

Research Article

**Accrual-Based Public Accounting Standard In Indonesia Presentation Of Financial Statements of General Service Agency**

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**Abstract.**

The purpose of this research is how the implement of the Financial Management Pattern of the Regional Public Service Agency. This type of research is descriptive qualitative. Implementation study is a study of policy studies that lead to the implementation process of a policy. In practice, policy implementation is a very complex process. Financial management applied by RSUD only applies five of the ten financial management stipulated by Permendagri No. 61 of 2007 concerning Technical Guidelines for Financial Management of Regional Public Service Agencies.

**Keywords :** Financial Management Pattern, Accrual-Based, Public Accounting Standard

**1. Introduction**

Reform in a country arises because of the demands of society on the government to create a good, effective, efficient, and law-abiding government environment.<sup>2</sup> The value of innovation in the public sector encourages various governments to implement better public services.<sup>3</sup> The OECD (Organization for Economics Cooperation and Developments) states that good governance will motivate community-oriented government programs and agendas.<sup>4</sup> The reform agenda in the public sector was marked by the emergence of the New Public Management concept in 1991 which was introduced by Christopher Hood with the government's recommendation to leave the old paradigm that tends to be fat bureaucratic and inefficient and ineffective in service delivery. The new paradigm introduced in the New Public Management concept is performance and result oriented. One form of adoption of the New Public Management concept in the public sector in Indonesia is the establishment of a Public Service Agency with a developed jargon namely 'Let the managers manage, make the managers manage' which means to provide opportunities for managers (leader of work units) to manage services. government services (education, hospitals, and so on) by using the budget in the most effective and efficient way and ensuring the services managed by the head of the work unit are carried out efficiently and effectively so as to produce performance.<sup>5</sup> Through the adaptation of the New Public Management concept, it is hoped that the

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Public Service Agency can become a concrete example of the implementation of financial management based on results and performance.<sup>6</sup>

In realizing good financial management, Indonesian government establishes a standard, guidelines, principles that become a reference in every government organization in the preparation of financial reports. Therefore, the Government Regulation (PP) of the Republic of Indonesia (RI) Number (No) 71 of 2010 concerning Government Accounting Standards (SAP) was issued which then brought a major change in the financial reporting system (Yahya et al., 2018). The stipulation of Government Accounting Standards (SAP) is supported by the structure of the Accrual-Based Government Accounting Standards presented in the 12 (twelve) Government Accounting Standards Statements (PSAP) in Appendix I of PP 71 of 2010 (Dewi et al., 2018). Work that adheres to the Financial Management Pattern of the Public Service Agency.

According to PP No. 23 of 2005 Public Service Agency is an agency within the Government that was formed to provide services to the public in the form of providing goods and/or services that are sold without prioritizing seeking profit and in carrying out their activities based on the principles of efficiency and productivity. The pattern of Financial Management of Public Service Agencies (BLU) is regulated through PP No. 23 of 2005 and amended by PP No. 74 of 2012. The Public Service Agency as known as “*BLU*” aims to improve services to the community in order to promote general welfare and educate the nation's life by providing flexibility in financial management based on economic and productivity principles, and implementation of sound business practices. In practice, the BLU Financial Management Pattern is given the flexibility, including exceptions from the general government financial management pattern, for example, income that can be used directly for BLU spending without going through approval by BUN/BUD and implement short-term investments. BLU is given the authority to manage revenue, cash management, investment and determine service cost standards.

BLU has a dual position as a reporting entity and an accounting entity related to its financial reporting. First, as a reporting entity, BLU is required to provide comprehensive reporting on the use of all controlled resources to interested parties, especially external parties such as donors, external auditors and legislative institutions. The accounting and financial statements of BLU as a reporting entity are carried out in accordance with Financial Accounting Standards issued by the Indonesian accounting professional association (PP 23 of 2005 article 26 paragraph 2). Second, as an accounting entity, BLU is required to prepare financial statements to be consolidated with the accounting entity in charge. Types of reports to be This consolidation is carried out in accordance with Government Accounting Standards (PP 23 of 2005 article 27 paragraph 7). So that until 2016, the BLU Work Unit is still required to prepare 2 types of financial reports, namely Financial Statements that refer to Financial Accounting Standards and Financial Statements that refer to Government Accounting Standards.

## **2. Literature Review**

According to Indonesian Public Service Agency, hereinafter abbreviated as BLU, is an agency within the central government/regional government and established to provide services to the community in the form of providing goods and/or services that are sold without prioritizing seeking profit and in carrying out its activities based on the principles of efficiency and productivity. The BLU Financial Report is a form of BLU accountability which is presented in the form of a Budget Realization Report, Report on Changes in Budget Excess Balance, Balance

Sheet, Operational Report, Cash Flow Report, Statement of Changes in Equity, and Notes to Financial Statements.<sup>7</sup>

The BLU financial report is a structured report on the financial position and transactions carried out by the BLU. The general objective of BLU financial statements is to provide information on financial position, budget realization, excess budget balance, cash flow, operating results, and changes in BLU equity that are useful for users in making and evaluating decisions regarding resource allocation. Specifically, the purpose of BLU financial reporting is to provide information that is useful for decision making and to demonstrate the reporting entity's accountability for the resources entrusted to it, by:

- a. provide information on the position of economic resources, liabilities, and equity of BLU;
- b. provide information regarding changes in the position of economic resources, liabilities, and equity of BLU;
- c. providing information on the sources, allocation, and use of economic resources;
- d. provide information on compliance with the realization of the budget;
- e. provide information about how the reporting entity finances its activities and meets its cash needs;
- f. provide information on the potential of BLU to finance the implementation of BLU activities; and
- g. provide useful information to evaluate the ability and independence of BLU in funding its activities.<sup>8</sup>

### **3. Methods**

This type of research is descriptive qualitative. Implementation study is a study of policy studies that lead to the implementation process of a policy. In practice, policy implementation is a very complex process.

## **4. Result and Discussion**

### **4.1. Result**

From the results of interviews and data obtained from the RSUD Dr. H. Moh. Anwar Sumenep has not yet fully implemented the regulations stipulated by Permendagri No. 61 of 2007 concerning Technical Guidelines for Financial Management of Regional Public Service Agencies, so that the author can analyze the pattern of Financial Management of Regional Public Service Agencies between the rules applied by the object of research and the regulations of Permendagri No. 61 of 2007.

- a. Revenue and Cost of RSUD Dr. H. Moh. Anwar Sumenep
- b. Hospital Finance Manager Dr. H. Moh. Anwar Sumenep
- c. Financial Management of Dr. Hospital. H. Moh. Anwar Sumenep
- d. Rates and Service Standards Applied by RSUD Dr. H. Moh. Anwar Sumenep
- e. Presentation of the Financial Statements of Dr. Hospital. H. Moh. Anwar Sumenep

### **4.2. Discussion**

Based on the results of research conducted by researchers found some differences that are not in accordance with the rules of Permendagri No. 61. Year 2007 concerning Technical

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Guidelines for Financial Management of Regional Public Service Agencies, the differences can be seen in Table 1 below.

**Table 1. Financial Management Differences**

<b>Permendagri No. 61 Year 2007</b>	<b>Hospital Dr. H. Moh. Anwar Sumenep Based on Permendagri No. 13 Year 2006</b>
<p><b>Financial Manager</b></p> <ol style="list-style-type: none"> <li>1) Coordinate the preparation of the RBA;</li> <li>2) Prepare DPA-BLUD;</li> <li>3) Performing revenue and expense management;</li> <li>4) Organizing cash management;</li> <li>5) Manage debts;</li> <li>6) Develop policies for the management of goods, fixed assets and investment;</li> <li>7) Implementing a financial management information system; and</li> <li>8) Carrying out accounting and preparation of financial statements.</li> </ol>	<p><b>Financial Manager</b></p> <ol style="list-style-type: none"> <li>1) Prepare RKA-SKPD;</li> <li>2) Prepare DPA-SKPD;</li> <li>3) Take actions that result in expenses at the expense of the budget;</li> <li>4) Implement the SKPD budget;</li> <li>5) Performing tests on invoices and ordering payments;</li> <li>6) Carry out collection of non-tax revenues;</li> <li>7) Make ties / cooperation agreements with other parties within the budget limit that has been set;</li> <li>8) Signing the SPM;</li> <li>9) Manage debts and receivables that are the responsibility of SKPD;</li> <li>10) Managing regional property / regional assets which are the responsibility of the SKPD;</li> <li>11) Prepare and submit financial reports of SKPD;</li> <li>12) Supervise the implementation of the SKPD budget;</li> <li>13) Carry out the tasks of budget users / other users of goods based on the power delegated by the regional head; and</li> <li>14) is responsible for the implementation of his duties to the regional head through the regional secretary.</li> </ol>

**Table 2. Financial Management**

<b>Permendagri No. 61 Year 2007</b>	<b>Hospital Dr. H. Moh. Anwar Sumenep Based on Regent Regulation</b>
<p><b>Financial Management</b></p> <ol style="list-style-type: none"> <li>1) DPA-BLUD</li> <li>2) Cash Management</li> <li>3) Receivables and Debt Management</li> <li>4) Investment Management</li> <li>5) Cooperation</li> <li>6) Procurement of Goods and Services</li> <li>7) Goods Management</li> <li>8) Budget Surplus and Deficit</li> <li>9) Loss Settlement</li> <li>10) Administration</li> </ol>	<p><b>Financial Management</b></p> <ol style="list-style-type: none"> <li>1) Cash Management</li> <li>2) Receivables and Debt Management</li> <li>3) Investment Management</li> <li>4) Cooperation</li> <li>5) Goods Management</li> </ol>

## 5. Conclusion

Based on the research that has been done, the following conclusions can be drawn:

- 1) According to the data and interviews obtained, RSUD Dr. H. Moh. Anwar Sumenep has not fully implemented the rules stipulated by Permendagri No. 61 of 2007, this is evident from several indications, among others, the differences in the pattern of financial management of BLUD RSUD Dr. H. Moh. Anwar Sumenep with Permendagri No. 61 of 2007 concerning Technical Guidelines for Financial Management of Regional Public Service Agencies, except for RSUD Dr. H. Moh. Anwar Sumenep applies the Regent's Regulation (Perbup), so the regulations stipulated by Permendagri No. 61 of 2007 has not been fully implemented.
- 2) Financial management applied by RSUD Dr. H. Moh. Anwar Sumenep only applies five of the ten financial management stipulated by Permendagri No. 61 of 2007 concerning Technical Guidelines for Financial Management of Regional Public Service Agencies.

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