



IMPLEMENTATION OF SAP NO.12 CONCERNING OPERATIONAL REPORTS OF TANJUNG BALAI CITY

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<p>Info Article</p> <p>Received : 01 Maret 2025</p> <p>Revised : 05 April 2025</p> <p>Accepted : 04 Mei 2025</p> <p>Publication : 31 Mei 2025</p>	<p>Abstract: <i>Public financial management reform in Indonesia has advanced since the implementation of accrual-based accounting under Government Regulation No. 71 of 2010. One key outcome is the inclusion of the Operational Report (Laporan Operasional/LO), which provides a comprehensive overview of financial performance. In Tanjungbalai City, the LO plays an important role in promoting transparency and accountability amid limited fiscal capacity. This study analyzes the Operational Report of the Tanjungbalai City Government for the 2023/2024 fiscal year using a descriptive quantitative method based on secondary data. The analysis compares financial figures, evaluates effectiveness and efficiency ratios, and identifies fiscal trends. Results show that total revenue in 2024 decreased by 3.78% due to a 32.32% drop in locally generated revenue, while transfer revenue rose by 2.25% and expenditures fell by 8.97%. The operational deficit declined sharply from Rp 42.8 billion in 2023 to Rp 4.6 billion in 2024 an 89.25% improvement indicating better fiscal balance and efficiency. Thus, the LO serves as a vital tool for evaluating government accountability and financial performance.</i></p>
<p>Keywords: <i>Operational Report, Public Financial Management, Fiscal Performance, Local Government, Transparency, Accrual Accounting.</i></p> <p>Kata Kunci: Laporan Operasional, Pengelolaan Keuangan Publik, Kinerja Fiskal, Pemerintah Daerah, Transparansi, Akuntansi Akrual.</p>	<p>Abstrak: Reformasi pengelolaan keuangan publik di Indonesia telah mengalami kemajuan sejak penerapan akuntansi berbasis akrual berdasarkan Peraturan Pemerintah Nomor 71 Tahun 2010. Salah satu hasil penting dari reformasi ini adalah dimasukkannya Laporan Operasional (LO) yang memberikan gambaran komprehensif tentang kinerja keuangan. LO berperan penting dalam mendorong transparansi dan akuntabilitas di tengah keterbatasan kapasitas fiskal. Penelitian ini menganalisis Laporan Operasional Pemerintah T.A 2023/2024 dengan metode deskriptif kuantitatif berdasarkan data sekunder. Analisis dilakukan dengan membandingkan data keuangan, mengevaluasi rasio efektivitas dan efisiensi, serta mengidentifikasi tren fiskal. Hasil penelitian menunjukkan bahwa total pendapatan tahun 2024 menurun sebesar 3,78% akibat penurunan Pendapatan Asli Daerah (PAD) sebesar 32,32%, sementara pendapatan transfer meningkat sebesar 2,25% dan belanja menurun sebesar 8,97%. Defisit operasional menurun tajam dari Rp42,8 miliar pada tahun 2023 menjadi Rp4,6 miliar pada tahun 2024, atau membaik sebesar 89,25%, yang mencerminkan keseimbangan fiskal dan efisiensi yang lebih baik. Dengan demikian, LO berfungsi tidak hanya sebagai kewajiban pelaporan formal, tetapi juga sebagai alat penting untuk menilai akuntabilitas dan kinerja keuangan pemerintah.</p>
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INTRODUCTION

Public financial management in Indonesia has undergone substantial reforms in recent years, especially after the government's adoption of accrual-based accounting standards through Government Regulation No. 71 of 2010 on Government Accounting Standards (Standar Akuntansi Pemerintahan, SAP). One of the most important outcomes of this reform is the inclusion of the Operational Report (Laporan Operasional, LO) in government financial statements. The LO provides information about revenues, expenses, and the resulting surplus or deficit during a fiscal period, recorded on an accrual basis. Unlike the Budget Realization Report, which focuses on budget execution and cash flows, the LO offers a more comprehensive picture of the government's operational performance by recognizing rights and obligations at the time they arise (Irfana, 2025).

In the case of local governments, the relevance of the LO becomes increasingly significant as public expectations for transparent and accountable financial management continue to grow. Citizens, civil society, and oversight institutions expect not only accurate budget reporting but also operational results that demonstrate whether financial resources are managed efficiently. For a municipality such as Tanjungbalai, this expectation is particularly pressing. As a medium-sized city with limited fiscal capacity, Tanjungbalai often struggles with revenue shortfalls, rising expenditure pressures, and the challenge of aligning its spending with developmental priorities. These conditions make the Operational Report not only a matter of compliance with SAP but also a critical tool for demonstrating accountability and building public trust (Hanif et al., 2023).

Transparency and accountability are widely acknowledged as the foundation of good governance. Transparency ensures that financial information is presented in a manner that is clear, accurate, and accessible, while accountability requires government entities to justify and take responsibility for their financial decisions. In the absence of these principles, the risks of inefficient spending, fiscal imbalance, and declining public trust increase substantially (Ortega-Rodríguez et al., 2020). The Operational Report plays an essential role in reinforcing these principles, as it provides stakeholders with a detailed overview of whether revenues were realized as planned, whether expenditures were efficient, and whether operational surpluses or deficits are sustainable.

Under SAP, the LO has several important functions. It reports operational revenues such as taxes, retributions, and grants, alongside operational expenses such as employee compensation, goods and services, and other government transfers. It also records non-operational activities and extraordinary items, thereby calculating a net operational

surplus or deficit. This information flows into the Statement of Changes in Equity, connecting operational outcomes with the overall financial position of the government (Irfana, 2025). In this way, the LO is not only a technical financial report but also an evaluative tool to assess fiscal sustainability (Cuadrado-Ballesteros & Teruel, 2022).

Nevertheless, in practice, several issues often undermine the usefulness of LO. One of the most persistent problems is inefficient expenditure, where funds are spent in ways that do not generate adequate benefits for the community. This can be seen in delayed project implementation, excessive administrative costs, or spending allocations that fail to support strategic priorities. Another recurring challenge is revenue shortfall, where projected revenues, particularly from local taxes or levies, are not realized due to weak collection systems or overly optimistic assumptions in planning. Both of these problems affect the fiscal balance and weaken the reliability of the Operational Report (Hanif et al., 2023).

In addition, the presence of surpluses or deficits in the LO requires careful interpretation. A surplus may appear as a positive outcome, but in some cases, it simply reflects under-spending in essential services or development programs. Conversely, a deficit may signal fiscal stress, but it could also arise from structural limitations in revenue generation. Without proper disclosure and analysis, stakeholders may misinterpret these results, which undermines the role of the LO as an accountability mechanism (Ortega-Rodríguez et al., 2020).

Technical and institutional factors also contribute to challenges in preparing accurate LOs. Misreporting, inconsistencies with other financial statements, and incomplete disclosures remain common, particularly in local governments with limited resources. Furthermore, many regions still lack sufficient human resource capacity and technological support to fully implement accrual-based accounting systems. These limitations highlight the need for continuous capacity building and system improvements to enhance the reliability of financial reporting at the local level (Aswar, 2020)

Against this backdrop, the purpose of this paper is to analyze the Operational Report of the City of Tanjungbalai for the fiscal year 2023/2024. In addition, the analysis extends to a comparison with the previous fiscal period in order to examine the factors contributing to changes in revenues, expenditures, and operational outcomes. By doing so, this study not only evaluates compliance with SAP requirements but also provides deeper insights into the dynamics of local government financial management and the implications for transparency and accountability.

LITERATURE REVIEW

Basic Concepts of Government Financial Reports Based on SAP

Since the enactment of Government Regulation No. 71 of 2010 concerning Government Accounting Standards (SAP), the Indonesian government's financial reporting system has undergone significant changes. One significant change is the shift from a cash system to an accrual system, where transactions are recorded not only when cash flows occur, but also when rights and obligations arise. This approach makes government financial reports more comprehensive because they reflect the overall financial condition, not just what is spent or received in cash (PP 71/2010).

In the SAP, there are seven types of financial reports that the government must prepare, one of which is the Operational Report (LO). This report serves to provide an overview of government activities over a period, specifically regarding operational and non-operational revenues and expenses, including any surpluses or deficits. The LO is considered crucial because it can be used to evaluate the government's operational performance, not only in terms of x but also in terms of general financial management accountability (Irfana, 2025).

Objectives of Operational Report Analysis

The LO analysis aims to assess the extent to which local governments are able to manage their revenues and expenditures efficiently and effectively. Revenue effectiveness here relates to the local government's ability to achieve established targets, while expenditure efficiency assesses whether spending meets needs and is not wasteful.

According to Oktavira & Sriningsih (2024), evaluating the LO is very helpful in assessing regional fiscal balance and measuring the government's ability to fulfill its service obligations to the public. Furthermore, Uysal & Sirgy (2019) emphasize that the LO can be a relevant tool for objectively assessing government performance because this report shows the results achieved, not just the planned or spent budget.

Indicators Used in Operational Report Analysis

When analyzing Operational Reports, several financial ratio indicators are commonly used to assess revenue effectiveness, spending efficiency, and year-over-year operational performance growth. These indicators are highly relevant for evaluating the financial condition of a region like Tanjungbalai City, which faces fiscal challenges and limited fiscal capacity. This ratio is used to measure the extent to which the regional

government is able to realize the PAD targets set in the Regional Revenue and Expenditure Budget (APBD).

$$\text{PAD Effectiveness} = (\text{PAD Realization} / \text{PAD Target}) \times 100\%$$

If the ratio value approaches or exceeds 100%, it can be said that the local government is quite effective in exploring PAD potential. Conversely, a low ratio indicates obstacles in the planning and implementation of PAD collection. Sri Rizky et al., (2023) showed that PAD effectiveness directly influences a region's level of fiscal independence. This indicator is used to see whether the local government has used the operational budget efficiently and optimally.

$$\text{Operational Expenditure Efficiency} = (\text{Operational Expenditure Realization} / \text{Operational Expenditure Budget}) \times 100\%$$

The lower the ratio, the more efficient the spending. However, excessively high efficiency levels also require attention, as they could indicate that priority programs are not being realized. (Satz, 2020) reminds us that efficiency should still consider the quality of public services, not simply budget savings. This ratio is used to measure the trend of regional government operational performance from year to year, by taking into account the growth of revenue and operational expenditure.

$$\text{Revenue Growth} = ((\text{Year n Revenue} - \text{Year n-1 Revenue}) / \text{Year n-1 Revenue}) \times 100\%$$

Comparing these two indicators is important to determine whether spending growth can still be supported by increased revenue. If spending grows faster than revenue, there is potential for fiscal pressure. According to Mangir & Sawhney (2013), an imbalance between revenue and spending growth can be an early indicator of a structural deficit. This ratio shows how big the operational surplus or deficit is compared to the total income earned in one budget year.

$$\text{Surplus/Deficit Ratio} = (\text{Operational Surplus or Deficit} / \text{Total Operating Income}) \times 100\%$$

This ratio can help assess whether operating results reflect a healthy financial condition. A large surplus could indicate underspending, while a deficit requires further analysis to determine whether it is temporary or indicates a long-term fiscal imbalance (Wichowska, 2022).

METHOD

This study applies a quantitative descriptive method, since it focuses on numerical data analysis derived from government financial reports. Type of Research: Quantitative descriptive research, because the study describes and analyzes financial figures (revenues, expenses, surplus/deficit) from the operational report. Data Source: Secondary data obtained from the Operational Report (Laporan Operasional/LO) of Tanjung Balai City Government for fiscal years 2023 and 2024. Data Collection Technique: Documentation method, namely collecting official financial reports published by the local government. Data Analysis Technique:

1. Comparative Analysis, comparing 2023 and 2024 values to identify increases/decreases in revenue, expenditure, and deficit.
2. Financial Ratio Analysis, calculating ratios such as revenue effectiveness and expenditure efficiency.
3. Trend Interpretation, evaluating the trend of surplus/deficit to assess fiscal sustainability.

RESULTS AND DISCUSSION

Results

Based on the Operational Report of Tanjung Balai City Government for fiscal years 2023 and 2024, the following findings were obtained:

- **Total Revenue** in 2024 amounted to Rp 638,300,742,686,,30 a decrease of 3,78% compared to 2023 (Rp 663,399,613,054,32).

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LAPORAN OPERASIONAL (KONSOLIDASI)
TAHUN ANGGARAN 2024
01 Januari 2024 Sampai 31 Desember 2024**

Kode Rek.	Uraian	Reff	2024	2023	Kenaikan/ Penurunan	%
7	PENDAPATAN	5.4.1	638.300.742.666,30	663.399.613.054,32	-25.098.870.368,02	-3,78

- **Locally Generated Revenue (PAD)** in 2024 was Rp 57,505,244,354,30 experiencing a significant decrease of 32.32% from 2023 (Rp 84,968,039,300,75).

Kode Rek.	Uraian	Reff	2024	2023	Kenaikan/ Penurunan	%
7.1	PENDAPATAN ASLI DAERAH (PAD)-LO	5.4.1.1	57.505.244.354,30	84.968.039.300,75	-27.462.794.946,45	-32,32

7.1.01	Pajak Daerah-LO	5.4.1.1	25.456.050.040,40	22.655.999.672,00	2.800.050.368,40	12,36
7.1.02	Retribusi Daerah-LO	5.4.1.1	3.968.826.999,00	3.606.348.002,07	362.478.996,93	10,05
7.1.03	Hasil Pengelolaan Kekayaan Daerah yang Dipisahkan-LO	5.4.1.1	7.419.378.335,10	7.145.592.591,00	273.785.744,10	3,83
7.1.04	Lain-lain PAD yang Sah-LO	5.4.1.1	20.660.988.979,80	51.560.099.035,68	-30.899.110.055,88	-59,93

- **Transfer Revenue** in 2024 reached Rp 572,699,399,932,00 showing a growth of 2,25% compared to 2023 (Rp 560,083,343,730,00).

Kode Rek.	Uraian	Reff	2024	2023	Kenaikan/ Penurunan	%
7.2	PENDAPATAN TRANSFER-LO	5.4.1.2	572.699.399.932	560.083.343.730	12.616.056.202	2,25
7.2.01	Pendapatan Transfer Pemerintah Pusat-LO	5.4.1.2a	532.701.402.928	501.342.705.346	31.358.697.582	6,25
7.2.02	Pendapatan Transfer Antar Daerah-LO	5.4.1.2B	39.997.997.004	58.740.638.384	-18.742.641.380	-31,91

- **Other Legitimate Revenue** decreased sharply in 2024 to Rp 8,096,098,400,00 compared to Rp 18,348,230,023,57 in 2023, a decline of 55.88%.

Kode Rek.	Uraian	Reff	2024	2023	Kenaikan/ Penurunan	%
7.3	LAIN-LAIN PENDAPATAN DAERAH YANG SAH-LO	5.4.1.3	8.096.098.400	18.348.230.023,57	-10.252.131.623,57	-55,88
7.3.01	Pendapatan Hibah-LO	5.4.1.3.a	0	4.241.073.655,57	-4.241.073.655,57	-100
7.3.03	Lain-lain Pendapatan Sesuai dengan Ketentuan Peraturan Perundang2 -LO	5.4.1.3.b	8.096.098.400	14.107.156.368,00	-6.011.057.968,00	-42,61

- **Total Expenses** in 2024 amounted to Rp 642,902,982,963,52 a decrease of 8.97% compared to 2023 (Rp 706,221,926,342,57).

Kode Rek.	Uraian	Reff	2024	2023	Kenaikan/ Penurunan	%
8	BEBAN	5.4.2	642.902.982.963,52	706.221.926.342,57	-63.318.943.379,05	-8,97
8.1	BEBAN OPERASI	5.4.2.1	642.250.463.963,52	706.221.926.342,57	-63.971.462.379,05	-9,06
8.1.01	Beban Pegawai	5.4.2.1.a	301.515.718.144,96	291.358.698.126,00	10.157.020.018,96	3,49
8.1.02	Beban Barang & Jasa	5.4.2.1.b	251.173.272.223,36	265.709.056.284,21	-14.535.784.060,85	-5,47
8.1.05	Barang Hibah	5.4.2.1.c	32.850.295.398,00	18.541.033.851,75	14.309.261.546,25	77,18
8.1.06	Barang Bantuan Sosial	5.4.2.1.d	2.939.350.000,00	2.518.890.000,00	420.460.000,00	16,69
8.1.07	Barang Penyihh Piutang	5.4.2.1.e	5.976.361.963,44	11.580.613.575,82	-5.604.251.612,38	-48,39
8.1.08	Bbn Penyhn & Amorti.	5.4.2.1.f	47.795.466.233,76	116.513.634.504,79	-68.718.168.271,03	-58,98

- **Operational Surplus/Deficit** in 2024 resulted in a deficit of Rp 4.6 billion, which is much smaller than the 2023 deficit of Rp 42.8 billion. This represents an improvement of 89.25% in reducing the deficit.

Kode Rek.	Uraian	Reff	2024	2023	Kenaikan/ Penurunan	%
	SURPLUS/DEFISIT DARI OPERASI		- 4.602.240.277,22	-42.822.313.288,25	38.220.073.011,03	-89,25

Discussion

Based on the Tanjungbalai City Government's operational reports for the 2023 and 2024 fiscal years, as well as the results of an analysis using regional financial indicators, the following is a more comprehensive discussion of the fiscal condition and performance of regional financial management:

1. Total Revenue.

In 2024, Tanjungbalai City's total revenue decreased by 3.78% compared to the previous year. This decline demonstrates the challenges the government faces in maintaining the stability of regional revenue sources. If not addressed effectively, this could impact the region's ability to finance future spending needs. Therefore, anticipatory measures and careful planning are crucial.

2. Locally Generated Revenue (PAD).

Regional Original Revenue (PAD) experienced a sharp decline of 32.32%. This figure indicates a reduction in revenue from regional taxes, levies, and management of regional assets. Compared to the established target, PAD realization is likely to fall short of expectations. This situation requires serious attention, as PAD is a key indicator of fiscal independence. Regional governments need to improve their tax and levy collection and oversight systems to ensure PAD can rebound and become more stable.

3. Transfer Revenue.

In contrast to local revenue (PAD), transfer revenue actually increased by 2.25%. While this is a positive development, it also indicates that Tanjungbalai City remains highly dependent on financial assistance from the central government and inter-regional governments. This dependence indicates low fiscal independence. In the long term, this dependence should be reduced by increasing potential local revenue (PAD).

4. Other Legitimate Revenue.

Revenue from this category experienced a drastic decline of 55.88%. This is likely due to the absence of non-regular or one-time revenue sources, which cannot be relied upon sustainably. Therefore, a strategy is needed to expand and diversify revenue sources so that regional finances are less dependent on fluctuating revenues.

5. Total Expense.

Regional spending in 2024 decreased by 8.97%. At first glance, this could indicate sound spending controls and budget efficiency efforts. However, the spending reductions must be examined more closely to ensure that these efficiencies do not hinder the implementation of priority programs, particularly those directly impacting public services.

6. Operational Surplus/Deficit.

One positive aspect to note is the significant reduction in the operational deficit, from IDR 42.8 billion in 2023 to just IDR 4.6 billion in 2024, an improvement of approximately 89.25%. This indicates improvements in regional financial management, likely due to more controlled spending. However, it is important to examine further whether this deficit reduction is temporary or whether there are long-term structural issues that need to be addressed.

CONCLUSION

Public financial management reforms in Indonesia have continued to progress rapidly, particularly since the implementation of accrual-based accounting standards through Government Regulation No. 71 of 2010. One major change from this reform is the inclusion of Operational Reports (LO) in government financial reports. These LOs serve to provide a more comprehensive picture of the government's operational performance over the course of a fiscal year.

At the local government level, including in Tanjungbalai City, the existence of the Lo (Local Government Accountant) is increasingly important. The public is increasingly demanding transparency and accountability in regional financial management. As a medium-sized city with limited fiscal capacity, Tanjungbalai faces various challenges—from suboptimal revenue to increasing spending pressures—all of which must be managed to remain aligned with development priorities. In these circumstances, the Lo is no longer simply a formal report to comply with the SAP (Sap) requirements, but also a crucial tool to demonstrate the local government's responsibility and credibility.

This study aims to analyze the Tanjungbalai City Government's Operational Report for the 2023/2024 fiscal year and compare it with the previous period. The goal is to identify factors influencing changes in revenue, expenditure, and operational results over the two years. Through this analysis, this study not only assesses the extent to which the local government has complied with SAP provisions but also aims to provide a deeper understanding of the dynamics of financial management and its impact on transparency and accountability at the local level

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