

ANALYSIS OF TREATMENT OF FIXED ASSETS BASED ON GOVERNMENT ACCOUNTING STANDARD STATEMENT NO.07 AT THE LIKUPANG TIMUR DISTRICT OFFICE NORTH MINAHASA DISTRICT

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Abstract:

Accounting treatment related to fixed assets includes determining the acquisition price or value of fixed assets, depreciation of fixed assets, and write-offs. The main objective of acquiring fixed assets is to improve community welfare through improving government services. This research aims to determine whether the accounting treatment for fixed assets at the East Likupang District Office is according to the Government Accounting Standards Statement Number 07 concerning Fixed Asset Accounting Based on Government Regulation of the Republic of Indonesia Number 71 of 2010 concerning Government Accounting Standards. This analysis method is descriptive qualitative. The research results show that the East Likupang District Office still needs to fully implement the Government Accounting Standards Statement No. 07 Government Regulation Number 71 of 2010. The information on depreciation of fixed assets still needs to be completed in CALK because the accumulated depreciation is the only value. There is no disclosure of information regarding depreciation, so it is yet to be available by PSAP No. 07.

Keywords: Analysis, Treatment, Fixed Assets, Statement of Government Accounting Standards Number 07, North Minahasa

INTRODUCTION

Private entities and government agencies have wealth or assets that will later become supporting facilities for operational activities. According to government accounting standards (Government Regulation No. 71 of 2010), fixed assets belonging to the government can be Land, buildings or equipment, Machinery, roads, and networks. There are many ways to obtain fixed assets, including buying long-term credit, building your own, exchanging for other assets or securities, gifts or donations, and many more.

Fixed assets generally have a significant value so that they can affect the position of wealth in financial statements. Therefore, its presentation requires special treatment and careful calculations. Accounting treatment related to fixed assets includes determining the acquisition price or value of fixed assets, depreciation of fixed assets, and write-offs. The main objective of acquiring fixed assets is to improve community welfare through improving government services. Fixed assets used continuously in government operations will decrease, and their helpful value will decrease over time. According to government accounting standards statement no. 07, Fixed assets are tangible assets with a useful life of more than 12 months or one accounting period for use in local government activities or for use by the general public. They are not intended for sale in the everyday operations of an agency.

The reliability of fixed asset recognition, measurement and disclosure depends on the government accounting standards. The government has made changes to government accounting



standards to improve financial reporting and accountability to the public, including improving reporting of government fixed assets. Since the enactment of Government Regulation (P.P.) of the Republic of Indonesia, no. 71 of 2010 concerning Accrual-Based Government Accounting Standards is the momentum for changes in government accounting standards from previously cash-based to accrual and towards asset treatment where depreciation is taken into account in the valuation of fixed assets. Therefore, accrual-based accounting provides more complete fixed asset information for decision-making than cash-based accounting. Regulations regarding the recognition, measurement and disclosure of government fixed assets are presented in Statement of Government Accounting Standards No. 07 (PSAP 07) concerning Fixed Asset Accounting in Appendix I.08 P.P. No. 71 of 2010 and Technical Bulletin No. 15 concerning Accrual-Based Fixed Asset Accounting.

Likupang Dua District Office is one of the sub-districts in North Minahasa Regency. Management of fixed assets is inseparable from the risk of loss or unusability due to the condition of the asset being damaged or a discrepancy between the physical form and the records presented. There is a need to implement a fixed asset accounting system that is good and honest, and in reality, starting from recognition to disclosure of fixed assets on the balance sheet. Implementing fixed asset accounting, records must also be based on applicable regulations so that state fixed assets are used relatively and coordinated in their management. Not only that, accounting treatment is also needed for fixed assets to avoid unwanted risks. Asset management is an essential element that forms the basis for preparing regional government balance sheets. Therefore, its management must be carried out orderly and systematically. The asset problem in East Likupang District requires fixed assets to be depreciated systematically over their economic useful life. Problems may arise in determining the appropriate depreciation method and estimating a reasonable useful life. In addition, if these estimates have significant changes, appropriate adjustments and disclosures must be made. It is essential to have accounting in government and private agencies to obtain relevant information. It can be considered a basis for making decisions regarding activities and activities carried out in the East Likupang sub-district. The fixed assets owned by East Likupang District are Land, equipment, Machinery, buildings, structures, irrigation roads, and networks, which will later be used to carry out everyday activities in the district.

METHODS

The type of research used in this study is qualitative research. This research was conducted in natural conditions directly at the data source by collecting, presenting, and analyzing data obtained from observations or existing documents. The stages of analysis carried out in this study are as follows.

1. Collect data, study history, organizational structure, applicable fixed asset regulations and policies, recognition of fixed assets, measurement/valuation of fixed assets, depreciation of fixed assets, retirement and disposal of fixed assets, and disclosure of fixed assets at the East Likupang District office.
2. Analyzing the Recapitulation of the List of Fixed Assets, Statement of Government Accounting Standards No. 07 Regarding Fixed Assets Based on P.P. Number 71 of 2010.
3. Conclude whether or not the East Likupang District Office has implemented Government Accounting Standards Statement No. 07.

RESULT AND DISCUSSION



At the East Likupang District Office, the assets are classified according to the fixed assets in PSAP 07: Land, buildings and structures, equipment and Machinery, roads, irrigation, networks, and other fixed assets. The following are details of fixed assets at the East Likupang District Office.

Land. Based on data from the East Likupang District Office, it can be seen in Table 1. as follows:

Table 1. Details of Fixed Assets in the Form of Land for the East Likupang District Office

No	Area (M ²)	Location	Value
1	2.000,00	Likupang Village, East Likupang District	128.000,000

Source: East Likupang District Office 2022

The table above shows that the value of fixed assets in the form of Land owned by the East Likupang District Office is 128,000,000. The results of the researcher's interviews with employees of the East Likupang District office showed that the Land for the office building was purchased as a gift.

Based on the data from the East Likupang District office, it can be seen in Table 2. as follows:

Table 2. List of Buildings and Office Structures in East Likupang District.

Type Of Item / Name of Item	Value
Permanent Office Building	689.063,000
Permanent Class III Type A State House	179.115,000
Other Office Buildings	149.500,000
Total :	1.017.678.000

Table 2. shows that the Fixed Assets of buildings and structures at the East Likupang District office have a total value of Rp. 101,767,800.

Equipment and Machinery. Based on data results from the East Likupang District Office, which can be seen in Table 3. as follows:

Table 3. List of Equipment and Machinery for the East Likupang District Office.

Type Of Item / Nama of Item	The Number Of Goods	Value (Rp)
Notebook	4	46.600,000
Motorized official vehicles	2	34.400.,000
Folding chair	1	1.955,1000
Sofa	2	22.750,000
Sound system	1	8.400,000
Echelon III official's work desk	1	15.000.000
Work seat for echelon III officials	3	21.500,000
Workbench	1	19.250,000
P.C. Unit	4	44.000,000
Printer (Personal Computer Equipment)	9	28.168,000
Speed Boat/Tepel Motorbike	1	199.435,000
A.C. Window	1	4.600,000
Wireless	2	116.975,000



Work seat for echelon IV officials	1	3.420,000
Movie screen/Projector	1	7.037,000
Wood cupboard	1	6.000,000
Attendance Machine	4	22.000,00
Sofa for guest	2	15.000,000
Dispensers	2	4.573,000
Digital Video effects	1	3.500,000
Laptops	4	60.500,000
½ bureau table	1	2.500,000
Swivel chair	1	1.100,000
Refrigerator	1	3.730,000
Distilling Apparatus	1	12.500,000
Hard Disk	1	1.300,000
Meeting Chairs	1	10.000,000
Grody/Kray	1	157.000,000
Total		890.789.000

Source: East Likupang District Office 2022

Based on Table 2. shows that the amount of fixed assets for machine equipment is Rp. 890,789,000.

Roads, Irrigation and Networks. Based on data from the East Likupang District Office, Roads, Irrigation and Networks:

Table 4. List of Roads, Irrigation and East Likupang District Office Network

Type Of Item / Nama of Item	Value
Transmission Network	29.920,000
Well With Pump (Irrigation Intake Building)	30.000,000
Total	59.920,000

Source: East Likupang District Office 2022

Based on table 4 shows that roads, irrigation and networks at the East Likupang District Office have a total value of Rp. 59,920,000

Other Fixed Assets. Based on the results of data from the East Likupang District Office for other fixed assets, it can be seen in Table 5. as follows:

Table 5. List of Other Fixed Assets for East Likupang District Office.

Type Of Item / Nama of Item	Value
Other Officials' Work Chairs	6.000,000
Buildings Office buildings Others	149.500,000
Total	155.500,000

Source: East Likupang District Office 2022

Based on Table 4.5, it can be seen that other fixed assets at the East Likupang District Office have a total value of Rp. 155,500,000.

Fixed Asset Classification. The classification of fixed assets is carried out by the East Likupang District Office as follows:



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1. Land, classified as a fixed asset, is acquired for government operational activities and is ready for use.
2. Buildings and Structures include all buildings and structures acquired for use in government operational activities and are in ready-to-use condition.
3. Equipment and Machinery, including electronic machines and motorized vehicles, all office inventory, and other significant-value equipment with a useful life of more than 12 (twelve) months, is in ready-to-use condition.
4. Roads, irrigation, and networks, including roads, irrigation, and networks built by the government, owned or controlled by the government, and in ready-to-use condition. Examples of fixed assets in the classification include Transmission Networks and Irrigation Extraction Buildings.
5. Other fixed assets can be grouped into the fixed asset group above, acquired and utilized for government operational activities, and ready for use. These include Other Office Buildings.
6. Construction in progress, where fixed assets under construction at the date of the financial statements still need to be completed.

Based on the explanation above, the East Likupang District Office's fixed asset classification is by PSAP Number 07

Recognition of Fixed Assets. Based on the Government Accounting Standards Statement Number 07, which regulates fixed asset accounting, this statement is applied to all Regional Work Units that present financial reports for general purposes. It regulates their accounting treatment, including definition, recognition, measurement, initial research, termination and write-off, disclosure, and depreciation, which require different accounting treatments.

Fixed assets can be recognized if they meet the qualifications and there is proof of transfer of rights/ownership, marked by documents in the form of minutes of handover of fixed assets (BAST) and proof of ownership of fixed assets. BAST is minutes of the value of fixed assets transferred to the work unit. At the same time, evidence Ownership is marked by ownership of documents in the form of a sale and purchase deed, sales agreement (invoice or receipt), and other equivalent documents.

The East Likupang District Office recognizes fixed assets if they are tangible, owned and controlled by the East Likupang District Office, have a useful life of more than one year, and are used in the office's activities. The acquisition value of the East Likupang District Office's assets is presented based on the acquisition price or regular price.

Table 6. compares fixed asset recognition carried out by the East Likupang District Office with PSAP No. 07.

Statement of Government Accounting Standards No. 07 District Office.

Table 6. Comparison of Recognition of Fixed Assets Performed.

Statement of Government Accounting Standards No. 07	East Likupang District Office	Information
Tangible assets have more than 12 (twelve) months of useful life.	Assets have a useful life of more than 12 months.	In accordance
The cost of the asset can be measured reliably.	The costs of acquiring assets can be measured reliably.	In accordance



It can be acquired or built to be used.	Fixed assets are only used for government operations.	In accordance
It is not intended for sale in the ordinary course of the entity's operations.	Fixed assets are not intended for sale.	In accordance

Source: East Likupang District Office 2022

The table above shows that the East Likupang District Office's Fixed asset recognition is by PSAP No. 07, so there is no difference.

Fixed Asset Measurement. The East Likupang District Office's measurement basis for preparing and presenting financial reports uses acquisition value; assets are recorded at expenditure or at the fair value of the consideration given to acquire them.

Tangible goods that meet the qualifications to be recognized as an asset and classified as fixed assets must initially be measured at cost. The cost of acquiring an asset can be determined by looking at proof of the purchase transaction to determine the cost components. The cost component includes other costs that can be distributed directly until the asset is ready for use. For example, installation costs. The East Likupang District Office has a policy of measuring acquisition costs, the same as the PSAP Government Accounting Standards Statement No. 07, which states that all procurement of fixed assets is at their acquisition price.

The East Likupang District Office's fixed assets were obtained through purchase and construction. The acquisition price is measured at the value incurred from the initial purchase price until the asset is ready for use.

The East Likupang District Office's fixed assets were obtained by purchasing and building through construction in progress. Fixed assets acquired through purchase have their acquisition price measured at all costs incurred, starting from the initial purchase price until the asset is ready for use.

Table 7. Comparison of Measurement Implementation at Acquisition of Fixed Assets Carried Out by the East Likupang District Office with PSAP No.07.

Statement of Government Accounting Standards No. 07	East Likupang District Office	Information
Fixed assets are valued at cost. If using acquisition cost is not possible, the value of the fixed asset is based on the fair value at the time of acquisition.	Fixed assets are presented at cost or fair price.	In accordance
The cost of acquiring fixed assets consists of the purchase or construction price, including import duties and any costs that can be distributed directly.	Cost consists of all cash outlays necessary to obtain title to the asset and other costs to place the asset in a ready state.	In accordance

Source: East Likupang District Office 2022

This is by PSAP No. 07, which states that fixed assets are valued at acquisition cost. If valuation using acquisition cost is not possible, the value of the fixed assets is based on their fair value at the time of acquisition.



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Based on Table 4.7, the implementation of fixed asset measurements at the East Likupang District Office at the time of acquisition was by PSAP No. 07.

Fixed Asset Cost Components. Based on PSAP 07 Paragraph 28, the cost of acquiring a fixed asset consists of its purchase or construction price, including import duties and any costs that can be directly distributed to bring the asset to a condition that makes it capable of working for its intended use.

- a. Land. The Government Accounting Standards Statement states that Land is first recognized at its acquisition cost. Acquisition costs include the purchase price or land acquisition costs, costs incurred to obtain rights, development costs, stockpiling measurements and other costs that must be incurred until the Land is ready for use.
- b. Buildings and structures. The cost of acquiring buildings and structures describes all costs incurred and still to be incurred to acquire them until they are ready for use. These costs include, among other things, the purchase price or construction costs, including IMB management, Notary, and taxes.
- c. Equipment And Machinery. Government Accounting Standards state that acquiring a fixed asset consists of its purchase or construction price, including import duties and any costs that can be distributed directly to bring the asset to work for its intended use.

From the statement above, it can be concluded that the fixed asset cost components applied to the East Likupang District Office are by PSAP No. 07 regarding fixed assets, namely the cost component used until the asset is ready.

Expenditures After Acquisition of Fixed Assets. According to Government Accounting Standards Statement No. 07, Expenditures after the acquisition of fixed assets that extend their useful life or are likely to benefit the economy in the future in the form of increased capacity, production quality, or performance standards must be added to the carrying value of the assets concerned.

Table 8. Comparison of Expenditure Implementation After Acquisition of Fixed Assets by the East Likupang District Office with Government Accounting Standards Statement No. 07.

Statement of Government Accounting Standards No. 07	East Likupang District Office	Information
Expenditures following the acquisition of fixed assets that extend their useful life or are likely to provide economic benefits in the future in the form of capacity, production quality, or increased performance standards must be added to the carrying value of the assets concerned.	Expenditures after acquiring fixed assets that extend their useful life or are likely to provide economic benefits, such as maintenance, upkeep, repairs for minor or significant damage, and additions or improvements to fixed assets.	In accordance.

Source: East Likupang District Office 2022



Based on Table 8. a comparison of expenditure implementation after the acquisition of fixed assets above, the treatment applied by the East Likupang District Office is by Government Accounting Standards Statement No. 07 concerning fixed asset accounting.

Decreasing asset. The balance sheet shows that the East Likupang District Office depreciated fixed assets at the end of the period. However, the data on accumulated depreciation of fixed assets in the balance sheet of the East Likupang District Office in 2021 is only filled in with the number 0.

The disclosure of depreciation in CALK is only the depreciated value, and the implementation of PSAP No. 07 does not explain the disclosure of depreciation information.

Table 9. compares the Implementation of Fixed Asset Depreciation by the East Likupang District Office with Government Accounting Standards Statement No. 07.

Statement of Government Accounting Standards No. 07.	East Likupang District Office	Information
The depreciation value for each period is recognized as a reduction in the balance sheet's carrying value of fixed assets.	The depreciation value for each period was recorded as non-existent, whereas in CALK it was 1,558,886,245.00	Not appropriate.

Source: East Likupang District Office 2022

Table 9. compares the implementation of fixed asset depreciation above, but the treatment applied by the East Likupang District Office is not by PSAP No. 07 concerning fixed asset accounting. According to information from the accounting officer, the problem of differences in data between accounting data and asset management still occurs; this is due to, among other things, the expense of acquiring assets that have not been reclassified, errors during budget preparation where there are expenditure account errors, thus causing data differences. Systems that still need to be integrated cause frequent problems preparing financial reports.

Presentation and Disclosure of Fixed Assets.

Table 10. presents a fixed asset list for the East Likupang District Office.

FIXED ASSET DATA EAST LIKUPANG DISTRICT OFFICE DECEMBER 31, 2022	
Fixed assets	Total
Land	128.000.000
Buildings And Structures	1.017.678.000
Equipment And Machinery	62.661.560.000
Roads, Irrigation and Networks	59.920.000
Other Fixed Assets	155.500.000
Total Fixed Assets	64.022.658.000

Source: East Likupang District Office Financial Report

At the end of the year, the East Likupang District Office prepares budget realization reports, operational reports, changes in equity reports, balance sheets and notes to financial reports. The

financial statements must disclose the basis for determining the carrying amount. Fixed asset account items are on the balance sheet and disclosed in CAKL.

Table 11. Comparison of the Presentation and Disclosure of Fixed Assets Implemented by the East Likupang District Office with the Government Accounting Standards Statement No. 07.

Statement of Government Accounting Standards No. 07	East Likupang District Office	Information
Valuation Basis Used to determine carrying value.	The basic disclosure for asset valuation is the acquisition cost.	In accordance
Depreciation information includes the depreciation value used, the gross carrying value, and the accumulated depreciation at the beginning and end.	Depreciation information still needs to be completed in CALK because the accumulated depreciation is only in value; there is no disclosure of information regarding depreciation.	Not appropriate

Source: East Likupang District Office 2022

Table 11, which compares the implementation of presentation and disclosure of fixed assets for the basis of asset valuation, is by PSAP No.07. Because it uses acquisition value, the depreciation information still needs to be completed in CALK because the accumulated depreciation is only the value. There is no disclosure of information regarding depreciation, so it is not by PSAP No. 07.

Termination/Disposal of Fixed Assets. is carried out if the fixed assets are no longer used in government operational activities due to, among other things, being seriously damaged, outdated, not by the growing needs of the organization, and their useful life has ended and will be classified as other assets in the other assets heading. Fixed assets whose use is permanently discontinued are removed from the balance sheet when there is a determination by the entity by statutory provisions in the field of BMN/BMD management.

CONCLUSION

Based on the research results of the Analysis of the Treatment of Fixed Assets Based on the Statement of Government Accounting Standards at the East Likupang District Office, North Minahasa Regency, it can be concluded as follows:

1. Depreciation of fixed assets. The depreciation value for each period is recorded as non-existent, whereas in CALK, it is 1,558,886,245,000. Still needs to be by government accounting standards Statement No. 07.
2. PSAP No. 07 presents and discloses fixed assets as the basis of asset valuation. Because it uses acquisition value, the depreciation information is not yet complete in CALK because the accumulated depreciation is only the value; there is no disclosure of information regarding depreciation, so it is not by PSAP No. 07.

REFERENCES

Appendix I.08 P.P. No. 71 of 2010 and Technical Bulletin No. 15 concerning Asset Accounting Stay Actual Based.



According to Government Accounting Standards Statement No.07, Expenditure After Acquiring Client Fixed Assets.

According to government accounting standards statement No.07 Fixed assets.

ksap.org standard PSAP07. Based on PSAP 07 Paragraph 28.

Republic of Indonesia Government Regulation Number 71 of the year (2010), Government Accounting Standards.