



Implementation of PP No. 71 of 2010 concerning Accrual-Based Government Accounting Standards in the Preparation of Financial Statements

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Abstract

This study aims to look at HR's understanding of the implementation of Accrual-Based SAP and to find out the application of accrual-based government accounting standards in Government Agencies of the North Sumatra Province Environment and Forestry Service. This study applies a descriptive qualitative approach with data collection techniques, namely observation, interviews, and documentation. Application of Government Accounting Standards to the Environment and Forestry Service of North Sumatra Province only presents 5 financial reports, namely the Budget Realization Report, Balance Sheet, Operational Report, Report on Changes in Equity and Notes to Financial Statements. It can be concluded that the financial reports presented by the Environment and Forestry Office of North Sumatra Province are in accordance with Government Regulation Number 71 of 2010. It can be concluded that the readiness of Human Resources (HR) at the Department of Environment and Forestry of North Sumatra Province is inadequate. This is due to the lack of competent human resources in preparing financial reports and the lack of knowledge regarding the accrual basis at the North Sumatra Province Environment and Forestry Service. But it does not hinder and disrupt the process of preparing accrual-based financial reports, in which HR is guided by the preparation of financial reports in the previous period.

Keywords: PP No. 71 of 2010, Government Accounting Standards, SAP, Human Resources, HR

Introduction

Managers of government financial reports need to use the right accounting basis to get good quality financial reports. In carrying out these provisions, the Government Accounting Standards Committee has developed government accounting criteria or accrual-based government accounting standards stipulated in PP No. 71 of 2010 which is a change from No.

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24 of 2005. From PP no. 71 of 2010 concerning accrual-based accounting, the use of accrual-based government accounting criteria already has a legal basis. This means that the government is committed to being able to use the latest accrual-based SAP as soon as possible (Tuaputimain, 2018).

In continuing government policy No. 71 of 2010 concerning Accrual-Based SAP, right on December 3, 2013, Regulation of the Minister of Home Affairs No. 64 of 2013 concerning the Use of Accrual-Based Government Accounting Criteria in Local Governments (Beautiful & Beautiful, 2022). This policy serves as a guideline for local governments to regulate local government accounting regulations and Regional Government Systems or SAPD in the form of a Standard Account Chart or BAS, then set forth in regional leadership policies. Based on Article 10 Paragraph 01 of the Minister of Home Affairs Regulation that regional leadership policies regarding accounting policies and SAPD must be stipulated no later than May 31, 2014, where the issuance increasingly shows the clarity of the accrual-based accounting model (Financial Report of the Regional Government of Rembang Regency for 2021 (Audited), 2021).

The Department of Environment and Forestry is an agency engaged in the field of environmental and forestry empowerment in the North Sumatra region. In this case it is interesting for the author to examine how the application of the accrual basis in this institution. Where there are many agencies whose financial reports are not in accordance with PP No. 71 of 2010.

Literature Review

The establishment of an accounting standard in the government environment is considered very important, as one of the keys to transparency and accountability of financial reports by the government sector (Abdurrahim et al., 2019). Based on Government Regulation Number 71 of 2010 article 1 paragraph (3), Government Accounting Standards, hereinafter abbreviated as SAP, are accounting principles that are applied in preparing and presenting government financial reports (Karjono & Sulistianigsih, 2020).

According to Budiono (2016), Government Accounting Standards (SAP) are requirements that have legal force to improve the quality of government financial reports in Indonesia. (Herwiyanti et al., 2017). Government Accounting Standards (SAP) are accounting principles applied in the preparation and presentation of Government Financial Statements (Ayu et al., 2014).

The use of the accrual basis is one of the characteristics of modern financial management practices (public sector) which aims to provide more transparent information on government costs and improve the quality of decision making within government by using extended information, not just a cash basis. Mardiasmo (2002) revealed that accrual-based accounting techniques are believed to be able to produce financial reports that are more reliable, more accurate, comprehensive, and relevant for making economic, social, and political decisions.

Financial reports that are of good quality can be realized from an understanding of the capacity of their human resources, here the human resources referred to are the financial management staff of the local government's Office of the Environment of North Sumatra

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Province. Regional Government Financial Reports are a form of regional government accountability for the use of regional finances in the implementation of regional autonomy and regional government operations, this becomes a performance benchmark to be accountable, at the end of each fiscal year (Dwi et al., 2020).

Juridically, the issuance of Government Regulation Number 71 of 2010 concerning accrual-based Government Accounting Standards (SAP) changed the direction of the Indonesian government's accounting basis from cash to accruals to full accruals. With the issuance of PP No. 71 of 2010, PP No. 24 of 2005 was declared no longer valid. In accordance with Government Regulation Number 71 of 2010 and the agreement between the government and the House of Representatives (DPR), the application of accrual-based Government Accounting Standards (SAP) can be implemented in stages, until full implementation in 2015 (Rapik, 2021).

PP No. 71 of 2010 explains that "Accrual basis is an accounting basis that recognizes the effects of transactions and other events when transactions and other events occur, regardless of when cash or cash equivalents are received or paid". Then in Article 1 of Government Regulation Number 71 of 2010 concerning Accrual-Based Government Accounting Standards, there are Government Accounting Standards that recognize income, expenses, assets, debts, and equity in accrual-based financial reporting, and recognize income, expenses, and financing in reporting implementation budget. based on the basis set out in the APBN/APBD (Heru & Melly, 2022).

One of the most infectious components of an organization is its human resources because it is carefully calculated for them to carry out the vision and goals of the business. Given that he has a significant impact on organizational performance and sustainability and is underpinned by the high quality of work he produces, his importance in business cannot be underestimated. (Kadek et al., 2020).

To fulfill organizational or business goals, human resources (HR) must be taken seriously and owned. In contrast to other aspects of resources such as capital and technology, human resources are the main component of the organization because humans have the most control over other factors (Rahmat & Rifa'i, 2018).

Research methods

Research design

This research uses a descriptive qualitative approach and data collection is done by in-depth interviews, documentation studies, and field studies.

Research Subjects and Objects

The subject of this research is the financial reports and the staff in the treasurer's section. And the object is the Environment and Forestry Service of North Sumatra Province. Qualitative research means the stages of exploring and understanding the meaning of a person's and group's attitudes, presenting social problems or other problems (Sugiyono,

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2018). Descriptive research is research on problems in the form of current facts from a popularization(Indriantoro & Supomo, 2012).

Time and Place of Research

The author carries out research activities located at the Office of the Environment and Forestry Office of North Sumatra Province which is located at Jl. Sisingamangaraja Km. 5.5, No. 14, Medan. This research was conducted on March 20-21 2023.

Data source

Sources of data used in this study are primary data and secondary data.

- 1) Primary data, is research data obtained directly from original sources or without intermediaries, such as the results of interviews or the results of filling out questionnaires(Murdiyanto, 2020).
- 2) Secondary data, is research data obtained indirectly through intermediary media or obtained and recorded by other parties. Secondary data in this study are documents related to the Office of Environment and Forestry, websites, journals, and books, as well as other information that discusses Accrual-Based Government Accounting Standards.

Data Collection Techniques

1. Observation (observation).

Observation is the basic foundation of all knowledge and insight.

2. *Interviews*(interview).

The interview is a meeting of two parties in exchanging information and ideas from the questions and answers given so that they can be shown in the construction of meaning on a particular topic.

3. Documentation.

Documents are records of past events, besides that, they can be in the form of writing, pictures, or various works such as monuments or moments of a person.

Findings

1. Human Resources

Based on the results of interviews and distribution of questionnaires in the area of the Finance Section room at the North Sumatra Province Environment and Forestry Office, it can be concluded that Human Resources are inadequate, but financial reporting can still be completed.

Staff can easily understand how financial reports are prepared. The Provsu DLHK office still uses and continues the preparation of the previous period's financial reports. Therefore, staff can easily understand how the financial statements are prepared.

2. Accrual Base SAP Implementation

Based on the research that has been done, it can be concluded that the financial reports prepared by the Environment and Forestry Service consist of Budget Realization

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Reports, Balance Sheets, Operational Reports, Changes in Equity Reports according to Government Regulation Number 71 of 2010.

Conclusion

Based on the descriptions that have been presented by the researchers from the research data that has been collected regarding the preparation of accrual-based financial reports in financial reports, it can be concluded that the financial reports presented by the North Sumatra Province Environment and Forestry Service are in accordance with Government Regulation Number 71 of 2010. As well as Human Resources (HR) at the Environment and Forestry Service of North Sumatra Province, it can be concluded that they are not yet sufficient. This is due to the lack of competent human resources in preparing financial reports and the lack of knowledge regarding the accrual basis at the North Sumatra Province Environment and Forestry Service. However, this does not hinder and interfere with the process of preparing accrual-based financial reports, in which HR is guided by the preparation of financial reports in the previous period.

Suggestion

It is necessary to have human resources who have specialization and ability in the context of presenting financial reports. Improving human resources with employees who have qualifications in accounting and economics. The Department of Environment and Forestry of North Sumatra Province must have a more thorough understanding of accounting policies. There are still some human resources who have not been able to understand properly so that problems do not arise when preparing financial reports. As well as the Department of Environment and Forestry must conduct accrual basis training such as mentoring in order to improve the effectiveness of human resource performance in the application of Accrual Based Government Accounting Standards.

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