

Implementation of The Accountability Accounting System as a Tool For Cost Control Effectiveness in Public Companies in The Tirta Manuntung Balikpapan Area

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Abstract

The company has the goal of providing services to the community and also earning profits for the smooth operation of the company. To realize these goals, the company needs to carry out cost control, cost control, and accountability reporting from the bottom to the top of the unit. The implementation of accountability accounting can help managers in making decisions in the future. This study aims to test the implementation of accountability accounting mechanisms for the effectiveness of cost control in the Tirta Manuntung Balikpapan Regional Public Company. This study uses a comparative casual method with a quantitative approach. Data collection techniques with questionnaires. The sample selection was carried out on the basis of the variables used, namely 5 variables $\times$ 10, 50 respondents were obtained in this study. This study used multiple linear regression analysis and the data obtained was analyzed using IBM SPSS statistics 25 software. The results of this study show that all variables, namely organizational structure, planning and budget, implementation and reporting system have a positive and significant effect on cost control.

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Cost Control.

1. Introduction

The Regional Drinking Water Company (PDAM) is a Regionally Owned Enterprise Unit (BUMD) engaged in clean water management and the distribution or sale of clean water to the general public, which of course in the process of its activities are oriented to business interests, namely to obtain profits (profit oriented). However, on the other hand, it also still considers the aspect of social services (socially oriented) to the community. A dual mission, a manager of a Regional Drinking Water Company (PDAM) has a goal that he wants to achieve and strives from time to time to improve his performance. One of the efforts that can be made by a manager of a Regional Drinking Water Company to achieve his goals is to control costs, one of the strategies carried out in controlling these costs is the need to hold an accountability report from the bottom to the top of the unit. This is expected to help a manager in making decisions in the future (Mulyati et al., 2018). There are several factors that are suspected in this study to be able to affect cost control in a company, including the organizational structure is arranged so that the set of responsibilities and authorities of each organizational unit is more directed. Thus, a manager will easily coordinate the costs that will be incurred in the company's operational activities for each department (Risal & Wahyuni, 2019); budget planning can be used as a formulation of a company's plan for a certain period of time and used as a tool to control various operational activities of the Company; implementation In research Mahmud et al, (2021) stating the results that the implementation and control system with the application of accountability accounting has a significant influence on cost control, namely the better the implementation system, the better the cost control in a Company; and a reporting system that is indispensable because this reporting system is used by a manager to monitor and control managerial performance in carrying out his responsibilities in accordance with the set budget.

Based on data obtained from *PERUMDA Tirta Manuntung Balikpapan*, the realization of expenses has increased and the realization of revenue has decreased from what has been budgeted, as follows:

Table 1. Budget and Realization of Expenses and Revenues of PERUMDA Tirta Manuntung Balikpapan

Year	Estimated Load	Load Realization	Difference %	Estimated Revenue	Revenue Realization	Difference Rp
2019	263.057.009.709	279.922.081.329	6,4%	284.768.306.301	284.985.901.201	0%
2020	264.000.309.180	286.991.275.209	8,7%	285.770.225.001	282.999.850.902	-1%
2021	264.339.270.000	288.988.250.000	9,3%	286.231.777.200	281.622.064.166	-2%

Source: *Tirta Manuntung Balikpapan Regional Public Company*, 2023

From the data listed in the table above, it shows that the realization of expenses continues to increase every year. The cause of the increase in load realization is the increase in maintenance costs caused by frequent distribution pipeline leaks. So that this results in a lot of waste water debit losses due to the leak as well as an increase in maintenance costs or repair costs for the damaged distribution pipe. In addition, the realization of income has also decreased, The cause of the decline in income is caused by a decrease in the level of water production from year to year which is not proportional to the previously set water production budget. This has resulted in a decrease in water sales so that the company's income has also decreased and this also has an impact on the community. The following is the data on the budget and the realization of water production as follows:

**Table 2. Report on Budget and Water Production Realization of Public Company
Tirta Manuntung Balikpapan**

IPA Production		Production Budget			Production Realization		
		2019	2020	2021	2019	2020	2021
IPA. Gunung Sari	M ³	456.205	436.205	438.205	343.305	344.100	339.425
IPA. Kampung Damai	M ³	1.239.220	1.339.220	1.239.220	1.234.667	1.028.971	1.255.910
IPA. Batu Ampar	M ³	1.108.503	1.106.503	1.206.503	1.268.148	1.300.270	1.004.503
IPA. Jurisdiction	M ³	517.804	516.804	518.804	517.196	618.602	528.994
IPA. Compaction	M ³	166.071	140.071	136.071	121.953	139.890	120.958
IPA. KM 12	M ³	224.282	180.527	189.527	192.792	182.930	189.527
IPA. Baru Ulu	M ³	55.622	58.622	53.922	55.762	57.777	54.652
IPA. ZAM	M ³	27.748	19.440	18.250	22.115	19.580	19.330
Production Quantity		3.795.455	3.797.392	3.800.502	3.755.938	3.692.120	3.513.299

Source: Tirta Manuntung Balikpapan Regional Public Company, 2023

If this condition occurs continuously, it will result in the company's operational activities not running effectively and this will also have an impact on the provision of services to the community. Thus, companies need to carry out cost control to control the costs that will be incurred by the company. The company needs to implement an accountability accounting mechanism to control every responsibility contained in the department, with the implementation of the accountability accounting mechanism each department unit must be responsible for the implementation so that a manager can assess and measure the work performance for each unit of department in the company. So that it will make it easier for managers to make decisions in controlling existing costs, so that the company's goals can be achieved properly.

Research conducted by Setiyanto & Norafyana (2017) shows that all accountability accounting variables have a positive and significant influence on cost control. So that the implementation of high accountability accounting will make cost control controlled. Research conducted by Uluputty et al, (2021) This study shows that PT Bosowa Berlian Motor has not implemented adequate accountability accounting, because cost control has not been implemented efficiently.

2. Method

The research method that will be used in this study is based on the formulation of the problem, namely casual research with a quantitative approach. According to Ibrahim (2018) Comparative casual research is a type of research that is used to draw conclusions about the causal relationship between the variables being studied. This study aims to observe the possibility of the existence or absence of a cause-and-effect relationship of independent variables that act as independent variables to other variables that become bound variables or affected variables.

2.1. Population and Sample

The population used in this study is the leadership and staff elements contained in the organizational structure of the Tirta Manuntung Balikpapan Regional Public Company. The number of samples used in this study is a census of the entire population, namely managers and staff at the Tirta Manuntung Balikpapan Regional Public Company as many as 50 people (5 variables × 10 = 50).

2.2. Research Data and Data Sources

The type of research data used is quantitative data. In this study, primary data was obtained through interviews and the distribution of questionnaires to respondents, namely people who the researcher used as a means of obtaining information. Meanwhile, secondary data is obtained from documents at the Tirta Manuntung Balikpapan Regional Public Company, such as data on the company's history, organizational structure, list of names of directors, managers and supervisors, financial statements (containing the budget and realization of expenses and revenues), and water production data reports.

3. Results and Discussion

3.1. Multiple Linear Regression Analysis

Table 3. Multiple Linear Regression Analysis Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Say.
	B	Std. Error	Beta		
1 (Constant)	6,941	,872		7,956	,000
Organizational Structure	,332	,029	,615	11,339	,000
Planning and Budget	,101	,021	,228	4,808	,000
Implementation	,063	,026	,132	2,452	,018
Reporting System	,227	,024	,424	9,295	,000

Dependent Variable: Cost Control

$$Y = 6.941 + 0.332X_1 + 0.101X_2 + 0.063X_3 + 0.227X_4 + e$$

From the equation above, it can be explained as follows:

- 1) The value of the constant (α) = 6.941 which indicates that if the value of the independent variable is equal to 0 (zero), then the dependent variable of Cost Control (Y) is equal to 6.941.
- 2) The value of the coefficient X1 (β_1) = 0.332 which shows that for the organizational structure variable has a positive effect on Cost Control. This means that if there is an increase in the number of variables in the organizational structure variable assuming that the other independent variable is a constant (fixed) value, then cost control will also increase by 0.332 (33.2%).
- 3) The value of the coefficient X2 (β_2) = 0.101 which shows that the planning and budget variables have a positive effect on Cost Control. This means that if there is an increase in the number of the planning and budget variables assuming that the other independent variables are constant (fixed), then cost control will also increase by 0.101 (10.1%).
- 4) The value of the coefficient X3 (β_3) = 0.063 which shows that the implementation variable has a positive effect on Cost Control. This means that if there is an increase in the number of the implementation variable assuming that the other independent variable is a constant (fixed) value, then cost control will also experience an increase of 0.063 (6.3%).
- 5) The value of the coefficient X4 (β_4) = 0.227 which shows that for the reporting system variable has a positive effect on Cost Control. This means that if there is an increase in the number of variables in the reporting system variable assuming that other independent variables are constant (fixed), then cost control will also increase by 0.227 (22.7%).
- 6) Error standard (e) indicates the error rate

3.2. Hypothesis Test (T Test)

Table 4. T Test Calculation Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Say.
	B	Std. Error	Beta		
1 (Constant)	6,941	,872		7,956	,000
Organizational Structure	,332	,029	,615	11,339	,000
Planning and Budget	,101	,021	,228	4,808	,000
Implementation	,063	,026	,132	2,452	,018
Reporting System	,227	,024	,424	9,295	,000

a. Dependent Variable: Cost Control

3.2.1. Implementation of Organizational Structure with Accountability Accounting System for the Effectiveness of Cost Control

The first hypothesis in this study shows that the value of the coefficient of 0.332 with a significance value of 0.000 is smaller than 0.05, which means that the organizational structure has a positive and significant effect on cost control. The organizational structure in PERUMDA has clearly described the main task structure, authority, and function of the position for each department in a strict manner, which is one of the main elements of the internal control system. The organizational

structure makes it easier for PERUMDA to position individuals who have potential and competence according to their fields and expertise. In addition, the organizational structure is used as a guideline for PERUMDA related to management to develop strategies and achieve preset targets. Thus, if the organizational structure clearly describes the division of authority and responsibility within the company regarding who is responsible for the costs to be incurred in each department of the company, then the cost control carried out will also be more effective because it is clear who is responsible for the costs incurred.

Goal Setting Theory which explains the setting of goals and motivating all workers that the company needs to arrange an organizational structure properly so that all elements in the company can clearly know their responsibilities to achieve the goals that have been set (Locke, 1996).

Kaizen Theory explains that a company that is team-oriented in carrying out a company's operational activities by gathering all related elements ranging from directors, managers, operators and staff to analyze and map, develop, and discuss the possibility of changes made to improve a process in carrying out an activity (Garrison et al., 2019)

3.2.2. Implementation of Planning and Budget with an Accountability Accounting System for the Effectiveness of Cost Control

The second hypothesis in this study shows a coefficient value of 0.101 with a significant value of 0.000 smaller than 0.05, which means that planning and budgeting have a positive and significant influence on cost control. The process of preparing planning and budgets at PERUMDA is carried out by involving all elements in the company to participate, each division is asked to propose or prepare the required budget. Then the divisions hand it over to the finance manager to be given the code of each account. The budget that has been prepared may change during a meeting attended by the president director, supervisory body, capital owner's power of attorney (KPM), as well as financial and general managers, the budget is changed either lowered or increased based on the results of the analysis carried out and by looking at the comparison between the budget and the previous realization. The approved budget can be revised or amended at any time.

Goal Setting Theory which explained that the success of each departmental unit in managing planning and budget is a goal that is highly expected to be achieved (Lunenburg, 2011). Indirectly, Goal Setting Theory supports the process of employee participation in the preparation process and until the implementation of planning and budgeting, this is because each individual has a different mindset that must be outlined in strategizing to achieve goals, individuals will measure how much effort they will make, in setting these goals will give commitment to employees to make more efforts in achieve these goals.

Kaizen Theory which focuses on an improvement that is carried out continuously, planning and budgeting provides an overview of the targets to be achieved and with the existence of the plan and budget will make it easier for a manager to make mistakes and if there is a deviation it will be easy to detect who is responsible for the deviation (Imai, 2011). Companies that make repairs need a comparison and a check on who is responsible for the irregularities. Therefore, to make these improvements, the company also needs to have a strategy contained in the determination of the planning and budget structure which will certainly be used as a benchmark for making these improvements.

3.2.3. Implementation of Implementation with an Accountability Accounting System for the Effectiveness of Cost Control

The third hypothesis in this study shows a coefficient value of 0.063 with a significance of 0.018 smaller than 0.05, which means that the implementation has a positive and significant effect on cost control. The implementation carried out at PERUMDA Tirta Manuntung Balikpapan is carried out on the basis of planning and budgets that have been passed. Every implementation carried out must be in accordance with the existing budget, but there may be a change in the budget or there may be an additional operational activity outside the budget. These changes are not announced in writing with endorsement but these changes are only announced online through the company's WhatsApp group only.

Goal Setting Theory which explains that the setting of goals and motivation of employees in strategizing and acting in achieving goals (Lunenburg, 2011). The goals that have been set by the company will be a motivational encouragement for individuals to develop their strategies in carrying out work.

Kaizen Theory that focus on improvement in a continuous, structured manner and with long-term goals, in Kaizen Theory The implementation carried out is a stage to realize the goals that have been stated in the planning and budget (Imai, 2011). Implementation can be carried out by assigning roles to each manager or accountability center to plan income and costs to be incurred.

3.2.4. Implementation of Reporting System with Accountability Accounting System for Cost Control Effectiveness

The fourth hypothesis shows a coefficient of 0.227 with a significance level of 0.000 less than 0.05 which means that the reporting system has a positive and significant effect on cost control. Performance reports at PERUMDA Tirta Manuntung Balikpapan are carried out by each division head, for each month the head of the division will compile a performance report which will later be submitted to the Internal Supervision Unit (SPI). As for the finance department, it will prepare financial statements and control the costs carried out by each division. The finance department is also tasked with always checking the budget that has been realized and that has not been realized, the reporting system that has been carried out has also been computerized. So that for every income earned, expenses incurred and budgets that have been realized will all be reported through the company's web application, this makes it easier for financial managers to control costs and plan future targets.

Goal Setting Theory which explains that optimal managerial performance must be in harmony with individual goals and company goals, individuals who have clear goals and objectives will participate to continue to improve better work performance so that at the end of reporting can be compared with individuals who do not know the direction and objectives (Locke, 1996).

Kaizen Theory that focus on continuous improvement and perform performance measurements based on existing reporting (Imai, 2011). A report will clearly explain how well the performance has been achieved by the company whether the performance that has been achieved is in accordance with the previously set plan.

4. Conclusion

Based on the results of data analysis and explanations of the discussion in the previous chapters, the author can draw several conclusions:

- 1) The organizational structure with an accountability accounting mechanism has an effect on cost control at PERUMDA Tirta Manuntung Balikpapan because the organizational structure provides an overview of the composition of responsibilities and authorities of each section in a clear and detailed manner.
- 2) *Planning and budgeting with an accountability accounting mechanism have an effect on cost control at PERUMDA Tirta Manuntung Balikpapan because every budget preparation of each division is asked to submit the required budget. The better the level of participation of other divisions in submitting the budget, the more it will also affect cost control.*
- 3) *The implementation with an accounting mechanism for accountability for cost control at PERUMDA Tirta Manuntung Balikpapan is because for each implementation carried out it must be in accordance with what has been budgeted.*
- 4) *The reporting system through the accountability accounting mechanism has an effect on cost control at PERUMDA Tirta Manuntung Balikpapan because the reporting system has been computerized and each department will report its own performance report.*

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