

Implementation of Accrual-Based Government Accounting Standards in the Village Government of Dompu District

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Abstract: This study aims to analyze the implementation of the accrual-based government accounting system at the village government level, especially in Dompu District, Dompu Regency. The method used in this study is descriptive qualitative with data collection techniques through observation, interviews, and documentation. The informants selected were village government financial management officials who had direct knowledge of the accounting practices applied. The results of the study indicate that although financial management officials in Dompu District did not fully understand the definition of accrual-based accounting, they had implemented several basic principles of the system in financial recording. The implementation of the accrual-based accounting system in these villages experienced challenges, especially related to the separation between budget accounting and financial accounting, as well as a lack of understanding of the complexity of the resulting financial reports. Nevertheless, most villages in Dompu District have recognized changes in equity and long-term liabilities in accordance with the accrual principle, although there are still obstacles in budget management that affect recording. This study provides insight into the challenges and implementation of the accrual-based accounting system at the village government level, as well as the importance of training and a deeper understanding of accrual-based accounting at the local level.

Keywords: *Implementation Of Accrual-Based Government Accounting Standards (SAP) In Vilange Government In Dompu District.*

INTRODUCTION

Regional financial management is regulated in PP 12 of 2019 concerning Regional Financial Management and Law No. 33 of 2004 concerning Financial Balance between the Central Government and Regional Governments. Both laws have given broader authority to regional governments. The authority in question includes the flexibility in mobilizing sources of funds, determining the direction, objectives and targets for budget use. According to Ade Husna, Maryam, S. I. (2022), the budget is the result of planning in the form of a list of various integrated activities, both concerning revenues and expenditures expressed in monetary units within a certain period of time, usually a year. According to Law of the Republic of Indonesia Number 1 of 2004 concerning State Treasury, State financial management is an activity that will affect the improvement of the welfare and prosperity

of the people of the Indonesian nation (Luqyana & Islahuddin, 2022).

Reform of state financial management and its accountability is an important series in the system of state financial governance that is accountable and transparent as a form of good governance, one form of which is the change in accounting standards adopted by the government, from cash-based accounting standards to accrual-based accounting standards. Through this accrual-based accounting, local governments are expected to be able to provide satisfaction to the community in managing regional finances. In addition, it can also be a motivation to increase transparency, governance and accountability of regional financial management. For this reason, a number of efforts have also been made by the Ministry of Home Affairs in realizing the implementation of accrual-based accounting in local governments. Among

them are compiling and issuing Regulation of the Minister of Home Affairs Number 64 of 2013 concerning the Implementation of Accrual-Based Government Accounting Standards in Regional Governments and accounting modules.

Openly and comprehensively on the government's accountability in managing the resources entrusted to it and its compliance with laws and regulations, while accountability is being responsible for the management of resources and the implementation of policies entrusted to the reporting entity in achieving the objectives that have been set periodically (SAP 2016). To implement these provisions, KSAP has prepared Accrual-Based Government Accounting Standards (SAP) which are stipulated by PP Number 71 of 2010 replacing PP Number 24 of 2005. With the stipulation of PP Number 71 of 2010, the implementation of Accrual-Based Government Accounting Standards has a legal basis.

According to Simanjuntak (2019), there are several challenges in implementing accrual-based accounting in the Indonesian government. First, accounting systems and information technology (IT) based systems: The complexity of implementing accrual-based accounting, it is certain that implementing accrual-based accounting in the government environment requires a more complex accounting system and IT based system. In addition, it is also necessary to build an adequate internal control system to provide adequate assurance of achieving organizational goals through effective and efficient activities, reliable financial reporting, securing state assets, and compliance with laws and regulations.

The standard statement applies to the preparation of cash flow reports for central and regional governments, organizational units within the central and regional governments, or other organizations if according to the legislation according to the standard, the organizational unit in question is required

to prepare a cash flow report. As a result, it is difficult to find out information about cash and it is also impossible to compare the cash flow reports for this year and the previous year. In carrying out budget accounting, it is permissible not to make a budget accounting journal. However, the replacement procedure must be managed in a system so that the budget item value for each account code appears in the general ledger (as a header), trial balance, and budget realization report, Banun, K. (2021).

Human resources are one of the most important and cannot be separated from an organization. Without the support of reliable, skilled and competent human resources, the organization will not be optimal in carrying out its function as a public servant. According to Devi Safitri (2017) shows that the quality of human resources affects the implementation of accrual-based accounting standards, and shows that organizational commitment affects the implementation of accrual-based accounting standards. According to Mimba (2019) in the title of the implementation of accrual-based government accounting, which concludes that from a human resource perspective, there are three main problems, namely: limited staff with sufficient accounting knowledge, staff rotation in a short time and staff ability in asset management (BPKP Module 2013). This means that HR is a factor that influences the success of implementing an activity (Afrarudin and Kurniati, 2016), according to (Satya, 2023) The main factors that influence the implementation of this accrual-based accounting system are leadership commitment, regulations, information technology and human resources. and according to (Jos Martin Simanjuntak, 2023) It is necessary to recruit human resources (HR) in the accounting field who have the specialist and ability to make financial report presentations, as well as conduct seminars and technical training for employees (HR) so that they can better understand the implementation of PP No. 71 of 2010

concerning the presentation of financial reports.

To realize transparency and good governance in using the budget, the executive is responsible to the people through the legislature (Ama Febriyanti, 2022). Regional finance is everything, either in the form of money or goods that can be used as regional wealth as long as it is not owned or controlled by the State or other parties in accordance with applicable provisions. In principle, State Finance is the same as regional finance, except that State finance only includes financial management. Financial management is related to regional budget planning and this is also needed in line with the spirit of regional autonomy which must manage regional finances separately from the central government and at the same time report the results transparently to the public. Like state finance, regional finance also has a scope consisting of regional finances that are managed directly and separated regional wealth. Azharsyah Ibrahim. (2021).

As stated by McPhee (2021), accrual accounting and budgeting are important elements that are appropriate to use in implementing reforms in the public sector to improve the efficiency and responsiveness of public services, as well as increase accountability for the use of public resources. This means that the use of an accrual basis is one of the steps taken by the central and regional governments, including the Dompu Regency government, in realizing good governance, because the application of an accrual basis has an impact on increasing accountability for the use of public resources.

Accounting standards

According to the Accrual-Based Accounting Overview Module, Ministry of Finance of the Republic of Indonesia 2014, the definition of accounting can be explained through two approaches, namely in terms of process and in terms of function. Viewed from the process, accounting is a skill in recording, classifying and

summarizing financial transactions carried out by an institution or company and reporting the results in a report called a financial report. Viewed from the function, accounting is a service activity that functions to present quantitative information, especially financial information from an institution or company that is expected to be used as a basis for making economic decisions among various alternative actions.

Government Accounting Standards (SAP) Indicators

Covers various elements used to measure the application of accounting principles in government financial reports. These indicators include:

1. application of the accrual basis for assets, liabilities, and equity
2. cash basis for revenue, expenses, and financing
3. fair presentation of financial statements

Accrual based accounting

Accrual-based accounting is an accounting basis in which economic transactions and other events are recognized, recorded, and presented in the financial statements at the time the transaction occurs, without regard to when cash or cash equivalents are received or paid (Afrarudin and Kurniati, 2016)

The benefits that can be obtained from the existence of government accounting standards are that the financial reports produced can provide open, honest and comprehensive financial information to stakeholders (Lamonisi, 2016).

Accrual-based Government Accounting Standards (SAP) indicators (Gading 2020) include:

1. revenue recognition when the government has the right to collect,
2. and recognition of expenses when the obligation to pay arises, regardless of when cash is received or paid.

Theory of application of accrual accounting standards is an accounting basis in which economic transactions and other events are recognized, recorded, and presented in the

financial statements when the transactions occur, regardless of when cash or cash equivalents are received or paid. In accrual accounting, the recording time corresponds to the time of the resource flow, so it can provide the most comprehensive information because all resource flows are recorded.

The application of accrual-based accounting standards, also known as accrual accounting, means recognizing revenue and expenses when the transaction occurs, rather than when payment is made. This principle is important because it provides a more comprehensive and accurate picture of the financial condition of an entity, including the government.

Accounting plays an important role in an entity because accounting is the language of business. Accounting produces information that explains the financial performance of an entity in a certain period and the financial condition of the entity on a certain date that has been determined together, the accounting information is used by users to help in making predictions of future performance. Based on this information, various parties can make decisions related to the entity.

Quantitative information about economic entities, especially financial ones, that are useful in decision making. Another thing that can also be concluded from the two definitions of accounting is the scope of accounting. According to the two definitions of accounting, the service activities carried out by accounting in presenting financial information are always related to the activities of an institution or a company. In general, accounting is divided into three branches, namely: financial accounting, management accounting and government accounting. In general, both in financial accounting, management accounting and government accounting, the cycle that occurs is basically the same, starting from a transaction related to finance, to the financial statements that are prepared.

Accrual accounting is a basis of accounting in which economic transactions and other events are recognized, recorded, and presented in the financial statements when they occur, regardless of when cash or cash equivalents are received or paid. In accrual accounting, the recording time corresponds to the time of the resource flow, so it can provide the most comprehensive information because all resource flows are recorded. The accrual basis recognizes transactions when they occur and focuses on measuring all resources owned. Thus, a balance sheet prepared on an accrual basis will report all assets, liabilities, and equity funds owned, both current and noncurrent.

RESEARCH METHOD

The research method used is descriptive with a qualitative approach. According to (Melia Syahfitri & Arnida Wahyuni Lubis, 2024), the qualitative descriptive method is a research method based on the philosophy of post positivism used to research natural object conditions (as opposed to experiments) where the researcher is the key instrument, data collection techniques are carried out by triangulation (combination), data analysis is inductive/qualitative, and qualitative research results emphasize meaning rather than generalization. There are several data collection techniques used in this study, including observation, interviews, and documentation.

Data Collection Techniques

Sugiyono (2019: 310) there are several data collection techniques that can be used, including

is by observation, interview, and documentation.

1. Observation.

This method is used with the intention of observing and recording the symptoms that appear in the research object during natural or actual conditions or situations, including human resource conditions, commitment from leaders, as well as

existing obstacles and other conditions that support the results of this research.

2. Interview.

This method is done by interviewing directly and in-depth (in-depth interview) to the parties involved and directly related to obtain an explanation of the actual conditions and situations. In this study, the informants are people who are considered to have key information (key informants) needed in the research area. The number of employees interviewed depends on how worthy they are to answer the research questions.

3. Documentation

Documents can be in the form of writings, images, or monumental works from someone. This document study is a complement to the use of observation and interview methods in qualitative research. This method is also a process to obtain data related to the readiness of the Tomohon City government towards the implementation of accrual-based accounting.

The informants of this research are people who provide information about the situation and conditions of the research background. There are two types of informants, namely key informants, expert informants, and incidental informants. Key informants are informants who have a good and comprehensive understanding and information about the research topic discussed by the researcher. Key informants are generally experts in a particular field or a resource person who can explain the conditions or information about the main problems of the researcher so that the research objectives can be achieved. The determination and selection of key informants must be adjusted to the scope of the research, key informants are prioritized from experts who master the research topic, they can also be people who are active at the research location every day.

Data Analysis Techniques

The Qualitative Descriptive Method according to Sugiyono (2019) states that the qualitative descriptive method is a method used to describe or analyze research results but is not used to draw broader conclusions. This research activity includes data collection, data analysis, data interpretation, and finally a conclusion is formulated that refers to the data analysis.

The stages of data analysis in this study are as follows:

1. Data collection, namely the researcher records all data objectively and as is according to the results of observations and interviews in the field.
2. Data reduction, namely selecting the main points that are in accordance with the research focus.
3. Data presentation, namely a collection of structured information that allows conclusions to be drawn and actions taken.
4. Decision making or verification, means that after the data is presented, then conclusions or verification are made. For that, an attempt is made to find patterns, models, themes, relationships, similarities and so on. So, from the data an attempt is made to draw conclusions.

RESULTS AND DISCUSSION

Government regulation number 71 of 2010 concerning cash-based Government Accounting Standards resulted in full accrual-based government accounting standards (SAP) starting in 2015. As stated in government regulation number 71 of 2010 article 1 paragraph (8), what is meant by accrual-based SAP is a government accounting standard that recognizes income, expenses, assets, debts and equity in accrual-based financial reporting, as well as recognizing income, expenditure and financing in budget implementation reporting based on the basis set out in the APBN or APBD.

Data collected by researchers through interviews with several informants, showed that the financial

management apparatus of the village government in Dompu sub-district when asked about the accrual-based government accounting standards, they did not really know the definition of the accrual basis itself, as stated by several village heads and secretaries of the Dompu sub-district village, that the definition of accrual-based accounting was not yet understood but they used accrual-based techniques or systems in their accounting records. From the views of the informants above regarding the definition of accrual basis, it can be said that the financial management apparatus in the village government in Dompu sub-district has implemented the accrual-based government accounting system. This is also reinforced by the explanations outlined by several informants in the 9 villages at the Dompu sub-district village office. He said that accrual-based accounting means we immediately recognize income when the APBD is set. So when the APBD is set we have already recognized it.

When asking about the burden that is still paid by the village government such as electricity, salaries, etc., it is one of the obstacles experienced by several villages because the budget used is first used for posts that need it. And for long-term obligations, on average the village government in Dompu sub-district carries out long-term obligations, such as Bumdes. Furthermore, changes in equity, from 9 villages on average acknowledge changes in equity, because the cycle is not always the same, income is received when cash and non-cash are received, so it can be said that income for the village, based on the results of interviews with several village heads and village secretaries in the villages of Dompu sub-district, it can be concluded that they do not understand the definition of accrual basis but they use an accrual basis accounting system.

The Meaning of Accrual Basis of Village Government in Dompu District: Complexity of Financial Reports

On average, the financial management apparatus of the Dompu sub-district government when asked about the accrual-based government accounting standards, they are not yet mature enough in the definition of the accrual basis itself. However, they still carry out the accrual system or technique in the accounting recording system, accounting is recognized, recorded, and presented in the financial statements at the time the transaction occurs without considering the time the cash is received or paid. aware of the change in the current government accounting standards, namely government regulation number 71 of 2010 concerning accrual-based government accounting standards. Although in reality, the types of financial reports that are quantitatively seen as many, if examined further, are actually only developments of existing ones and will later show clearer articulation between financial reports. However, for village government financial managers in Dompu sub-district, the complexity of financial reporting produced by PP 71/2010 is increasingly apparent with the absence of a link between budget implementation reporting (budget accounting) and financial reporting (financial accounting). The separation between financial accounting and budget accounting is called extra countable or separate recording between accounting and budget. Thus, this certainly requires a different analysis. In this study, when compared to previous research, namely (Ama Febriyanti, 2022). researching the Analysis of the Application of Accrual-Based Government Accounting Standards in the Presentation of Financial Reports in the Tomohon City Government is different from the research results obtained in the village of Dompu District, especially in the application of the accrual basis system applied in the city of Tomohon, which still uses a cash basis.

DISCUSSION

The implementation of accrual-based Government Accounting Standards (SAP) in the village government of Dompu District shows positive progress in the technical implementation of financial recording, although conceptual understanding of the accrual basis is still relatively low. Based on PP No. 71 of 2010, accrual-based accounting requires the recognition of income, expenses, assets, debts, and equity at the time of the economic transaction, regardless of cash receipts or disbursements.

From the results of the study conducted in nine villages (Mbawi, Dorebara, Kareke, Sorisakolo, Manggeasi, Kramabura, O'o, Katua, and Manggena'E), it can be concluded that all of these villages have implemented an accrual-based accounting system. This can be seen from the practice of recognizing income when the APBD is set, as well as recording long-term expenses and obligations such as the BUMDes program. However, there are challenges in allocating the budget for mandatory and routine items, such as electricity and salary payments.

From the results of interviews with several informants (village heads and village secretaries), it is known that their understanding of the definition of accrual basis is inadequate. However, they still carry out financial transaction recording according to the accrual principle. This shows a gap between theoretical understanding and practical implementation, but the technical implementation is in accordance with the accrual-based SAP principle.

Furthermore, village financial managers also acknowledged the changes in equity reflected in the village's annual financial report. This indicates that the village already understands that assets and liabilities experience changes in value in one budget cycle, as required by the accrual basis.

However, the complexity of financial reporting resulting from the

implementation of accrual-based SAP is also felt by village officials as an administrative burden. One of the causes is the separation between financial accounting and budget accounting (extra countable), which requires villages to make two different types of records. In practice, this is a challenge in itself due to limited human resources and technical capacity of village officials.

Comparison with previous studies, such as Ama Febriyanti's (2022) study which analyzed the implementation of accrual-based SAP in the Tomohon City Government, shows significant differences. In Tomohon, the implementation of the system is still cash-based, while in the Villages of Dompu District, although conceptual understanding is low, the implementation of the accrual-based system is already underway. This shows that structurally and administratively, the village government in Dompu District has been more progressive in adapting to government regulations that have been in effect since 2015.

CONCLUSION

The results of the study concluded that with the issuance of government regulation number 71 of 2010 concerning accrual-based government accounting standards, the significance of the role of government in the public sector to realize transparent and accountable government is increasingly apparent. The government regulation is the legal basis for the government in preparing financial reports for both the central government and local governments. This indicates that local governments, including village governments in Dompu District, have an obligation to immediately implement government regulation number 71 of 2010 concerning accrual-based government accounting standards. The accrual basis that began its implementation in 2015 throughout Indonesia, both at the center and in the regions, has had an impact on

changes in the accounting system, including in Dompu Regency.

From the results of the discussion in this study, it is said that accrual-based accounting can directly recognize income when the APBD is set. So when the APBD is set, we have already recognized it. However, on average, the financial management apparatus of the Dompu sub-district government when asked about accrual-based government accounting standards, they are not yet mature enough in defining the accrual basis itself. Based on the results of interviews with village heads in the Dompu sub-district, they said that, for the implementation of Village Government Accounting Standards, they have not fully implemented it because for the presentation of financial reports, the village only makes a Report on the Realization of the Use of Village Funds which is made by the village treasurer and for the accounting basis that we use, we have used an accrual accounting basis in accordance with PSAP

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