

Financial Accountability in East Java's Health Service: Examination of Asset Recording and Reporting

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Abstract. This research aims to analyze the implementation of financial recording and reporting of government assets by the East Java Provincial Health Service. The research method used is a case study with a qualitative descriptive approach. The data used in this research are cases related to implementing policies and procedures for financial recording and reporting of government assets. Overall, the qualitative approach in this case study allows the author to gain an in-depth understanding of the Implementation of Financial Recording and Government Asset Reporting in the East Java Provincial Health Service through critical analysis and interpretation of relevant cases. The research results show that the agency has adequate policies and procedures regarding financial recording and government asset reporting. This shows the seriousness and commitment of the regional government in carrying out transparent and accountable financial management.

Keywords: Government Financial Recording, Government Accounting System, Government Asset Reporting, Regional Property, Government Regulations.

I. Introduction

Good and accurate financial recording is an important step in preventing corruption. Having a transparent and well-documented recording system will make it easier to monitor and verify budget use and procurement of goods or services carried out by civil servants. Careful financial recording can also be an effective tool in detecting indications of irregularities or fraud.

Additionally, asset reporting must be carefully considered, such as maintenance budgeting and procurement of new goods. Assets are an important aspect of government financial management, and procurement or maintenance of assets that are not properly recorded can provide opportunities for corruption or financial abuse. By carrying out detailed and accurate records regarding assets, you can minimize the risk of loss to the state and ensure the efficient use of assets in accordance with applicable regulations (Jauhari et al., 2021).

The government and related agencies must pay serious attention to the financial and asset recording systems. This includes implementing clear procedures, strict supervision, and training and competency development for civil servants related to financial management and asset reporting. In this way, it can be hoped that acts of corruption can be minimized, state losses can be avoided, and government financial management can be carried out better and more efficiently.

In 2021, according to data obtained from Indonesia Corruption Watch (ICW), it was recorded that the most perpetrators of corruption were civil servants. Corruption committed by civil servants often occurs in the process of procuring goods or services as well as embezzlement of regional budgets. This shows the importance of careful attention to financial recording and asset reporting, especially in maintenance budgeting and procurement of new goods in Government Agencies in line with research by Wati et al. (2015)

The East Java Provincial Health Service is a government agency that has an important role in the health sector in Indonesia. The main objective of the Health Service is to create a healthier environment, develop an environmental health system in its area, and encourage health-oriented development. One of the main focuses of the East Java Provincial Health Service is increasing community access to quality health services. This is done by providing adequate facilities and infrastructure and ensuring competent medical personnel are available. In this way, the Health Service strives to meet the community's need for affordable, timely, and quality health services, in line with the principles of Vidyasari & Suryono (2021), namely that the government must truly realize that government and services to the community are things that cannot be achieved and separated from the public.

The East Java Provincial Health Service also plays a role in developing the environmental health system in its region. This includes efforts to monitor environmental factors that have the potential to endanger public health, such as clean water, good sanitation, waste management, and environmental cleanliness. By monitoring and controlling these factors, the Health Service tries to maintain environmental quality so that it does not endanger public health. Furthermore, the East Java Provincial Health Service is committed to improving human resource (HR) skills in the health sector. This is done through training, education, and medical and other health personnel development. By improving human resource skills, the Health Service hopes to provide better health services and increase the effectiveness of health interventions in its area.

Overall, the East Java Provincial Health Service is a government agency that plays an important role in the health sector. Through the efforts made, the Health Service is committed to creating a healthier environment, developing regional environmental health systems, and increasing community access to quality health services and good human resource skills.

This research discusses the financial recording and reporting of government assets by the East Java Provincial Health Service. This research aims to analyze the implementation of financial recording and reporting of government assets by the East Java Provincial Health Service. This research also shows the importance of good financial recording and asset reporting in transparent and accountable government financial management.

II. Literature Review

Government Accounting.

As stated by Mogi & Morasa (2013) Government Accounting is a branch of accounting related to government institutions and non-profit agencies. According to Baswir (2000), governments need information to manage their assets and resources, which is obtained through recording, summarizing, and reporting systems through the Government Accounting System. The main objectives of Government Accounting are accountability, management, and supervision (Halim, et al. 2018). Baswir (2000) also states that Government Accounting has the following characteristics such as, there is no profit and loss recording because government institutions do not aim to make a profit, there is no need to record private ownership because government institutions belong to the people, the form of government accounting varies from one country to another, depending on the structure of the country concerned, the implementation of government accounting is integrated with financial management mechanisms and the budget system because it aims to provide information about the implementation of the state budget.

Government Accounting Recording System.

There are 3 types of Government Accounting Recording Systems used, according to Halim (2012), Single Entry is an accounting system that uses a single book to record transactions. In this system, transactions are recorded once. Transactions that result in cash receipts are recorded as receipts, while transactions that reduce cash are recorded as expenses. Double Entry, accounting system is known as a journal. In this system, recording is done on the debit and credit side. When recording, it is important to maintain a balance in the basic accounting equation, where debits are recorded on the left side, and credits are recorded on the right side. Triple Entry, namely a recording implementation system using a double entry recording system coupled with recording in the budget book.

Determining the time to record a transaction is the basis for recognition in accounting. The basic accounting system is used to determine when a transaction is recorded. According to Halim and Kusufi (2012), there are four different basic types of accounting, namely Cash Basis recognizes and records economic transactions only when there are changes in cash. If a transaction does not affect cash, it will not be recorded. Accrual Basis recognizes and records transactions and events when they occur, not just when cash or cash equivalents are received. Transactions and events are recorded in accounting records and recognized in financial statements in the period in which they occur. The Modified Cash Basis records transactions throughout the fiscal year but makes adjustments at the end of the year based on the accrual basis principle. Modified Accrual Basis records certain transactions using the accrual basis, while other transactions use the cash basis. The use of the accrual basis is limited based on practical considerations

Government Assets.

According to Ferianti et al., (2016) it is explained that in Government Regulation Number 27 of 2014, it is said that regional assets refer to all goods obtained by the government through the Regional Revenue and Expenditure Budget or other legitimate sources. In contrast, Government Regulation Number 7 of 2010 outlines that assets are economic resources that are controlled and owned by the government as a result of past events and are expected to provide financial and social benefits in the future, both for the government and society (Uleh et al., 2020). These assets can be measured in monetary, social, or political units. For users of accounting information, the regional asset values recorded in government financial reports are used to analyze the government's financial condition. However, if there are regional property assets that have been damaged, are no longer used, or if there are regional assets that are missing but are still recorded in the financial statements, then decisions taken based on this information will be inaccurate. Therefore, the government needs to ensure that financial reports reflect the actual condition of regional assets owned. Steps such as writing off damaged or no longer used assets and correcting lost assets must be taken so that the information used for decision-making is precise and accurate.

III. Research Method

This research is a case study research with a qualitative description approach. The qualitative descriptive case study approach was chosen because the main aim is to obtain an in-depth understanding of the phenomenon being researched through critical analysis, interpretation of the phenomena, and interviews with related parties such as Financial Recording Officers and Asset Safeguarding Officers. This research explores the implementation of financial recording and reporting of government assets in the East Java Provincial Health Service. The phenomena that occur at the East Java Provincial Health Service, including regulations, procedures, and policies for financial recording and reporting of government assets, will be the focus of the research. Next, the researcher will carry out a critical analysis of the cases encountered. This involves careful reading and understanding of the context, concepts, theories, and findings at the East Java Provincial Health Service. Researchers interpret cases to identify various aspects related to implementing financial recording and government asset reporting in the East Java Provincial Health Service. Through a qualitative approach, researchers can explore and understand more deeply the various factors influencing the implementation of financial recording and government asset reporting in the East Java Province Health Department.

IV. Results and Discussion

Financial Recording

To meet regional expectations and overcome technical problems in regional financial management, there needs to be improvements to the revision of Permendagri Number 59 of 2007, which amends Permendagri Number 13 of 2006 concerning guidelines for regional financial management. According to Article 189, paragraphs 1 and 2 of Minister of Home Affairs Regulation Number 59 of 2007, the revenue treasurer should administer all receipts for which he is responsible by using a general cash book, a subsidiary book detailing revenue objects, and a daily revenue recapitulation book as discussed by Pravasanti & Ningsih (2019)

Implementing financial recording and reporting of government assets in the East Java Provincial Health Service is important in realizing transparent and accountable financial management. This discussion section will study several aspects related to the implementation of financial recording and reporting of government assets at the East Java Provincial Health Service.

This research found that the East Java Provincial Health Service has adequate policies and procedures regarding financial recording and reporting of government assets. These policies and procedures aim to regulate recording procedures that are accurate, orderly, and in accordance with applicable regulations. This shows the commitment of the local government to implementing good financial management.

During the Independent Internship Activities carried out by the Author at the East Java Provincial Health Service, there were many new things and challenges that the Author had never encountered. One of them is Government Accounting and Regional Financial and Asset Management. Financial recording of the East Java Provincial Health Service is carried out automatically using an application belonging to the Ministry of Home Affairs of the Republic of Indonesia, namely the Regional Government Information System.



Figure 1. The main page of the Regional Government Information System

The East Java Provincial Health Service has implemented a mechanism for recording and verifying financial transactions involving several related parties through the Regional Government Information System. This process starts with Health Service staff who carry out financial transactions, which the Expenditure Treasurer then records. After the transaction is recorded, the data will be verified by the

Financial Administrator, who is tasked with checking the validity and compliance of the transaction with applicable policies and procedures. This verification is carried out to ensure that expenditures are made in accordance with the regulations and meet the specified requirements.

After verification, the expenditure will be ratified by the East Java Provincial Health Service Secretary as the Budget User Authority (KPA). Signing by the Service Secretary confirms that the expenditure is considered valid and in accordance with applicable policies. This step also secures transparency and accountability in line with research conducted by Tangko et al., (2019), the Health Service has also done this in recording its expenditure. Next, expenses that have been approved will be reported to be later submitted for GU or Reimbursement. This activity is a revolving Money Supply (UP) belonging to the East Java Provincial Health Service. Supplies Money Replacement is replenishing supplies money paid to those entitled to it. GUP is also a process of accountability for shopping transactions.

Through this mechanism, local government information systems play an important role in ensuring accurate recording, proper verification, and transparent reporting in accordance with legal requirements. This provides a strong basis for effective and efficient financial management in the East Java Provincial Health Service and ensures the use of APBN funds appropriately and in accordance with the stated objectives.

Government Asset Reporting

In asset reporting activities, Government Agencies, including the East Java Provincial Health Service, are responsible for reporting proposals for the procurement and maintenance of assets for the following fiscal year. This is done to estimate APBN funds transparently and ensure the appropriate allocation of funds in accordance with the principles put forward by Ranusentika et al. (2016). In asset budgeting, the East Java Provincial Health Service uses the SIMAS (Asset Management Information System) application owned by the East Java Province Regional Financial and Asset Management Agency. This application functions to record and manage government assets more efficiently.

Through the SIMAS application, the East Java Provincial Health Service can submit proposals for the procurement of new assets or maintenance of existing assets. The proposal includes details regarding the type of assets, the amount required, and the reasons or justification behind the proposal. Proposals submitted through the SIMAS application will go through an evaluation and decision-making process by the East Java Province Regional Financial and Asset Management Agency. Using this application allows the asset budgeting process to be carried out in an integrated, transparent, and effective manner, with the SIMAS application, the East Java Provincial Health Service can monitor and manage its assets more efficiently. This application also makes it easier to monitor the maintenance of existing assets, including planning and implementing maintenance activities needed to maintain the quality and function of these assets.

Overall, using the SIMAS application in asset reporting by the East Java Provincial Health Service helps increase transparency, accountability, and efficiency in managing government assets. By ensuring the procurement and maintenance of assets on time and on target, government agencies can optimize the use of APBN funds to benefit the community and improve public services. The following are the steps in asset reporting and budgeting activities carried out by the East Java Provincial Health Service using the SIMAS application.

The first step is proposal preparation: Identification of asset needs. Division functions at the East Java Provincial Health Service determine the type of assets required based on the activities and tasks to be carried out. Preparation of proposal details with The Division Function at the East Java Provincial Health Service prepares proposals for the procurement of new assets or maintenance of existing assets, including the type of asset, the amount required, and the justification behind the proposal. The second step is the Submission of Proposals which Accessing the SIMAS application: The East Java Provincial Health Service uses the SIMAS application owned by the East Java Province Regional Financial and Asset Management Agency. Entering details of the proposal in the East Java Provincial Health Service enters details of the proposal for asset procurement or asset maintenance into the SIMAS application. The third step is Proposal Evaluation. Evaluation process which is The East Java Province Regional Financial and Asset Management Agency and the Inspectorate evaluate the proposals submitted through the SIMAS application. Proposal assessment which The East Java Province Regional Financial and Asset Management Agency and the Inspectorate evaluate asset needs, available budget, and justification for proposals to determine priorities and budgeting decisions. The fourth step is decision-making, which contains budget determination based on the evaluation and assessment of proposals, the East Java Province Regional Financial and Asset Management Agency determines the budget allocation for the procurement of new assets or maintenance of existing assets in line with Rosdini et al. (2008). The last step is Implementation of Procurement and Maintenance from Implementation of procurement and Implementation of maintenance.



Figure 3. Main page of the Asset Management Information System

V. Conclusion

Based on research conducted regarding the implementation of the financial recording and reporting of government assets at the East Java Provincial Health Service, it was concluded that the agency has adequate policies and procedures regarding the financial recording and reporting of government assets. This shows the seriousness and commitment of the regional government in carrying out transparent and accountable financial management.

The East Java Provincial Health Service has a policy that clearly regulates government assets' financial recording and reporting. This policy includes guidelines and rules governing the recording methods, formats, and procedures that must be followed. The policy also emphasizes the importance of transparency, accountability, and supervision of the use of government funds. The East Java Provincial Health Service has implemented financial recording and asset reporting procedures in accordance with established policies. The recording process is routine and regular, including budgeting, reporting, and financial control. Financial recording and asset reporting are carried out to create transparent and accountable financial management. Good record keeping allows for effective monitoring of the use of funds and reporting of government assets. This way, agencies can minimize the risk of financial abuse or asset embezzlement risk.

One effort to improve the implementation of financial recording and government asset reporting at the East Java Provincial Health Service is to carry out intensive outreach to all employees regarding the importance of good financial recording and asset reporting. Training and development of human resources in government accounting is also needed to improve understanding and skills in carrying out financial recording and asset reporting tasks. Evaluating and improving existing financial information systems is also a priority to ensure better data integrity and more effective reporting.

This research hopes to contribute to a better understanding of the implementation of financial recording and reporting of government assets in the East Java Provincial Health Service. It is expected that the results of this research can become a basis for local governments to increase transparency, accountability, and efficiency of government financial management, especially in the health sector. Apart from that, it is also hoped that it can provide additional useful insight and information for related parties, such as decision-makers at the East Java Provincial Health Service, related parties at higher government levels, and practitioners or academics interested in financial management and asset reporting. Government, which also functions as a reference source and guide for readers to understand more deeply the financial recording and reporting of government assets carried out by the East Java Provincial Health Service. Researchers hope that this research can better and more effectively contribute to understanding and developing financial management and government asset reporting.

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