitian. Dalam menganalisis tindak lanjut temuan audit, penulis menggunakan penelitian kualitatif dengan metode studi kasus untuk menggambarkan bagaimana dan mengapa piutang konsesi untuk pelayanan jasa kebandarudaraan menjadi temuan audit selama tiga tahun di Kementerian Perhubungan. Informan yang dipilih ditentukan secara purposif. Partisipan dalam penelitian ini adalah Inspektorat Jenderal, Biro Keuangan, dan Bagian Keuangan Direktorat Jenderal Perhubungan Udara, Kementerian Perhubungan dan aparatur PT Angkasa Pura I dan PT Angkasa Pura II yang berkaitan dengan konsesi layanan bandara. Jumlah informan pada penelitian ini sebanyak 5 orang.

Hasil penelitian ini menggambarkan bahwa pengelolaan penerimaan negara bukan pajak dari Konsesi atas Pelayanan Jasa Kebandarudaraan di Direktorat Jenderal Perhubungan Udara belum memadai. Permasalahan yang terjadi dibalik temuan audit yang terkait dengan piutang konsesi adalah kurang adanya penegasan terkait dengan berlakunya perjanjian dan mekanisme rekonsiliasi pendapatan konsesi. Sehingga, menimbulkan perbedaan interpretasi mengenai mulai berlakunya konsesi dan ketidakjelasan mengenai mekanisme rekonsiliasi data pendapatan konsesi. Kemudian, hak dan kewajiban para pihak belum terpenuhi. Tindak lanjut atas temuan audit telah berjalan dengan baik namun, belum sepenuhnya sesuai dengan rekomendasi BPK. Upaya yang telah dilakukan untuk menyelesaikan tindak lanjut temuan audit meliputi: (1) Berkoordinasi dengan PT Angkasa Pura I (Persero) dan PT Angkasa Pura II (Persero) untuk membahas mulai berlakunya konsesi dan mekanisme rekonsiliasi atas pendapatan konsesi; (2) PT Angkasa Pura I (persero) dan PT Angkasa Pura II (Persero) telah membayar hutang konsesi untuk tahun 2016. Namun, penyelesaian tindak lanjut temuan audit ini mengalami kendala yaitu menunggu disepakatinya perjanjian konsesi baru. Akibatnya, pembayaran piutang konsesi untuk tahun 2017 dan 2018 tertunda. Oleh karena itu, solusi yang tepat adalah berkoordinasi lebih lanjut berkenaan dengan menyelesaikan temuan audit dari piutang konsesi dengan menandatangani perjanjian konsesi baru dan menagih piutang konsesi untuk tahun 2017 dan 2018 kepada PT Angkasa Pura I (Persero) dan PT Angkasa Pura II (Persero). Hal ini dilakukan sebagai upaya untuk mengoptimalkan pengelolaan penerimaan negara bukan pajak dari Kementerian Perhubungan.

Keywords: Laporan Keuangan Pemerintah, Piutang Konsesi, Temuan Audit, Tindak Lanjut Temuan Audit

1. INTRODUCTION

The development of the transportation sector is one part of efforts to realize the vision and mission of President Joko Widodo in 2014-2019. Meanwhile, to realize this development, the Ministry of Transportation responsible for developing transportation for the frontier, isolated, and disaster-prone areas. Through transportation infrastructure, the wheels of the economy will continue to move and have an impact on economic growth and equitable development. The development has a strategic role as a liaison for economic, political, and social-cultural distribution. Because the existence of transportation can strengthen, advance, and open economic opportunities for the prosperity of the community.

Good and clean governance in public organizations is a determining factor in the implementation of government activities. The government's concerns to implement good and clean governance has been marked by the enactment of Presidential Regulation of the Republic of Indonesia Number 81 of 2010 concerning the Grand Design of Bureaucratic Reform, which is the basis of government units in conducting bureaucratic reforms to realize clean and good governance to provide satisfying service to the public. In addition, it is expected to create transparency and accountability of public organizations. Every head of a public organization is required to submit a budget accountability report in the form of financial statement.

However, according to the BPK in suara.com, there are seven audit findings on the internal control system and compliance with Ministries/Institutions in Indonesia. One of the findings is the Non-Tax State Revenue (PNBP) receivables. Non-tax state revenue is one of the recognized sources of state revenue that still has problems and weaknesses in its management. Based on an audit of Central Government Financial Statements of 2017 received by Kompas.com, it states that non-tax state revenue management in 35 Ministries/Institutions with a minimum of Rp 1.25 trillion and management of accounts receivable in 18 Ministries/Institutions with a minimum of Rp 3.31 trillion, is not appropriate provisions. This indicates that the non-tax state revenue receivables need special attention.

The following is Table 1. Ministry/Institution contribution to Non-Tax State Revenue in 2017. The data illustrates that the Ministry of Transportation is the second-largest contributor to non-tax state revenue after the Ministry of Communication and Information. This has implications for supporting the development of transportation infrastructure planned by the government to run well. Therefore, optimization of non-tax state revenue is needed so that the management of state finances can be utilized for the welfare of the community and equitable national development in Indonesia.

Table 1. Ministry/Institution Contribution to Non-Tax State Revenue 2017

No	Ministry/Institution	Non-Tax State Revenue
1	Communication and Informatics	Rp 14 billion
2	Transportation	Rp 9.6 billion
3	Indonesian National Police	Rp 8.5 billion
4	Defense	Rp 4.8 billion
5	Research, Technology, and Higher Education	Rp 3.1 billion
6	Justice and Human Rights	Rp 2.9 billion
7	Agrarian and Spatial Planning	Rp 2.3 billion

Source: Ministry of Finance, 2017

The Ministry of Transportation, especially the Directorate General of Civil Aviation, was chosen as the object of this study because based on the data available in table 2 and table 3, it shows that the realization of non-tax state revenue has not reached the expected target. This shows that there are still a lot of non-tax state revenue receivables that have not been paid to the state treasury from the transportation sector. An effective strategy is needed to be able to optimize non-tax state revenue to the specified target.

Table 2. Target and Realization of Non-Tax State Revenue, Ministry of Transportation in the 2016-2018

	2016	2017	2018
Target	Rp 9.8 T	Rp 10.6 T	Rp 9.0 T
Realization	Rp 6.6 T	Rp 7.3 T	Rp 8.2 T

Source: Ministry of Transportation, 2019

Table 3. Development of Targets and Realization of Non-tax State Revenue in

	2016	2017	2018
Target	Rp 2.1 T	Rp 2.2 T	Rp 1.8 T
Realization	Rp 1.2 T	Rp 1.4 T	Rp 1.4 T

Source:

Ministry of Transportation, 2019

According to the audit report by the BPK, there are repeated audit findings, as presented in table 4. The Ministry of Transportation has not been able to collect concession receivable from 2016-2018. This concession occurs because of agreement between the Directorate General of Civil Aviation with PT Angkasa Pura I and PT Angkasa Pura II made on December 15 of 2015, concerning Airport Services. This is stated in the Concession Agreement between the DBU and PT Angkasa Pura I Number HK.201.2/8/DRJU.KUM-2015, and PT Angkasa Pura II Number HK.202/2/6/DRJU.KUM-2015. These concession receivables have always been findings from year to year.

Table 4. Audit Findings in the 2016 – 2018 Ministry of Transportation

Years	Audit Findings
2017	Concession Receivables for Airport Services in 2016
2018	Concession Receivables for Airport Services in 2017
2019	Concession Receivables for Airport Services in 2018

Source: Overview of Audit Result, Ministry of Transportation in 2016-2018

The problems that occur related to audit findings indicate that there is weak financial management. Weak management of the Ministry of Transportation can reduce the level of public trust. Thus, to get an opinion of financial statements that are getting better, the number of findings must be minimized.

Begin with the financial audit of these findings, BPK gave recommendations for further action by the institution. This aims to reduce problems and findings in the following years. Thus, the researcher is interested to find out and identify what problems exist between the Ministry of Transportation, PT AP I, and PT AP II regarding the airport service concession. Then, this research will explain about progress on audit findings related to airport service concession receivables from PT AP I and PT AP II. Furthermore, the obstacles faced when collecting concession receivables and develop strategies that need to be taken to resolve this problem and to improve the quality of financial statements.

This research is important to be able to provide suggestions for the Ministry of Transportation in supporting clean and good governance in terms of improvements to follow-up the audit findings. Improvements are expected to reduce or even eliminate similar findings. Completion of audit findings related to concession receivables is expected to increase revenues for the Ministry of Transportation. Meanwhile, this implies that infrastructure development related to transportation and services to the community will run well and public trust will also increase.

Places and objects used in this study are different from previous research. The place that conducted in the previous research is mostly at local government and the object of the previous research are factors that affecting the opinion given by BPK and the audit finding related with fixed asset. Meanwhile, this research will conduct at central government's institution and stated-owned enterprises (BUMN), especially at the Ministry of Transportation, PT Angkasa Pura I, and PT Angkasa Pura II and analyze the audit finding related with concession receivables.

2. ITERATURE REVIEW

2.1 Stakeholder Theory

Stakeholder theory is a theory that describes which parties the organization is responsible for. Edward Freeman (1984) is the originator of this theory claim that the organizations must maintain relationships with their stakeholders by accommodating their wants and needs. Provide information about the activities of organizations that affect them (Putri, 2019). However, the survival of the organization is influenced by

stakeholders. In this study, stakeholder theory can be described the relationship between the Ministry of Transportation (organization) and their stakeholders. The Ministry of Transportation needs to maintain stakeholder legitimacy and put it within the framework of policy and decision making thus, it can support the achievement of organization's goals, which is business stability and going concern guarantee (Adam, in Nor Hadi, 2011). This relationship also have an impact on the quality of financial statements. However, the quality of the Ministry of Transportation's financial statement affects and is influenced by stakeholders.

2.2 Agency Theory

Jensen and Meckling (1976) who reveal this theory state that agency theory is a theory that the basis of business practices in the company. According to Agustawan (2018), agency theory occurs when there is a nexus of a contract between the party giving the authority to perform services with the party receiving the authority (agent) and making the best decision for the principal.

Public organizations in Indonesia have applied agency theory. The government acts as an agent given authority by the community (principal) to be responsible for the management of resources that have been mandated through financial statements. The implication of this theory can lead to positive things that are efficiency or negative thing, that are opportunistic behavior. According to Sudarsana and Rahardjo (2013), the separation of ownership of the principal and control by agents in the organization tends to cause conflict between them. However, the agent is responsible for optimizing the principal's benefits but on the other hand, management also has the interest of maximizing their own welfare (self-interest).

If management tends to act for personal interests and not to maximize the interests of the principal, agency costs will arise. Agency costs are defined as costs incurred by the principal to supervise the agent. Jensen and Meckling (1976) divided three types of agency cost: monitoring cost, bonding cost, and residual loss. Monitoring cost means costs to monitoring, measuring, observing and controlling agent behavior. Bonding cost incurred by management (agents) to be able to comply and establish mechanisms that want to show that the agent has behaved in accordance with the interests of the principal. Meanwhile, residual loss costs incurred due to decreased principal welfare as a result of differences in agent decisions and principal decisions.

Based on the explanation above, in this study the Ministry of Transportation as the principal and PT AP I and PT AP II as agents. According to this theory, conflicts can arise if their interests are different. Because, the position, function, condition and situation, purpose, background, and desire of the Ministry of Transportation can be different from PT AP I and PT AP II. Therefore, the agency problems occur.

Information asymmetry can trigger agency problems. The information referred is summarized in the financial statements. Meanwhile, calculations to calculate the amount of concessions paid to the Ministry of Transportation can be seen from the financial statements of PT AP I and PT AP II. Agents may give incorrect information to the principal. Principal ignorance provides an opportunity for agents to manipulate financial statements for their own benefit. Therefore, agency costs will occur.

It is almost impossible to have zero agency costs to guarantee that PT Angkasa Pura will provide optimal information due to differences in interests between them. Therefore, PT Angkasa Pura issued a bonding cost to convince the principal (Ministry of

Transportation) that the financial information provided by them was correct. This bonding cost is issued to audit the financial statements by Public Accounting Firm which will be submitted to the Ministry of Transportation in accordance with the concession agreement.

This study uses agency theory as a solution to overcome agency problem. The function of this theory is to analyze and find solutions to problems that exist in the agency relationship between the principal and agent. Agency theory has several benefits that can support this research. First, evaluate the results of the employment contract between the principal (Ministry of Transportation) and the agent (PT AP I and PT AP II). Whether the cooperation contract has proceeded. Second, increasing the ability of both principals and agents in evaluating the conditions under which a decision must be taken. Therefore, the cooperation contract must be drawn up clearly. An optimal employment relationship contract is a fairness work contract.

2.3 New Public Service (NPS)

The New Public Service is a new paradigm that emphasizes revitalizing the position of the community as citizens who have the right to be served. Improving public services is a long-term policy to realize a bureaucratic concept that is desired by the community as the main right holder of the public service itself. Therefore, the need for special standards for public services to guarantee success in its application.

Based on the explanation above states that community service is important and needs to be considered by the government. According to Nurlaela and Andriani (2018), the impact of the application of NPS in Indonesia is the awareness in the actual role of the state. This can be seen from the bottom up of public policies, the decision making flow is determined from the lowest level of the structure of society, which then becomes the basis for the top structure decisions. Therefore, public services need to be supported by work culture, organizational commitment, and the public as service recipients.

2.4 Central Government Financial Report

The financial statements of public sector organizations are an important component of creating public sector accountability. The increasing demands on the implementation of public accountability have implications for public sector management to provide information to the public, which is accounting information of financial statements.

According to the description above, it can be concluded that in essence, the financial statements are the final results or outputs of the accounting process. These financial statements are used as information material for the users as one of the materials in the decision-making process. Besides these financial statements can also illustrate the success of an entity in achieving its objectives.

2.5 Government Accounting Standard

In order to create good governance, the Government of Indonesia continues to make various efforts to increase transparency and accountability in the management of the country's finances. Therefore, it is necessary to develop a Government Accounting Policy in the form of SAP which aims to provide basic guidelines in preparing and presenting government financial reports to both the central and regional governments.

The provisions in Law Number 17 of 2003 article 36 paragraph (1) concerning State Finance mandate the use of an accrual basis in the recognition and measurement of income and expenditure, which reads as follows: provisions regarding the recognition and measurement of accrual-based income and expenditure as referred to in article 1 number 13, 14, 15, and 16 of this law shall be implemented not more than 5 years. To implement these provisions, KSAP has compiled an Accrual Based SAP which was established with Government Regulation number 71 of 2010.

According to Watubun, Made, and Yogivaria (2015), states that the change from the cash basis to the accrual basis has a big influence on the financial reporting system in Indonesia. This change in basis is not only mandated by the State Finance Law package, but is also expected to be able to provide a complete picture of the financial position, present real information about rights and obligations, and can be used for evaluating performance. It is hoped that this standard can be used as a communication tool between the government and stakeholders to create transparent and accountable financial management.

2.6 Audit of the State Financial Statements

Audit of Government Financial Statements must be carried out by an independent institution. According to Article 23E of the 1945 Constitution, the BPK was formed to examine responsibilities regarding state finances, the regulations of which have been established by law. The audit of the management and responsibility of state finances carried out by the BPK and the purpose is to create a government that clean and free of corruption, collusion, and nepotism.

In general, auditing financial statements consists of three types, such as financial audits, performance audits, and audits with specific objectives. First, a financial audit is an audit of the financial statements of the central government and regional governments. The aim is to provide reasonable assurance and opinion statements about the fairness of the information presented in the government's financial statements. Furthermore, the second type of audit is self-development of financial audits called as performance audits. This type of audit is an examination of the economic, efficient, and effectiveness aspects that are carried out for the benefit of management by the government internal control apparatus. The purpose of this audit is to identify matters that need attention from the representative body. Furthermore, the final type of audit is an audit with a specific purpose. The audit is carried out with a special purpose, outside of financial audits and performance checks. In order to guarantee the quality of the results of state financial audits, the examination needs to be carried out based on an inspection standard.

Based on the explanation above, the standard can be used is the Standards of State Financial Examination (SPKN). This is important to be a guideline in conducting audits of the management and responsibility of state finances. The standard was prepared by BPK by considering standards in the international audit profession.

This audit of State Financial has benefits. Encourage BPK to achieve the country's goals in several ways. According to BPK RI Regulation No. 1 of 2017, it explains how to achieve the country's goals through the audit of the country's financial statements. First, present the results of the audit in which there are independent, objective, and reliable conclusions based on sufficient and appropriate evidence. Second, strengthening efforts to eradicate corruption by submitting findings that indicate criminal acts and/or losses to the management of state finances for further action. Third, increase accountability,

transparency, economics, efficiency, and effectiveness in the management and responsibility of state finances. Fourth, increasing compliance with management and accountability of state finances with statutory provisions. Fifth, increase the effectiveness of the role of the Government Internal Oversight Apparatus. Lastly, increasing public confidence in the BPK audit results.

2.7 Airport Service Concession

In general, concessions are applied to various sectors, not only for mine opening and logging. Then, the sector that uses concessions is the aviation sector. In that sector, concessions for airport services were based on the Ministry of Transportation Regulation PM Number 193 of 2015 replace the Ministry of Transportation Regulation PM Number 43 of 2015, Law number 1 of 2009 for article 232 paragraph (1) and article 235 paragraph (1). Based on these regulations, concessions were defined as granting rights by the Central Government to Airport Business Entities to carry out certain airport provision services and/or business activities in the term certain time and certain compensation. Meanwhile, Airport Business Entities (Badan Usaha Bandar Udara/BUBU) is state-owned enterprises, regions in the form of limited companies or cooperatives that operate airports for public services as the main activity. Then, the definition of airport services is service given to airport service user for conduct supply/management activities at certain airports, within a certain period and compensation. The object of concession of PT Angkasa Pura I (Persero) consist of: PJP4U (Plane Landing and Storage Landing Services); PJP2U (Aircraft Passenger Services); Aviobridge usage; Check-in Counter usage; Warehousing + JKP2U Airplane cargo and postal services. Meanwhile, the object of concession of PT Angkasa Pura II (Persero) consist of: Passanger services; Landing services; Counter usage; Aviobridge usage; Cargo Service Charge/ JKP2U (Airplane cargo and postal) services.

Legal basis of concession agreement between the Central Government in Airport Services with PT Angkasa Pura I and PT Angkasa Pura II, in order to:

1. Concession Agreement between the Directorate General of Civil Aviation with PT AP I (Persero) regarding Airport Services Number HK.201.2/8/DRJU.KUM-2015; Number SP.333/HK.06.03/2015/DU dated December 15 of 2015; and
2. Concession Agreement between the Directorate General of Civil Aviation and PT AP I (Persero) regarding Airport Services Number HK.202/2/6/DRJU.KUM-2015; Number PJJ.04.04/00.02/12/2015/0025 dated December 15 of 2015.

Based on the agreement, the amount of concession revenue received by the Directorate General of Civil Aviation is 2.5% of annual Airport Services revenue after an audit of the Public Accountant Office which is carried out not more than April of the following year.

3. RESEARCH METHODOLOGY

The research method used in this study is a qualitative approach with case study method. According to Sekaran and Bougie (2016: 98) states that the purpose of a case study is to get a clear picture of an issue, examine real-life situations from various angles and perspectives using various data collection methods. Data sources used in this study are primary and secondary data. While, data collection techniques uses in-dept interview, observation, and document studies. The data analysis technique use in this study are data reduction, data display, and conclusion drawing and verification. In the process of data analysis, researchers are guided by data analysis according to Creswell (2014), which

starts with preparing and organizing data from the results of interviews, observations, and document review. Reduce the data and classify them according to each theme by coding. Last step is present the data in the form of a discussion.

4. DISCUSSION

4.1. The Problems have occurred related to Airport Service Concession Agreement between the Ministry of Transportation with PT Angkasa Pura I (Persero) and PT Angkasa Pura II (Persero)

According to the results of research conducted it is known that there are problems in the implementation of the concession agreement between the Directorate General of Civil Aviation with PT Angkasa Pura I and PT Angkasa Pura II which causes the management of non-tax state revenue of airport concession services at the Directorate General of Civil Aviation inadequate as follows:

- a. The absence of a provisions governing the mechanism for reconciliation of concession revenues for Airport Services in the Concession Agreement agreed by the Directorate General of Civil Aviation with PT Angkasa Pura I (Persero) and PT Angkasa Pura II (Persero);

Based on the analysis data it is known that the airport services concession agreement between the Directorate General of Civil Aviation with PT Angkasa Pura I and PT Angkasa Pura II has not set the mechanism for reconciliation of concession services revenue. Reconciliation of concession revenue for airport services is important. Furthermore, reconciliation is the process of matching data from the same source document. Therefore, a reconciliation mechanism for concession revenue is needed to produce functions or activities to achieve the expected goals.

- b. The difference opinion between the Directorate General of Civil Aviation and PT Angkasa Pura (Persero) related with the enactment of the concession;

Based on research conducted by triangulating the results of interviews and supporting documents, there are differences in understanding between the Directorate General of Civil Aviation with PT Angkasa Pura I and PT Angkasa Pura II related to the enactment of the concession agreement. The Directorate General of Civil Aviation stipulates the beginning of the concession since PT AP I and PT AP II established as Airport Business Entity Licenses on December 9, 2014. While PT AP I and PT AP II opinion is that the calculation of airport services concession revenue starts on December 15, 2015, which is the date after signing the agreement. Therefore, it will cause information asymmetry between the parties. Information asymmetry will cause problems.

- c. The rights and obligations of the parties have not been implemented according to the agreement

The concession agreement between the Directorate General of Civil Aviation with PT Angkasa Pura I and PT Angkasa Pura II was signed on December 15 of 2015. Since that date the agreement should have been binding for both parties, thus rights and obligations must be implemented in accordance with the agreement. However, there are rights that have not been received by the Directorate General of Civil Aviation, such as receiving concession payments for 2016-2018 that already due.

In conclusion, as a result of the problems above, the concession revenue from PT Angkasa Pura I (Persero) and PT Angkasa Pura II (Persero) was delayed by the Directorate General of Civil Aviation.

4.2 The Follow-up on Audit Findings related to Airport Services Concession Receivables with PT Angkasa Pura I (Persero) and PT Angkasa Pura II (Persero)

Completion of the follow-up recommendations of the audit by the Ministry of Transportation showed a quiet good development. Follow-up the audit can encourage the creation of a good government and for improvement over the administration and central financial management in the Ministry of Transportation. According to Essing et.al (2017) states that follow up on the audit functions as a process of determining the adequacy, effectiveness, and timeliness of corrective actions taken by management against the recommendations of reported audit findings. Including the findings obtained by auditor whether internal and external. However, this is beneficial to increase income from returning state losses caused, improving, and providing education to comply with applicable regulations.

Based on the results of interview with informants, observation, and document studies shows the stages of follow-up the audit result monitoring are as follows:

- a. Receive Audit Reports by BPK;
- b. Make an action plan;
- c. Inventory of BPK audit findings;
- d. Conduct data discussion / update meetings;
- e. Recapitulation of the results of follow-up and make a follow-up audit findings list;
- f. Submit follow-up to audit results to BPK; and
- g. Making the Minutes of the Settlement of Follow-Up Findings on the Results of the Audit Audit.

Follow-up monitoring of audit results (TLRHP) is an activity done systematically by the BPK to determine that officials have done the audit results recommendations within a predetermined grace period. The results of the follow-up can be classified as: In accordance with Recommendation, Not Appropriate with Recommendation, Not Followed-up, and Can't Follow-up.

Furthermore, follow-up progress of audit finding related to concession receivables for airport services at the Directorate General of Civil Aviation in 2017 until first semester of 2020 as follows:

- a. Discussion of new concession agreement concepts;
 - 1) Coordinating with PT Angkasa Pura I (Persero) and PT Angkasa Pura II (Persero) to further discuss the concept of a new concession agreement, where the points of change to be discussed include the mechanism for reconciliation of concession revenue, the begin to be applied effectively of the concession agreementThe Directorate General of Civil Aviation through the Airport Directorate work unit has reconciled non-tax state revenue of airport service concession with PT Angkasa Pura I and PT Angkasa Pura II. However, the discussion has not reached the solution. For this matter, the Airport Directorate Work Unit will have re-reconciliation with PT Angkasa Pura I and PT Angkasa Pura II.
Further, discussion related to the enactment of the concession. The Airport Directorate stipulates the enactment of the concession since PT Angkasa Pura I and PT Angkasa Pura II are designated as Airport Business Entities. On the contrary, PT Angkasa Pura I and PT Angkasa Pura II argue that it has been calculated since December 15 of 2015. For this matter, considering that a new concession agreement

will be processed, PT Angkasa Pura II proposes that the date on which the concession begin to be imposed is January 1, 2016.

- b. Conduct billing to PT Angkasa Pura I (Persero) and PT Angkasa Pura II (Persero) Concession Revenues for Airport Services for 2017 and 2018 which are due date; The Directorate General of Civil Aviation through the work unit of the Airport Directorate has the potential for concession services revenues in 2016-2018 that have not been collected yet. Potential revenues are obtained through Concession Agreements with PT Angkasa Pura I and PT Angkasa Pura II with the following details: However, the Concession Revenue of 2016, PT Angkasa Pura I has paid the concession payment to the Directorate General of Civil Aviation in November 2019 while PT Angkasa Pura II made the installment in February 2019 and paid full in February 2020. This cannot be separated from the role of the Corruption Eradication Commission (KPK) in following up on audit findings related to concession receivables for airport services. Holding a meeting attended by the Ministry of Transportation's Secretariat General, Directorate General of Civil Aviation, Inspectorate General, Airport Directorate, PT Angkasa Pura I, PT Angkasa Pura II, and representatives from the Corruption Eradication Commission.

For the concession revenue bills of 2017 and 2018, the Airport Directorate has also made invoices to PT Angkasa Pura I and PT Angkasa Pura II even though until now the payment has not been realized because a new concession agreement has not been signed which is used as the basis for concession payments by PT Angkasa Pura I and PT Angkasa Pura II.

The conclusion is that the role of BPK is important to reduce agency roblem between agent and principal. From the explanation above, the progress of follow-up audit finding can be relate with agency theory. The relation with agency theory by Tandiontong (2015) which states that the need for an independent auditor's service to overcome agency problems between agents and principals, they can be an intermediary between the two parties. The presence of auditors can help reduce information asymmetry. The magnitude of the benefits derived from the audit work does not located in the reported audit findings or recommendations made but located in the effectiveness of the resolution pursued by the entity examined. The management of the entity examined is responsible for following up on the recommendations and creating and maintaining an information system and process that monitors the status of follow-up on the auditor's recommendations.

4.3 The Obstacles encountered when Collecting Concession Receivables related to Airport Services to PT Angkasa Pura I (Persero) and PT Angkasa Pura II (Persero)

The activity to handle the follow-up findings is an effort to complete the follow-up on the recommendations listed in audit finding by BPK-RI. In the process of completing the follow-up of the audit findings, the Minister of Transportation as the top leader must have a strong commitment to the results of the audit and an understanding of the importance of inspection activities. Handling the follow-up is beneficial to improve the performance of the Ministry of Transportation. However, various problems and obstacles occur when the completion of the follow-up audit results existed.

The main obstacle experienced is the new concession agreement still in the process of discussion. Consequently, payment of concession obligations from PT Angkasa Pura I and PT Angkasa Pura II delayed. Therefore, further efforts are needed to discuss

the new concession agreement so that it becomes the basis for PT Angkasa Pura I and PT Angkasa Pura II to pay obligations that have not been fulfilled yet.

4.4 Solutions can be applied to overcome the Problem of Concession Receivables and Improve the Quality of Government Financial Report

The solution for handling the follow-up of the audit finding is an effort to complete the follow-up on the recommendations listed in audit finding by BPK. Solutions that can be applied by the Directorate General of Civil Aviation in following up on audit findings related to airport service concession receivables, consist of:

- a. Perform strategic action in order to realize the Concession Agreement with PT Angkasa Pura I and PT Angkasa Pura II according to the provisions.

Based on the data analysis, the strategic action that can be taken is to immediately process the completion of the new concession agreement. If a new concession agreement has been agreed, then the different perceptions and technicalities of the implementation of the concession agreement will be clearer in accordance with the agreement within the parties. Furthermore, the rights and obligations must be fulfilled by the parties concerned. Instance, PT Angkasa Pura I and PT Angkasa Pura II are required to pay concession debts for 2016 and 2017 to the Ministry of Transportation. Therefore, the Ministry of Transportation's right is to receive payment of the amount of the concession.

- b. Conduct billing to PT Angkasa Pura I (Persero) and PT Angkasa Pura II (Persero) Concession revenues for Airport Services in 2017-2018 that are due to be paid to the state treasury

Concession billing is a series of actions that the user of the concession right repays its debt. In this case, the concession users are PT Angkasa Pura I and PT Angkasa Pura II. For this matter, the work-unit of the Airport Directorate already gives a warning letter to PT Angkasa Pura I and PT Angkasa Pura II because they have not complied with payment obligations for 2017 and 2018 which already due. Therefore, a new concession agreement must be signed immediately so that billing can be done as soon as possible.

Based on the solution above, it is expected that there will be significant developments in following up on audit findings related to concession receivables for airport services at the Ministry of Transportation. Setyaningrum (2015) states that more audit findings in the past period indicate that the quality of financial statements is still low. The good quality of financial statements is reflected in the increasingly high level of financial statement disclosure. Following up on audit findings can also improve the quality of financial statements to maintain an unqualified opinion.

The quality of the audit report will be good if the audited organization perform the recommendation. In this study, the completion of the follow-up on audit findings is the responsibility of the Ministry of Transportation to fulfill the public financial accountability. Therefore, the action to follow up on audit findings can be useful to create accountability in the government audit process.

The statement above is in line with the stakeholder theory. Where financial statements are the way to manage the stakeholders' trust. Social relations are responsibility and accountability. The Ministry of Transportation needs to maintain stakeholder legitimacy and put it within the policy and decision making framework so it can support the achievement of objectives.

5. Conclusion, Implication, and Limitation

5.1. Conclusion

The purpose of this research are to analyze the problem faced by, the follow up had by, the obstacle that have been experienced, and the effective solution should have by the Ministry of Transportation. The following are brief summaries that can be presented as follows.

The problems faced related to airport service concession agreement between the Ministry of Transportation and PT Angkasa Pura I (Persero) and PT Angkasa Pura II (Persero) are the absence of provisions governing the mechanism of reconciliation, differences of opinion related to the enactment of the concession, and the implementation of the rights and obligations of the parties have not according to the agreement. Therefore, late acceptance of PT Angkasa Pura I (Persero) and PT Angkasa Pura II (Persero) concessions by the Directorate General of Civil Aviation.

The follow up had by the Ministry of Transportation was quiet good. For instance, elaborating the concept of a new Concession Agreement and conduct billing to PT Angkasa Pura I (Persero) and PT Angkasa Pura II (Persero) Concession Revenues for Airport Services for 2017 and 2018 which already due date. Until this research is conducted, PT Angkasa Pura I (Persero) and PT Angkasa Pura II (Persero) had paid off the concession debt in 2016.

The obstacle that have been experienced is new concession agreement still in the process of discussion. Therefore, payment of concession obligations from PT AP I and PT AP II has been delayed. Thus, furthers efforts are needed to discuss the new concession agreement so that it becomes the basis for PT AP I and PT AP II to pay obligations that haven't been fulfilled yet.

The effective solution that can be applied are divided into two. First, take strategic action thus the realization of the Concession Agreement with PT AP I and PT AP II can proceed according to the provisions. Then, collecting PT AP I and PT AP II concession revenues for Airport Services in 2017-2018 which are due to be deposited to the state treasury. The solution is expected to have significant development of the follow-up on audit findings related to concession receivables for airport services at the Ministry of Transportation.

5.2 Implication

Based on the conclusion above, the implications of this study are as follows:

- a. The Airport Directorate should immediately coordinate further with PT Angkasa Pura I (Persero) and PT Angkasa Pura II (Persero) to discuss the new concession agreement to be signed immediately;
- b. Accelerate the completion of the follow-up by taking strategic steps according to BPK's recommendations;
- c. The Ministry of Transportation needs to increase commitment in completing follow-up audit findings related to concession receivables for airport services;
- d. Monitor periodically by the Inspectorate General and discuss follow-up recommendations with BPK

5.3 Limitation

Limitations of this study are related to informants who should be involved. The beginning plan in this research was to involve the Airport Directorate and PT Angkasa Pura II (Persero). However, the Airport Directorate is less willing to conduct research related to audit findings, especially concession receivables. According to them, the research has a sensitive topic to discuss. Therefore, the researcher must substitute the DBU with the Secretariat General of Civil Aviation, the financial section especially the Non-Tax State Revenue sub-section as the informant. Further limitations, PT Angkasa Pura II (Persero) has not provided a response letter related to the time the research will be conducted at the institution, waiting for a line to be able to conduct research with an undetermined time, and the occurrence of a COVID-19 pandemic that resulted in an action further conducting research is hampered.

Recommendations or suggestions for further research are should play an active role in following up research permits at the agency you wish to be research for. Then, prepare an alternative if the informant planned is not willing to be included.

5.4 Sugesstion

Based on the results of this research, several problems were found relate to the follow-up of audit findings of concessions revenue for airport services that haven't been completed yet. Therefore, the researcher provides some suggestions for future improvements as follows:

- a. Airport Directorate, PT Angkasa Pura I (Persero), and / or PT Angkasa Pura II (Persero) are expected to coordinate more intensively in making new concession agreements so that problems do not arise in the future.
- b. The parties involved in the concession agreement must fulfill their rights and obligations in accordance with the provisions listed. If there are parties who violate, then it is necessary to give strict legal sanctions.

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