

Original Research Article

Implementation of Accrual-Based Government Accounting Standard in Presenting the Government of Bekasi City Financial Statements in Year 2021

Rinaldi¹, Muhammad Laras Widyanto^{1*}, Sri Kurniawati²

¹Universitas Mercu Buana, Jakarta, Indonesia

²Universitas Persada Indonesia YAI, Jakarta, Indonesia

Article History

Received: 22.09.2022

Accepted: 26.10.2022

Published: 31.10.2022

Journal homepage:

<https://www.easpublisher.com>

Quick Response Code



Abstract: This study is aimed to analyze the implementation of Accrual-Based Government Accounting Standard which was regulated by Government Regulation No. 71 of 2010 at Bekasi City Regional Financial and Asset Management Agency in presenting local government financial statements. Primary and secondary data was used in this study. The data used in this study was analyzed with qualitative descriptive method, a suitable method that is also in line with the objective of the study to find out the implementation of Government Accounting Standards on Bekasi City Financial Statements of 2021. The result of this study indicates that Bekasi City Regional Financial and Asset Management Agency has implemented Government Accounting Standards in presenting 2021 Bekasi City Government Financial Statements. Additionally, Bekasi City Regional Financial and Asset Management Agency also managed to face the challenges of implementing accrual-based government accounting, including accounting system & IT based system, leadership commitment, competent human resources, resistance to change, as well as environment.

Keywords: Accrual-Based Government Accounting, Standards Components of Financial Statements and Budget Realization Reports.

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1. INTRODUCTION

In 1992, the world's first accrual-based financial and budget reports appeared in New Zealand. Then in the development of the next decade, there has been a major change in the use of the accounting basis from the cash basis to the accrual basis in the OECD (Organization for Economic Co-operation and Development) member countries although there is still purity of accruals among these countries. The use of the accrual basis has become one of the characteristics of modern (public sector) financial management practices. It is an undeniable phenomenon that in Indonesia the application of the accrual basis of accounting is still not fully effective. The audit results of the Financial Audit Board (BPK) found 1,677 problems from 166 reports on the results of the examination of the Government Financial Statements, the causes of which were errors in the presentation of accrual accounts (BPK, 2017). A similar phenomenon in the application of Government Accounting Standards has not been successfully implemented by several agencies in local government in

2019 since the establishment of Government Accounting Standards as of 9 years running there are still agencies that have not implemented accrual-based Government Accounting Standards. The results of research from Mochammad Fajar entitled Analysis of the Application of Accrual-Based Government Accounting Standards in the Presentation of Local Government Financial Statements (Case Study in the West Kotawaringin Regency Government, Central Kalimantan Province) explained that they had not implemented Government Accounting Standards optimally because human resources did not understand PP No. 71 of 2010 and does not have an accounting education background.

2. LITERATURE REVIEW

Accrual-Based Government Accounting Standards

In Government Regulation Number 71 of 2010 concerning Government Accounting Standards Article 1 Paragraph (8) states accrual-based Government Accounting Standards is recognizes income, expenses,

assets, debt, and equity in accrual-based financial reporting and recognizes income, expenditure, and financing in the financial statements. implementation of the budget based on the basis set out in the APBN/APBD.

Statement of Government Accounting Standard (PSAP) Number 01 concerning Presentation of Financial Statements

The purpose of Statement of Government Accounting Standard (PSAP) 01 is to regulate the presentation of general purpose financial statements in order to increase the comparability of financial statements both against budgets, between periods, and between entities. General purpose financial statements are financial statements that are intended to meet the common needs of most report users including legislative institutions as stipulated in the provisions of laws and regulations. To achieve these objectives, this standard establishes all considerations in the context of the presentation of financial statements, guidelines for the structure of financial statements, and minimum requirements for the content of financial statements. The financial statements are prepared using the accrual basis. Recognition, measurement, and disclosure of specific transactions and other events, are regulated in other government accounting standards (PP 71 of 2010).

Components and Elements of Government Regulation (PP) of Financial Report Number 71 of 2010

1. Budget Realization Report, consisting of revenues, expenditures, transfers, surplus or deficit – Budget Realization Report (LRA), financing receipts, financing expenditures, net financing, remaining more/less budget financing (SiLPA / SiKPA).
2. More Budget Balance Report, consisting of earlier budget balances, use of excess budget balances, remaining more or less budget financing for the current year, correction of previous year's bookkeeping errors, and later budget balances.
3. Balance sheet, consisting of cash and cash equivalents, short-term investments, tax and non-tax receivables, inventories, long-term investments, fixed assets, short-term liabilities, long-term liabilities, and equity funds.
4. Operational Report, consisting of LO-income, expenses, transfers and extraordinary items.
5. Cash Flow Statement, consisting of Cash Receipts and Cash Expenditures.
6. Equity Change Report informs the increase or decrease in equity in the reporting year with the previous year.

Challenges in Implementing Accrual-Based Accounting

According to Simanjuntak (2010), the challenges faced in the application of accrual-based

accounting in the Indonesian Government are as follows:

- a) Accounting system and information technology (IT) based system
- b) Commitment from the leadership
- c) Availability of competent human resources
- d) Resistance to change
- e) Environment/Society

Previous Research

Nurlis, 2018, In her research entitled The Influence of the Application of Government Accounting Standards and Apparatus Competence on the Quality of Local Government Financial Reporting (Case Study on the Klaten Regency Government) stated that the application of Government Accounting Standards had no effect on the quality of financial reporting. This is due to the ineffective implementation of Government Accounting Standards in Klaten Regency.

3. RESEARCH METHOD

The research method used based on this problem is a qualitative descriptive approach which aims to be able to provide an explanation of a phenomenon as deeply as possible by collecting and presenting data as deeply as possible, where this shows how important the details of the data being studied are.

Data collection technique

- Library Studies
- Internet
- Interview
- Documentation

Data analysis method

1. Describe the application of Government Accounting Standards accruals in terms of human resources at the Bekasi City Government.
2. Describe the accounting treatment of the Bekasi City Government's financial statements related to the recognition, measurement, recording, presentation and disclosure of financial statements.
3. Identify the efforts made by the Bekasi City Government in dealing with the challenges of implementing accrual-based Government Accounting Standards PP No. 71 of 2010.
4. In analyzing the presentation of financial statements, assessing the suitability of the data with the components listed in government regulation Number 71 of 2010.
5. Draw conclusions, conclude the results of the identification of financial statements.

4. RESULTS AND DISCUSSION

The Bekasi City Regional Financial and Asset Management Agency was established based on the Bekasi Mayor Regulation Number 65 of 2016

concerning the Position, Organizational Structure, Main Duties and Functions and Work Procedures of the Bekasi City Regional Financial and Asset Management Agency. Based on the above provisions, the Bekasi City Regional Financial and Asset Management Agency is a supporting element of government affairs under the authority of the Region, which is led by the Head of the Agency who is under and responsible to the Mayor through the Regional Secretary. The Head of the Agency acts as PPKD, BUD and Assistant Financial Management. The Regional Financial and Asset Management Agency has the task of assisting the Mayor in carrying out the functions of supporting government affairs which are the authority of the Region in the Financial Sector.

Analysis of Government Accounting Standards Accrual-Based Implementation of PP No. 71 of 2010

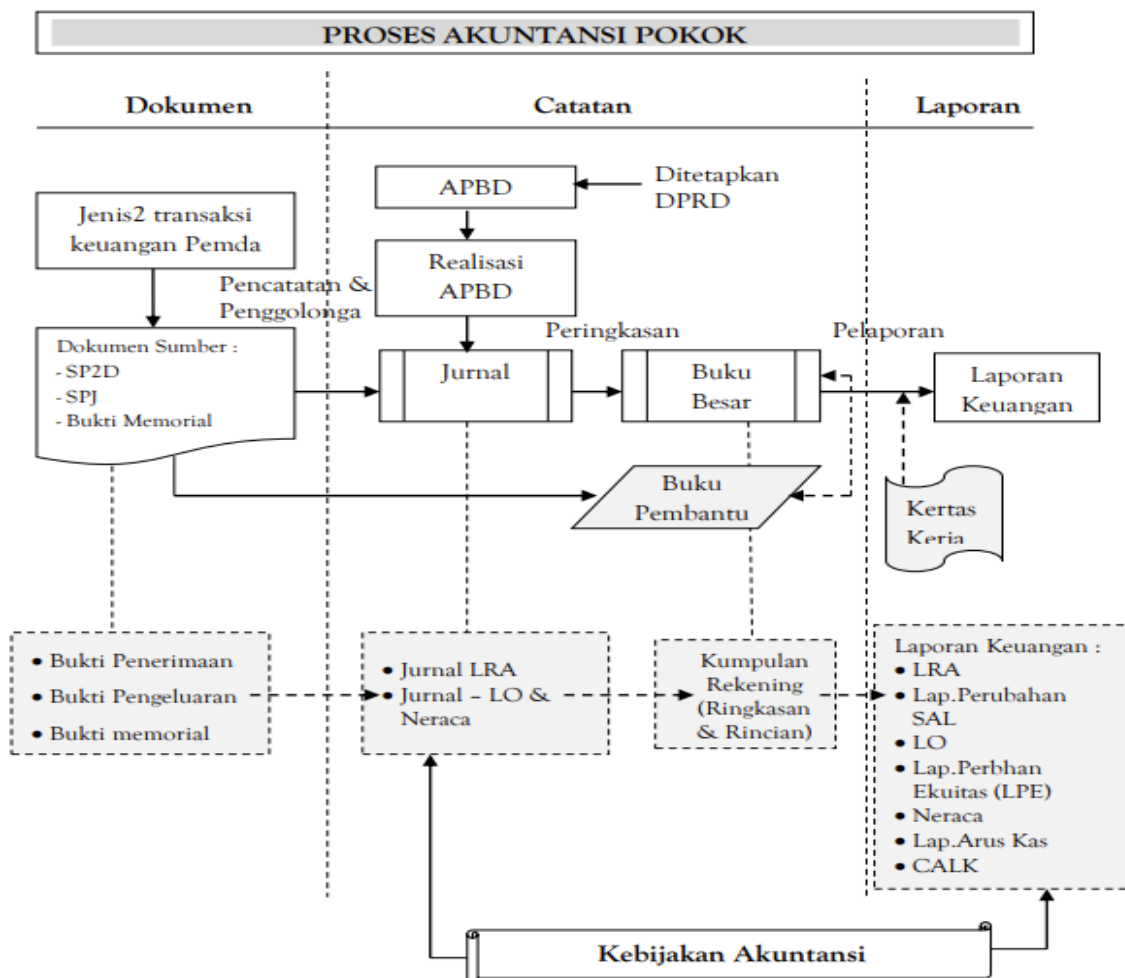
In article 1 paragraph 1 PP no. 71 of 2010 states that the application of accrual-based Government Accounting Standards can be carried out in stages. Then the decision to abolish cash-based Government Accounting Standards towards accrual which has

changed to full accrual-based Government Accounting Standards implementation starting in 2015 in accordance with the emergence of PP No. 71 of 2010. Furthermore, to answer the formulation of the problem regarding how to apply Government Accounting Standards)in the presentation of the Bekasi city government's financial statements in 2021.

“The Bekasi City Government has started to implement Government Regulation Number 71 of 2010 starting in 2015 and it is true that the financial statements consist of reports on budget realization, reports on changes in excess budget balances, balance sheets, operational reports, cash flow reports, reports on changes in equity, and notes to financial statements (Interview on June 16, 2022).

Bekasi City Government Consolidated Accounting Cycle

The existence of an accounting cycle that becomes a guideline for the Bekasi City Government in implementing accrual-based Government Accounting Standards PP No. 71 of 2010.



Source: Bekasi City Mayor Regulation No 85 Year 2017

The Bekasi local government accounting cycle begins with the following steps:

1. Transaction analysis

Source documents are the basis used for accounting records (journals/data input process) as well as documents containing information on financial transactions. The LO-Recognition Source Documents consist of Regional Tax Assessment Letters (SKPD), Regional Levies Assessment Letters (SKRD), Deposit Certificates, and Credit Notes/Bank Transfer Proofs while the Expense Recognition Source Documents consist of Invoices and Goods Handover Certificates then the Source Document for Revenue Recognition-LRA consists of a Certificate of Deposit (STS) for Regional Original Income and Credit Note/Proof of Bank Transfer for Revenue of Balancing Funds then Source Document for Expenditure recognition which consists of a Letter of Order for Disbursement of Funds (SP2D) GU/LS/ Nil for Personnel Expenditures for Goods and Services, and subsequent Capital Expenditures Source Documents for other transactions consisting of Salary Recapitulation for PFK deductions, STS PFK, Recapitulation of depreciation of fixed assets, Recapitulation of allowance for receivables, Memorial evidence year-end adjustments, and SK for the write-off of fixed assets. The statement above describes the first cycle in the preparation of financial statements in the Bekasi City Government.

2. Journalize transactions.

Transactions are initially recorded chronologically in journals before being transferred to the ledger of accounts. So the journal is called the initial record book. Usually a journal has a column for listing the date, account name and description, references and two columns for debit and credit amounts.

Based on PP 71 of 2010 accounting entities will record journals on an accrual basis. However, to produce a Budget Realization Report. Budgets are also made. Cash-based journals for budget execution transactions.

3. Transactions that have been recorded in the journal are then classified into the general ledger or summarized in the Trial Balance.

4. Prepare the Trial Balance.

On a certain date (eg the end of the period), the balance of each account or account code from the General Ledger is summarized or summarized in the Trial Balance.

5. Journalize and post adjusting journals for prepayment/prepayment prepayment transactions or accrued/accrual transactions.

6. Prepare adjusted Trial Balance

7. Prepare Financial Reports

8. Journalize and post closing entries

9. Prepare trial balance after closing

Challenges for Implementing Accrual-Based Government Accounting Standards PP No. 71 of 2010

Based on the results of interviews with informants, it is concluded:

a) Accounting and Information Technology (IT) Based System

Changes in the accrual-based accounting information system are not a complicated challenge for Bekasi City BPKAD, even Bekasi City BPKAD is able to make its own inventory application to guarantee pure accruals for all inventory purchases in SKPD. Bekasi City BPKAD is able to integrate SIMDA with SIMDARA.

a) Commitment from the Leader

The commitment made by the leadership in the Bekasi City Government issued Mayor Regulation No. 85 of 2017 concerning the Accrual-Based Local Government Accounting System at the Bekasi City Government in order to fully implement the Accrual-Based Government Accounting Standards.

b) Availability of Competent Human Resources

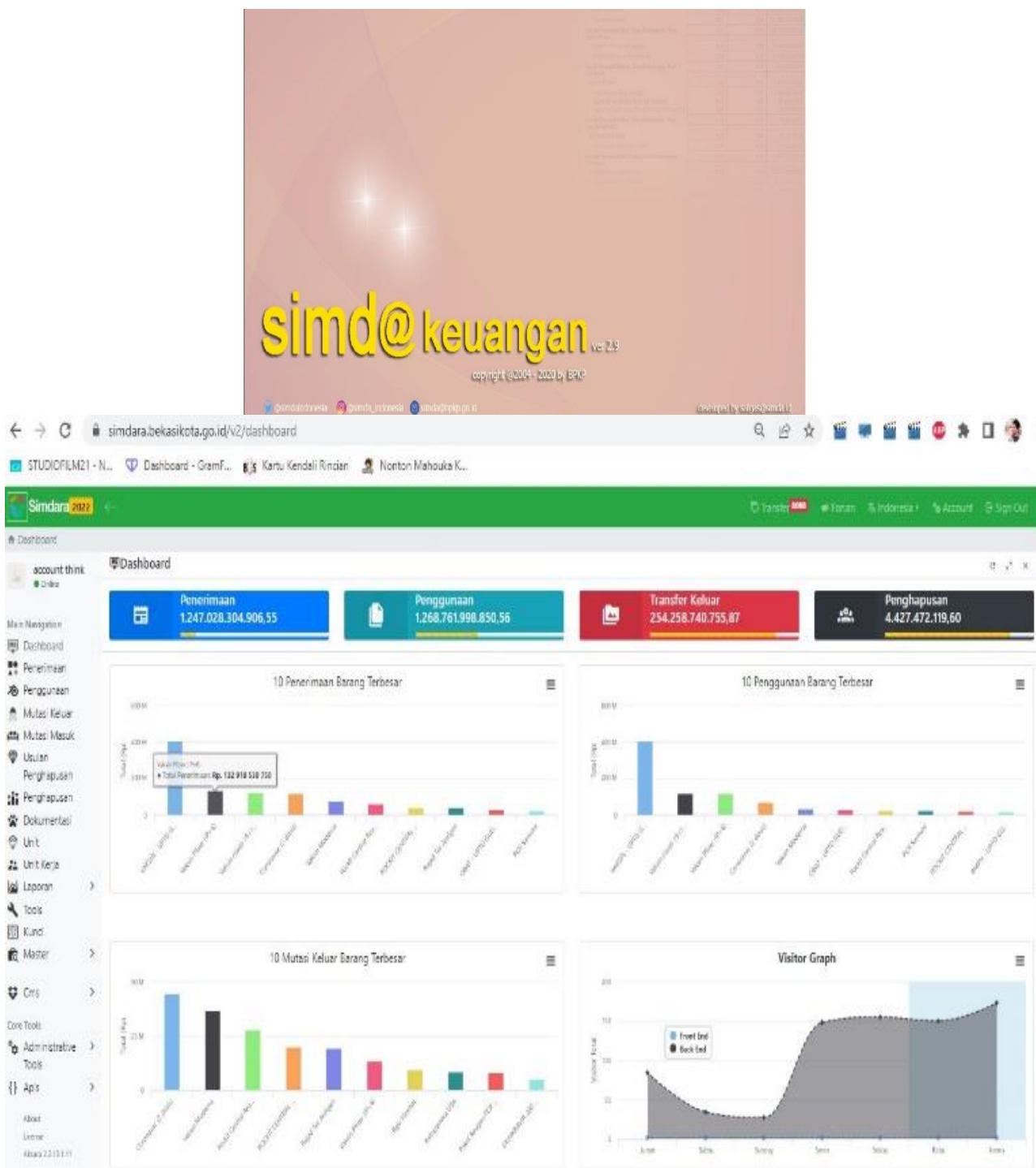
The Bekasi City Government budgets for human resources for preparing financial reports in the form of BIMTEK and certification of CERTIFIED GOVERNMENT ACCOUNTING ASSOCIATE (CGAA) and CERTIFIED GOVERNMENT ACCOUNTING EXPERT (CGAE) in collaboration with the Indonesian Institute of Accountants. It is hoped that this budget will be able to improve the quality of the Bekasi City Government Financial Reports.

c) Resistance to Change

When implementing the Government Accounting System, the Bekasi City BPKAD carried out socialization and manual reconciliation to SKPDs who were still having difficulties with the implementation of the Government Accounting System.

d) Environment/Society

It was concluded that the participation of the community and NGOs directly decreased.



Presentation of the Financial Statements of the Bekasi City Government in 2021

Based on the results of observations in the Bekasi City Government Financial Report 2021:

- a) The elements of the Bekasi City Budget Realization Report are in accordance with the provisions of Government Regulation (PP) No. 71 of 2010.
- b) The elements of the Report on Changes in the Budget Balance of the Bekasi City

Government are in accordance with the provisions of PP No. 71 of 2010.

- c) The elements of the Bekasi City Government's Balance Sheet are in accordance with the provisions of PP No. 71 of 2010
- d) The elements of the Bekasi City Government Operational Report are in accordance with the provisions of PP No. 71 of 2010.
- e) The elements of the Bekasi City Government Cash Flow Statement are in accordance with the provisions of PP No. 71 of 2010

- f) The Bekasi City Government has prepared a Change in Equity Report for 2021.

DISCUSSION

Since the enactment of Government Regulation (PP) No. 71 of 2010 running, there are still agencies that have not been maximal in implementing Government Accounting Standards. This study uses the Simanjuntak Research that he put forward at the XI Congress of the Indonesian Accounting Association as an indicator for interviewing the Bekasi City Regional Financial and Asset Management Agency in facing the challenges of implementing accrual-based Government Accounting Standards in financial reports, including accounting systems and information technology (IT) based systems, commitment from the leadership, the availability of competent human resources, resistance to change, the environment. In the results of the interview with the Sub-Sector of Accounting Policy and Information for the Regional Government of Bekasi City BPKAD, it was also explained that the Bekasi City Government acknowledged the challenges in implementing accurate-based Government Accounting Standards and the Bekasi City BPKAD was able to face the five challenges of implementing Government Accounting Standards within the Bekasi City Government. The Bekasi City BPKAD is also able to issue the Bekasi City Government Financial Report in accordance with the components of the financial statements regulated by PP No. 71 of 2010 consisting of a Budget Report, Budget Realization Report, Report on Changes in Budget Over Balance, Balance Sheet, Operational Report, Cash Flow Report, Report Changes in Equity and Notes to Financial Statements.

The results of this study are different from research from Mochammad Fajar (2018) and Sinta Putri Utami (2019), which were several previous studies, which this study showed that the Bekasi City Government had implemented the accrual-based Government Accounting Standards in accordance with Government Regulation No. 71 of 2010 which began to be implemented. simultaneously in each region starting in 2015 and able to overcome the challenges of implementing Government Accounting Standards such as accounting systems and information technology (IT) based systems, commitment from the leadership, availability of competent human resources, resistance to change, the environment.

5. CLOSING

Conclusion from this research:

1. The Bekasi City Government has implemented the Accrual-Based Government Accounting System as regulated in Government Regulation Number 71 of 2010 for 7 Regional Government Financial Reports.
2. The components of the Bekasi City Government Financial Report 2021 are in

accordance with PSAP Number 1 concerning Presentation of Financial Statements.

3. The Bekasi City Regional Financial and Asset Management Agency is able to face challenges in implementing the Accrual-Based Government Accounting System so that it is able to present the Bekasi City Government Financial Report 2021 in accordance with the provisions in Government Regulation Number 71 of 2021.

Suggestions from this study: BPKAD (Regional Financial and Asset Management Agency) Bekasi City is able to maintain the quality of financial reports and improve human resources in it and the Bekasi Government should immediately achieve HR development, namely each SKPD (Regional Work Unit) must have 2 accountants who have accounting expert certification local governments to improve the quality of financial reports.

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Cite This Article: Rinaldi, Muhammad Laras Widyanto, Sri Kurniawati (2022). Implementation of Accrual-Based Government Accounting Standard in Presenting the Government of Bekasi City Financial Statements in Year 2021. *East African Scholars Multidiscip Bull*, 5(10), 226-232.