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## Analysis of the Implementation of PSAP Number 13 Concerning the Presentation of Financial Statements for Public Service Agencies

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### Abstract

This study aims to analyze the presentation of the financial statements of public service agencies based on the implementation of PSAP No. 13. The results show that the

presentation of the financial statements of public service agencies based on PSAP No. 13 has been implemented, but not in its entirety.

**Keywords:** PSAP Number 13, Public Service Agency, Regulation

### 1. Introduction

In realizing good financial management, the government establishes a standard, guidelines, principles that become a reference in every government organization in the preparation of financial reports. Karyogis and Putra (2017) the embodiment of good governance organization requires a change in the field of government accounting because through the accounting process financial information is produced for various parties. 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. 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. However, the existence of these twelve PSAPs has not answered the needs of the Governmental Accounting Standards Unit. 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. Kawenas et al (2018) the pattern of financial management of the Public Service Agency (BLU) in BLU financial reporting by issuing a special PSAP related to BLU reporting. The Public Service Agency (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 the application of sound business practices. In practice, the BLU Financial Management pattern is given 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 the BUN/BUD and carrying out short-term investments. BLU is given the authority to manage revenue, cash management and investment and determine service cost standards.

On December 31, 2014, the Minister of Finance issued Regulation of the Minister of Finance Number 270/PMK.05/2014 concerning Accrual-Based Government Accounting Standards. In article 2 it is explained that the Central Government applies Accrual-Based SAP starting in 2015. This application is applied to all central government work units, without exception including the work units of public service agencies. With the enactment of this PMK, it is one of the main reasons for the Government Accounting Standards Committee (KSAP) to simplify the financial reporting of public service agencies, one of which is by issuing a special PSAP related to BLU reporting. With this simplification, BLU simply uses SAP in compiling its financial reports and no longer composes financial reports based on SAK.

On December 2, 2015 the Minister of Finance issued Regulation of the Minister of Finance Number 217/PMK.05/2015 concerning Statement of Government Accounting Standards Number 13 concerning Presentation of Financial Statements for Public Service Agencies. In this Minister of Finance Regulation, BLU work units are required to use PSAP No. 13 in the preparation of the 2016 Financial Statements.

On March 10, 2017, the Minister of Finance of the Republic of Indonesia issued Regulation of the Minister of Finance of the Republic of Indonesia No. 42/PMK.05/2017 regarding amendments to PMK No.

220/PMK.05/2016 concerning the accounting and financial reporting system of public service bodies which amend the provisions of article II where it is explained that the provisions regarding the accounting and financial reporting system of BLU are regulated in the Regulation of the Minister of Finance Number 220/PMK.05/2016 concerning the accounting and financial reporting system. Public Service Agency financial reporting and its amendments are used no later than for the preparation and submission of 2017 BLU Financial Statements. The new thing regulated in PSAP Number 13 is regarding the recognition of net income in Operational Cooperation (KSO). In the process of implementing PSAP No. 13 in BLU, of course, cannot be separated from the role of organizational factors such as infrastructure, information systems, commitment, quality of human resources and leadership styles which support success in the process of implementing PSAP No. 13. Aprianti et al (2017) if the human resources are qualified and reliable and supported by information systems, commitments and infrastructure from the BLU itself, the success rate in implementing PSAP will be higher, so that the goals to be achieved will be more optimal. Given the importance of complying with the provisions in PSAP Number 13 and because of the many KSOs that have been implemented, this paper aims to analyze the presentation of BLU financial statements and their conformity with the implementation of PSAP Number 13.

Previous research has been put forward by Suharto, et al (2019) showing that the readiness for the implementation of PSAP Number 13 is 64.4%. The results of the research by Ira and Merina (2020) stated that they were able to implement PSAP No. 13 in the Presentation of Financial Statements although there were some differences in the presentation of Financial Statements. Meanwhile, according to Kawenas, et al (2018), the results of the presentation of financial statements of public service bodies based on PSAP No. 13 have been implemented, but not as a whole, especially in recognizing revenues from Operational Cooperation (KSO) and in the preparation of financial statements there are still obstacles.

## Literature Review

### Government Accounting Standards

Based on Government Regulation Number 71 of 2010 article 1 paragraph 8 concerning Government Accounting Standards, Accrual-Based SAP is SAP that recognizes revenue, expenses, assets, debt, and equity in accrual-based financial reporting, and recognizes income, expenditure and financing in implementation reporting budget based on the basis set out in the APBD.

Government Accounting Standards regulate the accounting basis used in government financial statements, namely the cash basis for the recognition of expenditures and financing in the budget realization report and the accrual basis for the recognition of assets, liabilities, and equity in the balance sheet. The accounting basis is known as cash toward accruals (cash toward accruals). In general, the cash basis of accounting has long been abandoned by the organizers of accounting reports and has switched to the accrual basis.

### Public service agency

Public Service Agency (BLU) is an agency within the central government that was formed to provide services to the community in the form of providing goods or services based

on the principles of efficiency and productivity without prioritizing seeking profit. BLU obliged to present an accountability report on financial management. 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. BLU Financial Management Reporting is a form of BLU accountability which is presented in the form of:

1. Budget Realization Report, namely presenting information on the realization of income, expenditure, surplus/deficit, financing, and the remaining more/less budget financing, respectively, compared to the budget in one period.
2. Report Changes in Budget Balance Over, namely presenting information on the increase or decrease in the Budget Balance in the reporting year compared to the previous year.
3. Balance, which is to present information on the financial position of the reporting entity regarding assets, liabilities, and equity as of a specific date.
4. Operational Report, namely presenting information regarding the operational surplus/deficit of BLU including the source, allocation and use of managed economic resources. Operational information is used to evaluate decisions regarding the allocation of available resources and evaluate BLU performance in terms of efficiency and effectiveness of budget management.
5. Cash flow statement, namely presenting information regarding the source, use, changes in cash and cash equivalents during an accounting period, cash and cash equivalents balances at the reporting date at BLU.
6. Statement of Changes in Equity, which is to present information on the increase or decrease in equity in the reporting year compared to the previous year.
7. Notes to Financial Statements, namely presenting detailed information about the details contained in the financial statements, including information on fiscal/financial policies, macroeconomics, target achievement of the Law on the State Budget/Perda APBD, along with the obstacles and obstacles faced in achieving the target, an overview of the achievement of financial performance during the reporting year, information about the basis for preparing financial statements and accounting policies chosen to be applied to transactions and other significant events, information required by the Statement of Government Accounting Standards that have not been presented in the face sheet of financial statements, information for asset items and liabilities arising in connection with the application of the accrual basis of income and expenditure and reconciliation with the application of the cash basis, and additional information required for fair presentation, which is not presented in the face sheet of the financial statements.

### BLU Accounting System

The accounting system is a series of procedures, both manual and computerized, starting from the process of collecting data, recording, summarizing up to the stage of reporting financial position and financial operations. The accounting system at BLU consists of 3 parts, namely:

1. a financial accounting system that produces basic financial reports for the purposes of accountability, management and transparency,

2. Fixed asset accounting system that produces fixed asset reports for fixed asset management purposes, and
3. The cost accounting system produces unit cost information per service unit, performance accountability or other information, namely managerial interests.

BLU applies financial accounting standards issued by the Indonesian accounting professional association according to the type of industry. In the event that there are no accounting standards, BLU can develop specific industry accounting standards by referring to BLU accounting guidelines as stipulated in the Attachment to this Regulation of the Minister of Finance. Specific industry accounting standards are set by the minister/head of the institution after obtaining approval from the Minister of Finance.

Every BLU financial transaction must be accounted for and the supporting documents managed in an orderly manner. The BLU accounting period covers a period of 1 (one) year, starting from January 1 to December 31.

The BLU financial accounting system is designed to provide information on BLU's financial position, information on BLU's ability to obtain economic resources and expenses in one period, information on sources and use of funds, information on budget implementation, and information on regulatory compliance. BLU's financial statements must comply with applicable accounting standards. The resulting financial statements also have the following characteristics:

- Accrual basis
- Double bookkeeping
- Guided by the principles of internal control in accordance with generally accepted business practices.

In order for the integration of BLU financial reports to be better, BLU developed an accounting sub-system in accordance with government accounting standards.

The accounting system for BLU assets is also specifically regulated. The accounting system for fixed assets must at a minimum be able to produce reports that provide asset information according to its type, quantity, value of mutation, condition of fixed assets which are owned by the BLU itself and fixed assets that do not belong to the BLU but are under the control of the BLU. In managing and recording its fixed assets, BLU can use the BMN management system belonging to the ministry of finance.

For the management of fixed assets belonging to the BLU, there are several things that must be considered, including:

- Land and/or buildings certified on behalf of the central or local government
- BLU assets are recorded and reported in accordance with applicable financial accounting standards
- As long as BLU does not have an asset recording system, it can use the SIMAK-BMN application by doing depreciation
- The value of fixed assets in the consolidated reports of K/L/Pemda is recorded at the amount that has been depreciated and amortized

The cost accounting system at the BLU must at least be able to produce information about the cost of production, information about unit costs per unit of service provided, and also information on analysis of variance (the difference between standard costs and actual costs incurred by the organization).

The cost accounting system in BLU produces information that is very useful for:

- Planning and controlling BLU operational activities
- Decision making by the leadership or authorized official within the BLU organization
- Performing the calculation of BLU service rates.

### **BLU Accounting System Components**

The BLU accounting system consists of integrated sub-systems to produce financial reports and other reports that are useful for those in need. This component consists of:

#### **a) Accounting policy**

Accounting policies include the choice of principles, bases, conventions, regulations and procedures used by BLU in the preparation and presentation of financial statements. Consideration and or selection of accounting policies need to be adjusted to the conditions of the BLU. The target of the right policy choice will describe the right conditions. Selection considerations for the application of accounting policies include:

- Fair presentation
- Substance over form
- Materiality

#### **b) Accounting subsystem**

It is part of the accounting system. For example, the cash receipts sub-system and the cash disbursements sub-system

#### **c) Accounting procedures**

The procedures used to analyze, record, classify and summarize information to be presented in financial statements, also refer to the accounting cycle

#### **d) Standard Chart of Accounts**

BAS is a list of general ledger estimates that are determined and systematically compiled by the BLU leadership to facilitate planning, budgeting, budget execution, as well as accounting and financial reporting. For the purpose of consolidating BLU reports with K/L/ Pemda.

### **Conclusion**

In presenting the Financial Statements, PSAP Number 13 has been applied but the overall results have not been maximal as expected, there are still some companies/agencies that have obstacles in implementing PSAP Number 13 and there are still some aspects that have not been fulfilled in its implementation.

Every agency/company service agency generally required to implement PSAP No. 13, it is necessary to pursue supporting policies so that PSAP No. 13 can run well and in accordance with the provisions.

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