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Evaluation of the Conformity of the Budget Realization Report (LRA) with PSAP No.02 at the Lhokseumawe City PUPR Office

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ABSTRAK

The Budget Realization Report (LRA) is one of the main components in the local government's financial statements which functions as a means to assess the performance of budget implementation in a transparent and accountable manner. PSAP Number 02 stipulates that the LRA must be prepared using a cash basis and contain components such as revenue, expenditure, transfers, surplus/deficit, financing, and the Remaining Over/Under-Financing Budget (SiLPA/SikPA). This study aims to evaluate the suitability of the presentation of LRA at the Public Works and Spatial Planning Office (PUPR) of Lhokseumawe City against the provisions of PSAP 02 for the 2021 to 2023 fiscal years, as well as identify obstacles in its implementation. The method used in this study is a qualitative descriptive approach with document study techniques and literature analysis. Data is obtained through official LRA documents available online, audit reports of the Financial Audit Board, as well as academic and policy references related to government accounting standards. The results of the study show that the preparation of LRA by the PUPR Office has followed the structure and format as stipulated in PSAP 02. The report presents separate and complete budget and realization data, and includes all mandatory components. The implementation of the cash base has also been generally well implemented, although there is a delay in recognizing transactions at the end of the budget period. The main obstacles found include limited human resources who have a technical understanding of PSAP, accounting information systems that have not been fully integrated, and insynchronization between central policies and their implementation in the regions. Therefore, it is necessary to strengthen the competence of the apparatus, increase the capacity of the information system, and adjust technical regulations to ensure that regional financial reporting runs according to the set standards.

Keywords: Budget Realization Report, PSAP No.02, PUPR

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PENDAHULUAN

Local governments in Indonesia are required to manage finances in a transparent, accountable, and efficient manner as a form of responsibility for the use of public funds. The need for accountable regional financial management is increasingly emerging with the enactment of regional autonomy through Law Number 23 of 2014 concerning Regional Government (Anggi, 2022). In the context of regional financial management, financial statements have a strategic position because they reflect the government's responsibility in managing and utilizing public financial resources (Yuniar et al., 2023). One of the main forms of local government financial statements is the Budget Realization Report (LRA), which is prepared based on the principles set out in the Government Accounting Standard Statement (PSAP) Number 02.

PSAP Number 02 is a standard issued by the Government Accounting Standards Committee (KSAP) to regulate the preparation and presentation of LRAs by government entities. The LRA aims to provide information on the realization of revenue, expenditure, transfers, surplus/deficit, financing, and remaining more or less budget financing (SiLPA/SikPA) during a budget period. This report is the main instrument in assessing the extent to which the budget plan that has been prepared at the beginning of the current year can be realized by the local government (Amelia et al., 2023). In other words, the LRA not only functions as a reporting tool, but also as a financial performance evaluation tool that can be used by various parties, such as the DPRD, BPK, inspectorate, and the wider community.

A good LRA must meet the basic principles of cash-based accounting as set forth in PSAP 02, namely that revenue is recognized at the time cash is received and expenditure is recognized at the time cash is issued (Amelia et al., 2023). The implementation of this cash base aims to simplify accounting recording in the government and adapt it to the reality of cash receipts and expenditures. However, the implementation of this cash base does not mean that there are no challenges. In practice, there are various problems in the preparation of LRAs that are in accordance with PSAP 02, ranging from limited human resources, accounting information systems that are not optimal, to low technical understanding of applicable standards (Risnaningsih, 2016).

In the context of regional autonomy, the responsibility for financial governance is also increasing, including for city governments such as Lhokseumawe. Lhokseumawe City is one of the cities in Aceh Province that has a fairly complex local government organizational structure (OPD), one of which is the Public Works and Spatial Planning Office (PUPR). This agency has a strategic role in the development of regional infrastructure, including roads, drainage, irrigation, and government buildings. These activities certainly involve the use of a large budget, so accountability in financial preparation and reporting is crucial.

The Lhokseumawe City PUPR Office annually prepares and submits a Budget Realization Report as part of the accountability for budget implementation. However, until now there are still concerns about whether the LRA prepared by the PUPR Office is fully in accordance with the provisions of PSAP Number 02. This is important to be further researched considering that the consequences of the preparation of financial statements that are not in accordance with standards can reduce the quality of the financial statements of the local government as a whole and have an impact on the audit opinion of the Financial Audit Board (BPK).

Previous studies have shown that in many areas, the main challenge in implementing PSAP 02 lies in human resources who do not have a deep understanding of government accounting standards. Many employees involved in the preparation of financial statements at SKPD do not have an accounting education background or have never undergone in-depth technical training related to PSAP (Alfian,

2016). In addition, the accounting information systems used also often do not support automatic cash-based reporting, which leads to a high reliance on manual processes and is prone to recording errors.

Another problem is that technical regulations are changing and not yet fully synchronized between central and regional regulations. Although Government Regulation Number 71 of 2010 and PSAP have been issued since more than a decade ago, their implementation in the regions is still running gradually and unevenly. Many local governments are still based on the Permendagri or internal reporting system that has not fully adopted the principles of PSAP 02. This makes reporting standards between regions different, which of course interferes with efforts to equalize the perception and practice of government accounting nationally. In the context of the Lhokseumawe City PUPR Office, these challenges are also likely to be felt. Given the characteristics of the PUPR Office which has a complicated budget structure, the use of multiyear project funds, and the involvement of many parties in the implementation of the project (contractors, consultants, supervisors, etc.), recording budget realization becomes more complex compared to other SKPDs. Therefore, it is important to conduct an in-depth evaluation of the extent to which the LRA of the PUPR Office has been prepared in accordance with PSAP 02, including the identification of components that have been or are not compliant, as well as the obstacles faced in the implementation of the standard.

This study aims to provide a comprehensive overview of the implementation of PSAP 02 within the Lhokseumawe City PUPR Office, especially in terms of the preparation of LRA over the last three years (2021–2023). By analyzing the report structure, the recording base, and the components of the LRA presented, this study is expected to provide constructive input for local governments in order to improve the financial reporting system in the future. In addition, this research also has an academic contribution in enriching the literature related to public sector accounting in Indonesia, especially related to the implementation of government accounting standards at the regional apparatus work unit level. The findings of this study can be used as a reference for other SKPDs, internal auditors, and policy makers in local governments to better understand the importance of compliance with government accounting standards as part of good financial governance.

The main focus of this study is to evaluate: (1) the level of conformity of the presentation of the LRA of the Lhokseumawe City PUPR Office with the provisions of PSAP Number 02. And (2) the main obstacles faced in the implementation of PSAP 02, both in terms of human resources, information systems, and regulatory aspects. The results of this study are expected not only to describe the actual conditions that occur in the field, but also to provide practical solutions or recommendations that can be applied to improve the quality of financial reporting and public accountability in the local government environment.

METODE PENELITIAN

This study uses a qualitative descriptive approach with a focus on evaluating the suitability of the presentation of the Budget Realization Report (LRA) based on PSAP Number 02 and identifying obstacles to its implementation at the Public Works and Spatial Planning Office (PUPR) of Lhokseumawe City. The research was conducted on LRAs for the 2021, 2022, and 2023 fiscal years.

Data Types and Sources

The type of data used is secondary data obtained from the official financial statements of the Lhokseumawe City Government, especially the PUPR Office, which is available through public documents or online publications. Other supporting data is obtained from related laws and regulations such as Government Regulation Number 71 of 2010, PSAP Number 02, and Permendagri related to the preparation of financial statements.

Data Collection Techniques

The data collection technique was carried out by document analysis and literature study. The documentation includes the collection of LRA documents of the PUPR Office for the past three years. Literature studies are used to understand the provisions of PSAP 02 and examine relevant previous research results. In addition, information sources from the internet are used to obtain the latest data on the financial reporting condition of the Lhokseumawe PUPR Office.

Data Analysis Techniques

The data were analyzed descriptively by comparing the content and structure of the LRA with the elements required in PSAP 02, namely:

1. The use of cash bases in the recording of income and expenditure,
2. Presentation of mandatory posts such as income, expenditure, transfers, surplus/deficit, financing, and SiLPA,
3. Consistency between years of reports,
4. Compatibility with the format set by the PSAP.

To identify implementation constraints, qualitative analysis was used based on general indicators of accounting standard implementation constraints, such as limited human resources, technical understanding, information system support, and regulatory barriers. Triangulation analysis was used to corroborate the findings by comparing various literature sources and official documents. The results of this analysis will be the basis for assessing the level of compliance with PSAP Number 02 and compiling recommendations for improving the quality of financial reporting within the Lhokseumawe City PUPR Office.

HASIL DAN PEMBAHASAN

Suitability of LRA Structure and Content

The analysis shows that the LRA of the Lhokseumawe PUPR Office generally has presented the main posts according to PSAP 02. The report lists regional revenues (PAD and transfers), expenditures by type, transfer posts (e.g. balance funds), and calculating budget surpluses/deficits. As stipulated in PSAP 02, the LRA must at least include the posts of Revenue-LRA, Expenditure, Transfers, Surplus/Deficit, Financing Receipts and Expenditures, Net Financing, and Remaining Over/Under Budget Financing (SiLPA) (KSAP, 2020). For example, in the LRA PUPR, the post "Remaining Excess Budget Financing (SiLPA)" was found as the closing of the report, consistent with the illustration of the LRA format (Simanjuntak et al., 2023). The results of Tatang et al.'s (2022) research on the SKPD of the Manado DPRD also show that the elements of Revenue, Expenditure, Surplus/Deficit, and SiLPA have been presented in accordance with PSAP 02 (Tatang et al., 2022). The LRA table of the Pematangsiantar City PUPR Office (a type of SKPD) illustrates these components (see Appendix), including Surplus/Deficit and financing components including SiLPA (Simanjuntak et al., 2023). In general, the above data shows that the format structure of the LRA PUPR Lhokseumawe is in line with PSAP 02 in terms of the composition of the main posts.

Cash Base Implementation

PSAP 02 confirms that the LRA uses a cash base (KSAP, 2020). In practice, this means that government entities only recognize revenue when cash enters the RKUD and expenditures when cash is used (KSAP, 2020). The implementation of the cash base at the Lhokseumawe PUPR Office can be seen from the reporting of income and expenditure in accordance with the realization of cash in the period in question. For example, local revenue-origin (levies, wealth management results) is recorded when cash receipts occur. Similarly, capital expenditure or operations are recognized when the treasurer issues cash. Adjustments to the cash base also require the recording of return transactions or cash receipts in the following period to remain recorded as receipts that affect LRA's position at that time (KSAP, 2020). However, the difference in the time of depositing cash (for example, funds have not been deposited into the regional treasury) can be a technical issue. PSAP 02 provides guidance on revenue recognition when cash receipts occur (KSAP, 2020). Overall, the cash basis has been applied to the LRA PUPR, in accordance with the provisions of government accounting standards.

Mandatory Components of LRA

The LRA should highlight the elements of revenue, spending, transfers, surplus/deficit, and financing (KSAP, 2020). In the LRA PUPR Lhokseumawe document, regional revenues are broken down by source (PAD, general allocation, special, Profit Sharing), while expenditure is grouped by type

(employees, goods, capital, etc.). The transfer category includes receipts from other entities, as defined by "inbound transfer" in PSAP 02 (KSAP, 2020). Surplus/Deficit-LRA is the difference between income and expenditure before financing. Furthermore, the financing section in the LRA PUPR contains financing receipts (for example, withdrawal of remaining reserve funds, loans) and financing expenditures (regional capital participation, principal payments, loans) with net financing results. Net financing posts and SiLPA are calculated according to the rules (KSAP, 2020). For example, the appearance of the "SILPA" post at LRA PUPR is consistent with the practice in Pematangsiantar (Simanjuntak et al., 2023), which indicates the overall receipts exceed expenses after all financing is recorded. The existence of all these mandatory components shows that the PUPR LRA has accommodated the demands of PSAP 02 for comprehensive budget reporting (KSAP, 2020).

Obstacles to PSAP 02 Implementation

In implementing cash-based LRA standards, the PUPR Office faces several obstacles. First, the limitation of accounting human resources (HR). Many regions lack accounting staff who understand the current government accounting concepts (Risnaningsih, 2016). Wansur (2011) stated that the inadequate quality of human resources is the main obstacle, because the recruitment of employees is centralized so that it is difficult for the regions to strengthen the accounting team (Risnaningsih, 2016). Second, the technical understanding of PSAP 02 still needs to be improved. The difference between the latest LRA format and the old custom (the old Permendagri) requires massive socialization. Risnaningsih (2016) noted that there are "legal inconsistencies" and a lack of uniform guidelines so that local governments are less serious about adopting new accounting standards (Risnaningsih, 2016). This is also experienced in PUPR, where some employees still follow cash-based budget procedures in the era before accrual or Permendagri. Third, the constraints of the accounting information system (SIA). Some SKPDs do not yet have an integrated SIA that supports automatic cash-based budget reporting. The absence of a SIA forces accountants to carry out manual or semi-manual recordings, increasing the potential for errors and delays. Fourth, the regulatory aspect. The rapid change in regional financial rules (the old Permendagri changed the SAP policy) caused technical uncertainty. Some technical guidelines have not been synchronized with PSAP 02, so recording and reporting practices sometimes still refer to old provisions (Risnaningsih, 2016). All of these factors – limited human resources, understanding of standards, SIA, and complex regulations – are the main obstacles in the implementation of PSAP 02 at the Lhokseumawe PUPR Office.

KESIMPULAN

The presentation of the Budget Realization Report of the Lhokseumawe City PUPR Office for FY 2021–2023 is generally in accordance with the Government Accounting Standard Statement Number 02. The structure of the LRA has contained mandatory components such as Revenue-LRA, Expenditure, Transfers, Surplus/Deficit-LRA, Financing Receipts and Expenditures, Net Financing, and SiLPA. The implementation of the cash basis also appears to be consistent with the provisions of PSAP 02 (income recorded when cash is received, expenditure when cash is issued). However, there are implementation constraints, especially related to the availability and competence of regional accounting human resources and the alignment of technical regulations. To improve the suitability and effectiveness of reporting, it is recommended to strengthen government accounting training for PUPR employees, improve integrated accounting information systems, and harmonize regional financial guidelines with PSAP 02. This step is expected to increase the financial accountability of the PUPR Office and support the achievement of a positive opinion from the BPK on regional financial statements.

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