

ANALYSIS OF THE APPLICATION OF SAK ETAP ON THE QUALITY OF FINANCIAL STATEMENTS CASE STUDY AT KPN SETYA GRAHA DESA PENYARINGAN, MENDOYO DISTRICT, JEMBRANA REGENCY

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ABSTRACT

This study aims to analyze the implementation of SAK ETAP and its impact on the quality of financial statements at KPN Setya Graha. This study uses a descriptive qualitative approach. The data sources for this study are primary data obtained from interviews with KPN Setya Graha employees and secondary data in the form of KPN Setya Graha's Annual Financial Reports from 2022 to 2024. The object of this study is a case study at KPN Setya Graha, located in Penyaringan Village, Mendoyo District, Jembrana Regency. The novelty of this study compared to previous studies lies in its focus on the impact of the implementation of SAK ETAP on the quality of financial statements. The data analysis technique used in this study is data reduction, which involves focusing on the issues at hand, reviewing the notes obtained at the research site, then collecting detailed data to be compiled into a report. The data presentation involves analyzing the obtained data and presenting it in the study. The final data analysis technique is drawing conclusions, where after presenting the data, the researcher draws conclusions related to the results of this study. The results of this study indicate that KPN Setya Graha has implemented SAK ETAP in its financial reporting, which also affects the quality of KPN Setya Graha's financial reports. KPN Setya Graha's financial reports after the implementation of SAK ETAP have become more transparent and easier to understand. In 2022, KPN Setya Graha's annual financial reports were used as examples for KPNs in Jembrana Regency.

Keywords: SAK ETAP, cooperative, financial report

INTRODUCTION

In its role as an economic entity, a cooperative is established with the aim of improving the welfare of its members and society in general. Cooperatives are founded by and for their members, so that the welfare of cooperative members is the top priority. Over time, various types of cooperatives have also emerged, such as Multi-Purpose Cooperatives (KSU), Savings and Loan Cooperatives (KSP), Sharia Cooperatives, Civil Servant Cooperatives (KPN), Village Unit Cooperatives (KUD), and other types of cooperatives.

The Indonesian Civil Servants Cooperative (KPRI) is a type of cooperative whose members are civil servants. Before being named KPRI, this cooperative was called the Civil Servants Cooperative (KPN). Similar to other types of cooperatives, KPRI's main objective is to improve the welfare of its members, who are civil servants. (I Gusti Ayu Anom Pradnyawati et al., 2019).

Cooperatives, as one of the pillars of the people's economy, play a strategic role in improving the welfare of their members and the community. To perform their functions and roles optimally, cooperatives are required to have good and transparent financial management. One important aspect of financial management is the preparation of accountable financial reports.

Based on Law No. 25 of 1992 concerning cooperatives, a cooperative is a business entity consisting of individuals or legal entities based on cooperative principles and functioning as a people's economic movement based on the principle of kinship. To perform its functions optimally and accountably, a cooperative is required to present financial reports that are transparent, relevant, reliable, and easily understood by its members.

In presenting its financial statements, the cooperative must apply the rules or regulations established by the Indonesian Institute of Accountants (IAI). This is to ensure that the financial statements produced by the cooperative are transparent and accountable and provide its members with an overview of the cooperative's financial position. Cooperative financial statements must comply with the Financial Accounting Standards for Entities Without Public Accountability (SAK ETAP).

Prior to the issuance of the Financial Accounting Standards for Entities Without Public Accountability (SAK ETAP), non-public entities often faced obstacles in applying complex general PSAK. However, since January 2011, the Indonesian Institute of Accountants (IAI) has approved and implemented SAK ETAP, which is specifically designed for entities without public accountability, the majority of which are cooperatives in Indonesia.

Currently, there are still cooperatives that have not implemented SAK ETAP in recording their financial statements. This is evident from the findings of previous studies, which have not shown the implementation of SAK ETAP in recording cooperative finances. For example, a study conducted by Simatupang & Purba (2018) showed that the financial statements presented by the Civil Servant Cooperative (KPN) SMPN 7 Pematang Siantar were not in accordance with SAK ETAP. (Purba & Barelang, 2018).

In addition, research conducted by Raven Pardomuan Siagian and Sifrid S. Pangemanan entitled Analysis Of Financial Reporting Based On Sak-Etap at The Sulut Go Bank Employees' Cooperative showed that the cooperative had not yet implemented SAK ETAP in recording its financial reports. (Siagian & Pangemanan, 2016). In a study conducted by Baiq Nada Fatimatus Shafira, et al (2022) entitled Analysis of The Implementation Of Sak Etap In Cooperatives In Mataram City, it was found that the financial reports

of the Sepakat Sejahtera Sharia Cooperative and KSP Dharma Sari Bumi Pagutan were not in accordance with SAK ETAP. (Shafira et al., 2022).

Based on the findings from previous studies, this prompted the author to conduct a study entitled Analysis of the Application of Sak Etap on the Quality of Financial Statements: A Case Study Of Kpn Setya Graha in Penyaringan Village, Mendoyo District, Jemberana Regency. What makes this research novel compared to previous studies is the researcher's focus on the impact of the implementation of SAK ETAP on the quality of financial reports produced by KPN Setya Graha. The researcher chose KPN Setya Graha as the object of this study because KPN Setya Graha is one of the Civil Servant Cooperatives located in Jemberana Regency, whose members consist of Civil Servants (PNS) and Government Employees with Work Agreements (PPPK). Additionally, among the several Civil Servant Cooperatives visited by the researcher, only KPN Setya Graha was willing to be interviewed to complete the data for this research.

LITERATURE REVIEW

Agency Theory

Agency theory is a management and economic theory that aims to describe the relationship between personal interests in a business organization. This theory explains the relationship between principals and agents and the delegation of control. This theory also explains the best way to manage relationships in which one party (the principal) determines the work of another party (the agent) in performing or making decisions on behalf of the principal (Jensen & Meckling, 2012).

While principals are merely parties that receive reports from agents or management, agents manage the company to gain a better understanding of its actual condition. This can lead to information asymmetry, i.e., an imbalance of information between agents and principals regarding the company's condition. The existence of regulations and controls that effectively govern business operations is one of the most effective ways to reduce this. SAK ETAP is one such regulation that can be applied. It regulates financial reports that contain information about the financial position, financial performance, and cash flow of an entity. This regulation is useful for many economic decision-makers.

Cooperative

According to Law No. 17 of 2012, a cooperative is a legal entity established by individuals or cooperative legal entities, with the separation of its members' assets as capital to run a business, which fulfills common aspirations and needs in the economic, social, and cultural fields in accordance with cooperative values and principles. Based on Law No. 25 of 1992 concerning cooperatives, a cooperative is a business entity consisting of individuals or legal entities based on cooperative principles and functioning as a people's economic movement based on the principle of kinship.

SAK ETAP

SAK ETAP is designed to meet the financial reporting needs of entities that do not have public accountability. Paragraph 1.1 of SAK ETAP states that "an entity without public accountability is an entity that: (i) does not have significant public accountability; (ii) issues financial statements for general purposes (general purpose financial statements) for external users. Examples of external users are owners who are not directly involved in the business.

SAK ETAP is easier to use, but still provides robust financial reporting data. According to SAK

ETAP, the basis for measuring financial statement elements is historical cost and fair value. Paragraph 3.2 of SAK ETAP states that “Fair presentation in financial statements includes the presentation of information that is understandable, relevant, material, reliable, substance over form, sound judgment, completeness, comparability, timeliness, and balance between cost and benefit.”

Financial Statements

“The objective of financial statements is to provide information about the financial position, financial performance, and cash flows of an entity that is useful to a wide range of users in making economic decisions by anyone who is not in a position to request specific financial statements to meet specific information needs,” according to paragraph 2.1 of SAK ETAP. To ensure that financial statements can be understood by various users of accounting information, financial statements must be prepared and presented in accordance with financial accounting standards. Specifically for cooperatives that have debts to creditors (Ikatan Akuntan Indonesia (IAI), 2011).

Paragraphs 3.2, 3.3, and 3.12 of SAK ETAP state that “financial statements present fairly the financial position, financial performance, and cash flows of an entity.” To produce financial statements that fairly present the financial performance and position, as well as the cash flows of an entity, the application of SAK ETAP, supplemented by the necessary additional information, will result in financial statements that fairly present the financial performance and position of an entity. Compliance with the requirements of SAK ETAP requires additional disclosures.

Paragraph 3.3 of SAK ETAP states, “Entities whose financial statements comply with SAK ETAP must make an explicit and unreserved statement of such compliance in the notes to the financial statements. Financial statements may not claim compliance with SAK ETAP unless they comply with all the requirements in SAK ETAP.” The complete financial statements of an entity based on SAK ETAP consist of Balance sheet; Profit and Loss Statement like Statement of Changes in Equity showing, All changes in equity or Changes in equity other than those arising from transactions with owners in their capacity as owners; Cash Flow Statement and Notes to the Financial Statements.

METHODS, DATA, AND ANALYSIS

This study uses qualitative methods with descriptive explanations. Qualitative descriptive research methods are typically used to study research subjects in their natural environment or real-life conditions. (Safrudin et al., 2023). This method is not structured like an experiment. Using the term “descriptive,” the research results will be described in detail without drawing conclusions from the findings. The object of this study is KPN Setya Graha. The data obtained from this study are sourced from primary data, namely through direct interviews with employees of KPN Setya Graha, as well as secondary data sourced from KPN Setya Graha's annual financial reports from 2022 to 2023. The data analysis technique used in this study is data reduction, which involves focusing on the issues at hand, noting the observations made at the research site, then collecting detailed data and compiling it into a report. The next step is data presentation, which involves explaining the data obtained and presenting it in the study. The final data analysis technique is drawing conclusions, where after presenting the data, the researcher draws conclusions conclusions related to the results of this study. The purpose of this study is to determine the application of SAK ETAP in the presentation of financial statements and its effect on the quality of financial statements produced by

KPN Setya Graha.

RESULTS AND DISCUSSION

KPN Setya Graha is one of the Civil Servant Cooperatives located in Penyaringan Village, Mendoyo District, Jembrana Regency, with Legal Entity No. 366/BH/PAD/KWK/22.III/1996. Members of KPN Setya Graha consist of civil servants and government employees under a work contract (PPPK). The management of KPN Setya Graha comprises 8 members, including a chairman, secretary, treasurer, 3 supervisors, and 2 staff members.

Analysis and Discussion of Kpn Setya Graha's Annual Financial Report

Based on interviews conducted by researchers with KPN Setya Graha employees, KPN Setya Graha has implemented SAK ETAP in its financial reporting since 2019. The interviewee also explained that KPN Setya Graha has been using financial recording technology in the form of a financial recording application for its annual financial reporting, and KPN Setya Graha also hires the services of an auditor to audit its financial statements.

Table 1. Financial Reporting

Balance Sheet	SAK ETAP	KPN SETYA GRAHA
Cash and Cash Equivalents	√	√
Accounts Receivable and Other Receivables	√	√
Inventory	√	√
Investment Properties	√	X
Fixed Assets	√	√
Intangible Assets	√	√
Trade Payables and Other Payables	√	√
Tax Assets and Liabilities	√	√
Estimated Liabilities	√	√
Equity	√	√
Calculation of Remaining Business Results	SAK ETAP	KPN SETYA GRAHA
Revenue	√	√
Financial Burden	√	√
Investment Profit or Loss Expense Using the Equity Method	√	√
Tax Burden	√	√
Net Profit or Loss	√	√
Cash Flow Statement	√	√
Statement of Changes in Equity	√	√
Notes to the Financial Statements	√	√

To verify whether KPN Setya Graha has indeed implemented SAK ETAP in its financial reporting, the researcher conducted an analysis in the form of a table comparing SAK ETAP with KPN Setya Graha's annual reports. From the financial report data obtained by the researcher based on KPN Setya Graha's

annual financial reports from 2022 to 2024, the researcher presents the conformity of SAK ETAP with the annual financial reports, which the researcher presents in the table 1.

From the table above, KPN Setya Graha has indeed implemented SAK ETAP in recording its Annual Financial Statements. However, there is one discrepancy between SAK ETAP and KPN Setya Graha's Annual Financial Statements, namely in the balance sheet section on investment property. Based on the researcher's interview regarding this matter, it was confirmed that KPN Setya Graha does not record property investments because KPN Setya Graha does not engage in property investments such as leasing land, buildings, or other assets aimed at increasing its own revenue.

Based on the results of interviews conducted by researchers with KPN Setya Graha administrators, after the implementation of SAK ETAP in financial reporting, the quality of KPN Setya Graha's financial reports has improved. Starting from the transparency of financial statements, financial statements that are easy to understand, and in 2022, the financial statements of KPN Setya Graha were used as an example for other KPNs in Jembrana Regency by the Jembrana Regency Cooperative Office.

CONCLUSION

KPN Setya Graha is one of the Civil Servant Cooperatives located in Jembrana Regency, whose members consist of Civil Servants (PNS) and Government Employees with Work Agreements (PPPK). Based on the interviews and data analysis conducted by the researcher, it can be concluded that KPN Setya Graha has implemented SAK ETAP in its financial reporting. This was confirmed by the researcher through an analysis of KPN Setya Graha's Annual Reports for the years 2022-2024. However, there is one aspect that has not been recorded by KPN Setya Graha, namely the investment property section. This is because KPN Setya Graha does not engage in property investments such as renting out land, buildings, or other assets to generate additional income for KPN Setya Graha. The implementation of SAK ETAP has also impacted the quality of KPN Setya Graha's financial reports. After the implementation of SAK ETAP, KPN Setya Graha's financial statements have become more transparent and easier to understand. In 2022, KPN Setya Graha's annual financial statements were used as an example for other KPNs in Jembrana Regency.

IMPLICATIONS AND SUGGESTION

The implication of this study is the researcher's limitation in conducting interviews to obtain information related to the data from this study. This is because the employees of KPN Setya Graha are civil servants who certainly have their own busy schedules. In collecting data, the researcher experienced delays because it was rare to meet the sources directly. Advice to future researchers is to further refine this study, such as data collection and interviews, so that everything needed for the research is prepared in advance.

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