

Research Article

Comparison of Information Disclosure Finance in Balance and CALK (LKPD Aceh Southwest)

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Abstract.

Disclosure is one of the most important parts of financial reporting which is found at the end of the financial reporting process by providing the presentation of accounting information in the form of financial statements. This paper contains a comparison of the disclosure of financial information on the balance sheet and notes to the financial statements of LKPD Aceh Barat Daya. The phenomenon that emerges in the disclosure is a discrepancy between the existing information and what is disclosed to users of financial statements, including the public, which if not disclosed honestly will lead to a crisis of confidence in local governments. This paper is structured to show a comparison of disclosures and discuss how this level of disclosure is related to the trust of local governments in providing financial information.

Keywords: agency terrorism, CALK, disclosure, financial statements

1. INTRODUCTION

The government's efforts to realize good governance include: developing government accounting policies in the form of accounting principles governance, as well as increasing transparency and accountability in management state finances (Ardiansyah, 2013). Local governments implement transparency to provide transparent and honest financial information to the public (Syafitri, 2012). Disclosure of financial statements can help grow transparency and accountability in local government financial management (Wulandari, 2016). Disclosure of financial statements (disclosure) is one of the one method of delivering information in financial statements. One attempt What the government does is by applying the appropriate accounting basis so that government financial reporting can be used as a trigger to realize *good governance and realizing disclosure so as to achieve* transparency and accountability in the management of state finances. Financial reports are a way to convey financial data to those who need it.

There are several guidelines, procedures, and strategies preparation of financial statements. To prepare financial reports for the sector public, various approaches and techniques are used. Accrual-based accounting is one of the accounting methods used in preparing reports public sector finance Accrual-based accounting is an accounting method that recognizes, records, and presents economic transactions and other activities in the financial statements as they occur, regardless of when income or expenses are collected or compensated. The application of accrual basis

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accounting in developing countries has recently begun to increase, including Indonesia. Indonesia is one of the developing countries that has initiated the implementation of accrual basis accounting since 2003. Law no. 17 of 2003 is evidence of the government's desire to change accounting methods in the government sector. In 2015, SAP required local governments to use the full accrual basis in their financial reporting or LKPD (Regional Government Financial Reports). This policy makes the disclosure wider with the existence of this full accrual basis. This means that the better the accrual basis applied, the better in financial reporting, especially in terms of disclosure. The level of disclosure is very important which can be a bridge of trust between parties who need it for decision making. This should be done by every local government. However, the level of disclosure differs between regions, starting from the components and details even though they are audited by the same representative BPK. One of the differences is how local governments prepare budgets (APBD). Budgeting (APBD) is a process that has become a phenomenon in which the APBD is the result of an agreement between politicians who become regional heads and politicians who are members of the DPRD. All of this must be reported in the LKPD, but the question is whether it will be fully disclosed honestly. They tend to reveal only basic information and not details. After the authors searched, the Aceh Barat Daya district was one of the districts that disclosed financial reports directly on its official website. This shows that they are confident with the disclosures they make. Then whether it has reflected the real thing?. One that can be seen simply is looking at the comparison of disclosures in the balance sheet and notes to financial statements. From the above phenomena, The problem of this research is the theory and understanding of disclosure in local government? What is the meaning of agency theory in local government? What is the meaning of signal theory in local government? How is the comparison of local government disclosures in Aceh in distributing financial information?.

2. Literature Review

Disclosure is one of the most important parts of financial reporting which is found at the end of the financial reporting process by providing the presentation of accounting information in the form of financial statements (Apriyanti, 2018). Disclosure is divided into two types including mandatory disclosure and voluntary disclosure.

1. Function and Purpose of Disclosure

In general, the purpose of disclosure is to provide information that is considered necessary, such as the achievement of financial reporting objectives as well as corporate information services for all users of financial data that are used for different purposes depending on the needs of users (Suwardjono, 2016).

1. Purpose of Protecting

2. Informative Purpose

3. Purpose of Special Needs

2. Fairness of Disclosure

Fair value is a neutral basis for assessing management's responsibility by showing the impact of decisions to buy, sell, or own financial assets, and assume, maintain, or cancel financial liabilities. If a unit does not measure a financial asset or liability

financial statements at fair value on the balance sheet, the entity or unit must disclose fair value information in additional disclosures (PSAK No. 50 (Revised 2006) Reform 2007).

3. Users and Information Needs

a Investors

b Employee

- c Debtor
- d Other Business Lenders and Providers
- e Government
- f Customer
- g Public

4. Disclosure Method

The disclosure method addresses the issue of how information is presented to users in various financial statements, as well as other related data. (Suwardjono, 2014) lists the following disclosure strategies in this regard:

a) Financial Report Post

Financial information can be communicated in the form of postal elements or financial statements in accordance with the rules of definition, measurement, valuation, and presentation of financial statements.

b) Final note

Footnotes/end notes or notes to financial statements are ways of disclosing information that is impractical or does not meet the criteria for financial statements or item elements.

c) Explanation in Brackets

After posting, a short description in parentheses can be used to provide additional information.

d) Technical Terms

Technical and strategic conditions are a part of disclosure. Therefore, the correct terms must be used sequentially for the headings of financial statement headings, items, descriptions, or reporting subtitles.

- attachment

The main financial statements can be considered as summaries in management reports (internal managerial). Details, other information statements, lists of details, etc. may be presented as part of the appendix.

- Management Communication

Managers can communicate qualitative or non-financial information that is considered important to report company information to users so that users can find out the information in various ways, one of which is manager interviews with reporters (news conferences or press releases) is a form of publication or management communication.

Disclosure in Local Government

In general, disclosure is the presentation of information in the form of financial reports and other supporting communication media about a company. Disclosure should be able to provide additional information rather than reduce it because it is too detailed or difficult to analyze. The information disclosed must be useful, complete, clear, accurately describes economic events, and does not confuse users of financial statements in assisting economic decision making. Disclosure in local government must also meet all criteria in terms of delivering information in accordance with established regulations, namely SAP. Local governments are expected to be able to prepare financial reports in accordance with Government Accounting Standards (SAP) set by the Financial Accounting Standards Board (FASB). PP No. 71/2010 was published as an update to the regulation. PP RI Article 1 Government (PP) number 24 of 2005, number 71 of 2010. Government Accounting Standards (SAP) as referred to in paragraph (3) are the accounting principles used in the preparation and presentation of government financial statements. As a result, SAP becomes an obligation and legal basis to improve reporting quality. Indonesian government finance Government Regulation Number 71 of 2010 replaces Government Accounting Standards based on

Government Regulation Number 24 of 2005 with accrual-based Government Accounting Standards. Since the transition from cash-based accounting to accrual accounting will end in 2014, the replacement of this Government Accounting Standard will be of particular concern to the government. Of course, this requires the readiness of all government agencies in each region, be it province, city, or district (Ranuba, et al, 2015). (Wijayanti and Handayani, 2017). This rule shows that Government Accounting Standards are required to produce accountability reports in the form of local government financial reports on the implementation of the APBN / APBD. This is necessary for planning the costs of government initiatives and estimating the economy once it is completed. So that government operations run smoothly. Then according to the regional financial statements, financial data is needed (Setiawan and Gayatri, 2017). Solid financial reports from local governments will no doubt improve the quality of the area. 2017). This rule indicates that Government Accounting Standards are required to produce accountability reports in the form of local government financial reports on the implementation of the APBN / APBD. This is necessary for planning the costs of government initiatives and estimating the economy once it is completed. So that government operations run smoothly. Then according to the regional financial statements, financial data is needed (Setiawan and Gayatri, 2017). Solid financial reports from local governments will no doubt improve the quality of the area. 2017). This rule indicates that Government Accounting Standards are required to produce accountability reports in the form of local government financial reports on the implementation of the APBN / APBD. This is necessary for planning the costs of government initiatives and estimating the economy once it is completed. So that government operations run smoothly. Then according to the regional financial statements, financial data is needed (Setiawan and Gayatri, 2017). Solid financial reports from local governments will no doubt improve the quality of the area. So that government operations run smoothly. Then according to the regional financial statements, financial data is needed (Setiawan and Gayatri, 2017). Solid financial reports from local governments will no doubt improve the quality of the area. So that government operations run smoothly. Then according to the regional financial statements, financial data is needed (Setiawan and Gayatri, 2017). Solid financial reports from local governments will no doubt improve the quality of the area.

Agency Theory in Local Government

In agency theory, an agreement or contract is made by two parties, namely the party giving the authority called the principal, and the party receiving the authority is called the agent (Abdullah and Halim, 2006). Agency theory describes the relationship between two parties, one party acts as an agent who acts on the interests of the other party as the principal (Jensen and Meckling, 1976). When the principal delegates decision-making authority to the agent, problems arise (Zimmerman 1977). Asymmetric information availability, where one side has more information than the other, presents complications in agency relationships. Agency difficulties, according to Zimmerman (1977), occur in all organizations. In business, agency problems arise when shareholders act as principals and management acts as agents. Agency problems arise in the government sector when elected and appointed government officials interact with voters (the public) as agents. Officials in the government, as the party in charge of providing public services, have access to more information that allows them to make decisions or policies that are only focused on the government and authorities, ignoring the interests and welfare of the general public. Local governments must try to overcome this problem by presenting financial reports in an open and accountable manner. have access to more information that allows them to make decisions or policies that are only focused on the government and authorities, ignoring the interests and welfare of the general public. Local governments must try to overcome this problem by presenting financial reports in an open

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Signaling Theory in Local Government

Signaling theory is a theory that explains why governments feel should send a signal to the general public. Due to the knowledge asymmetry between the government and the people, the government sends a signal to the people. Information asymmetry occurs when the government has more information about how the government works than the general public (Dewi et al, 2018). According to signaling theory, the government sends signals to the public in the form of high-quality, reliable, and more widely disclosed financial data. This is done so that the community can support the government in its efforts to maintain the smooth running of the government. As a form of accountability offered by the government and as a type of promotion with political objectives, the government's performance must be publicized. The positive aspect of signaling theory is that if the government provides good information, can distinguish itself from other governments that do not (Wolk and Tearney, 1997). With a positive signal from the government, it is believed that the community will respond positively, giving the government a more accurate assessment of the community (Widarjo, 2011). In accounting there are two types of signals, namely direct and indirect signals (Nuswandari, 2009). Government cash flows are direct signals, while financial regulations, capital structure, and accounting policy choices are indirect signals. Direct disclosure, which can be a reliable signal, can help reduce adverse elections in government. provide a more accurate assessment to the government of the community (Widarjo, 2011). In accounting there are two types of signals, namely direct and indirect signals (Nuswandari, 2009). Government cash flows are direct signals, while financial regulations, capital structure, and accounting policy choices are indirect signals. Direct disclosure, which can be a reliable signal, can help reduce adverse elections in government. provide a more accurate assessment to the government of the community (Widarjo, 2011). In accounting there are two types of signals, namely direct and indirect signals (Nuswandari, 2009). Government cash flows are direct signals, while financial regulations, capital structure, and accounting policy choices are indirect signals. Direct disclosure, which can be a reliable signal, can help reduce adverse elections in government.

3. DISCUSSION

Comparison of Disclosure of Elements of Local Government Financial Reports

Local governments can choose whether their financial statements are made public or not. One of the regional governments in Aceh that discloses its financial reports through the internet is the Southwest Aceh Regency. So that it can be accessed by the public. With open disclosure, identifying that the local government of Aceh Barat Daya Regency has disclosed elements of financial statements in accordance with SAP both in terms of numbers and disclosures on the balance sheet and in the notes to its financial statements. The table below shows a comparison table for the disclosure of financial statement elements in the balance sheet and the notes to the financial statements show in Table 1.

No .	Description	Regency. Southwest Aceh	
1	CASH	<i>Disclosure balance</i>	<i>CALK . Disclosures</i>
	Cash in Cash Area	159,395,810,408.09	Cash Balance in Regional Treasury per 31 December 2018 is Rp159,395,810,408.09 increased by Rp67,059,816,951.65
	Cash in Bend. Expenditure	0.00	Cash Balance at Treasurer Expenditure as of December 31 2018 is IDR 0.00 because the rest of the UP has been paid by SKPK before the fiscal year ends, then there is no cash in the treasurer Expenditure.
	Cash in Bend. Reception	0.00	Cash in the receiving treasurer is the remaining cash balance be in the treasurer receipts as of 31 December 2018 of IDR 0.00 because has been deposited into the regional treasury in the 2018 Fiscal Year.
	Cash in BLUD	6,881,087,186.04	Cash balance in BLUD is cash which is in the BLUD RSU Teungku Peukan per

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			31 December 2018 of Rp6,881,087,186.04 decreased amounting to Rp2,860,831,561.91
	Cash in treasurer FTKP	0.00	
	Cash in BOSS Treasurer	0.00	
	Other Cash	168,862,229,42	Other cash is Cash which cannot be classified as one of the five previous type of Cash has been described. Cash Balance Others as of 31 December 2018 is as big as Rp168,862,229.42
	Cash Equivalent	0.00	-
2.	RECEIVABLES		
	Tax Receivable Area	10,793,828,458.00	Regional Tax Receivable Balance per December 31, 2018 is amounting to Rp10,793,828,458.0 0 increased by Rp1,807,580,847.00 or 20.11%
	Receivables Receivable	734,726,407.00	The balance of Receivables Receivables as of December 31, 2018 was IDR 734,726,407.00 an increase of IDR 108,980,580 or 17.42%

	Receivable Proceeds from the Management of Separated Areas	0.00	-
	Other Receivables Legitimate PAD	0.00	-
	Receivables Transfers Government Central-Fund Balancing	0.00	-
	Receivables Government Transfers Other	0.00	-
	Receivables Transfers Government Other Regions	7,821,255,786.58	The balance of Receivables of Income Tax Revenue Sharing Funds from the Province as of December 31, 2018 was Rp. 7,821,255,786.58
	Accounts Receivable Others	0.00	-
	Other Receivables	14,481,987,155.60	Other Receivables as of December 31, 2018 amounted to Rp14,481,987,155.60, an increase of Rp5,502,066,836.92 or 61.27%
	Allowance for Accounts Receivable	(8,538,564,650.04)	The accumulated balance of Allowance for Receivables as of December 31, 2018 was Rp8,538,564,650.04, decreased by Rp918,144,803.38 or 9.71%
3.	FIXED ASSETS		
	Land	159,485.437,539.00	159,485.437,539.00
	Equipment and Machinery	274.661.641.388.77	274.661.641.388.77
	Buildings and Buildings	618.472.223.001.00	618.472.223.001.00
	Roads, Irrigation and Networks	1,095,992,137,638.00	1,095,992,137,638.00
	Fixed Assets Other	29,308,797,675.62	29,308,797,675.62
	Construction In Work	87,979,390,831.00	87,979,390,831.00
	Accumulated depreciation	(710,320,661,454.00)	(710,320,661,454.00)

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4.	OBLIGATI ON		
	Debt Calculation Third party (PFK)	0.00	
	Interest Payable	0.00	Aceh District Government Southwest as of December 31 2018 has no balance Current Part of Term Debt Domestic Short – Central Government of IDR 0.00 (nil).
	Current Part Term Debt Long	0.00	
	Income Accepted In advance	86,915,210.00	Income Balance Received Upfront as of December 31, 2018 is as big as Rp86,915,210.00 increase amounting to Rp44,805.620.00 or 106.40%
	Expense Payable	2,447,275,691.00	Government Expense Debt Balance Southwest Aceh Regency per December 31, 2018 amounted to Rp2,447,275,691.00 increase amounting to Rp1,814,643,229.00 or 286.84%
	Term Debt Short Other	7,924,072,792,00	Short-term Debt Balance Others as of 31 December 2018 is as big as Rp7,924,072,792,00 experienced increase of Rp3,792,827,940.00 or 91.81%
	Debt To Third party	16,030,512,997.00	Balance of Debt to Parties Third as of December 31, 2018 amounting to Rp16,030,512,997.00 increased by Rp4,848,360,069.00 or 43.36%

if seen, the disclosure of each element of the financial statements in the balance sheet and in the notes to the financial statements has shown the appropriate disclosure. This can be seen from the figures reported between the statements on the balance sheet and CALK are the same. However, there are some elements of financial statements whose numbers are listed on the balance sheet but do not have an explanation in the notes section of the financial statements. There are some elements on the balance sheet that have a balance of 0 (zero) and do not have an explanation which should be disclosed even though it is considered not too conspicuous. In the author's opinion, most of the financial elements have been presented as is or fairly, because there is a lot of congruence between the numbers on the balance sheet and the notes to the financial statements, and it can be seen in the CALK that various elements of the financial statements have been detailed so that people who see the financial statements are not too doubtful about the fairness of the financial statements. Disclosure on the local government's official website is a good step in disclosure according to the author. The internet is a medium that is easily accessible to the public and an effective means for governments to disclose their financial information online (Styles, 2012). The use of the website as a medium for disclosing financial information is considered effective and efficient as a step to increase control over local governments in order to avoid acts of corruption and to increase accountability and transparency of local governments (Bertot, et al 2010). This is because the local government is already confident with the various financial information reported. Confidence from the local government itself can suggest the public that the financial statements have been presented fairly. It is evident from the comparisons that have been made by the author above, the disclosure has been done well. Confident disclosure through local government websites or internet media indirectly reflects the information disclosed. There are several factors that may be the reason for the disclosure on the official website, one of which is the audit opinion. Reported via the aceh.tribunnews.com page, LKPD Aceh Barat Daya has obtained audit opinions five times in a row from 2015. Audit opinion is one of the indicators in the disclosure of financial information on the local government's official website which is viewed based on the presentation of financial statements by the local government. Local governments that receive an unqualified audit opinion (WTP) will tend to disclose local government financial information via the internet to provide a signal for good and accountable local government financial management. If the local government obtains an audit opinion other than Unqualified (WTP) it will lead to the assumption that in the financial management of local governments there are irregularities so that local governments tend to cover up their financial information from the public (Fachru Rozi, 2018).

4. Conclusions and Suggestions

Conclusion

From the discussion above, it can be concluded that the comparison of financial information in the form of financial statements is a very crucial matter where disclosure is made to fulfill public trust in the local government. However, it all depends on the decision of the local government whether to disclose it or not. The higher the level of disclosure, the less asymmetric information can be. The discussion above looks at the comparison between the balance sheet and the notes to the financial statements. It can be seen that there is no significant difference between the two. This is due to the intention and confidence of the local government to disclose properly and correctly so that nothing is too significant and can be a signal to the public to have more confidence.

Suggestion

1. For the author personally, this paper still has many shortcomings in terms of substance and writing. So that in the future it is hoped that there will be more content and substance and better writing.
 2. Readers are expected to be wiser in taking the information in this paper, because there are still many things that are lacking.
- . The advice I can give to related parties is that local governments can be more optimistic with their financial statements, the more transparent in disclosure, the better the public can accept it. It is hoped that the writing can be better than what the author has compiled

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