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IMPLEMENTATION OF GOVERNMENT ACCOUNTING STANDARD NO. 2 CONCERNING CASH-BASED BUDGET REALIZATION REPORTS IN HUMBANG HASUNDUTAN REGENCY

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Abstract: *The Budget Realization Report (LRA) is one of the main reports in local government financial reporting that describes the realization of revenue, expenditure, and financing based on cash-based principles. Government Accounting Standards (SAP), especially PSAP Number 2, regulate the preparation of LRAs in order to provide transparent and accountable financial information. This study aims to analyze the level of suitability of the preparation of cash-based LRA as of May 31, 2025 with the provisions of PSAP Number 2. The method used is qualitative descriptive with a documentation study approach to the LRA for the 2025 period. The analysis was carried out by comparing the content of the report with the provisions of PSAP Number 2 regarding cash-based presentation. The results of the analysis show that the preparation of in general has met the requirements of PSAP Number 2, but there is still room for improvement in terms of detail and disclosure of information so that financial reporting can be more transparent and accountable. it is recommended that local governments continue to improve the quality of report presentation to support responsible financial management & appropriate decision-making.*

Abstrak: Laporan Realisasi Anggaran (LRA) merupakan salah satu laporan utama dalam pelaporan keuangan pemerintah daerah yang menggambarkan realisasi pendapatan, belanja, dan pembiayaan berdasarkan prinsip kas. Standar Akuntansi Pemerintah (SAP), khususnya SAP Nomor 2, mengatur penyusunan LRA guna menyediakan informasi keuangan yang transparan dan akuntabel. Penelitian ini bertujuan untuk menganalisis tingkat kesesuaian penyusunan LRA berbasis kas per 31 Mei 2025 dengan ketentuan PSAP Nomor 2. Metode yang digunakan adalah deskriptif kualitatif dengan pendekatan studi dokumentasi terhadap LRA periode 2025. Analisis dilakukan dengan membandingkan isi laporan dengan ketentuan PSAP Nomor 2 mengenai penyajian berbasis kas. Hasil analisis menunjukkan bahwa penyusunan LRA secara umum telah memenuhi persyaratan PSAP Nomor 2, namun masih terdapat ruang untuk perbaikan dalam hal detail dan pengungkapan informasi agar pelaporan keuangan dapat lebih transparan dan akuntabel. Oleh karena itu, disarankan agar pemerintah daerah terus meningkatkan kualitas penyajian laporan untuk mendukung pengelolaan keuangan yang bertanggung jawab dan pengambilan keputusan yang lebih tepat.

INTRODUCTION

To provide information about the government's financial situation and serve as an analytical tool for future decision-making, government financial statements show how well the government is performing over a period of time. Government accounting rules must be followed in the presentation of the financial statements. A collection of accounting concepts that are systematically compiled, the Government Accounting Standards provide guidance for the preparation and presentation of government financial statements. To facilitate accountability, transparency, and compliance in public sector financial reporting, the Government Accounting Standards (SAP) aim to establish a clear and uniform legal and technological basis.. The implementation of SAP is not only limited to the central government, but also includes local governments. This results in achieving consistency in the presentation of financial information across all government entities. Government Regulation No. 71 of 2010 is the foundation for the implementation of Government Accounting Standards (SAP) with the aim of realizing the presentation of reliable, transparent, and applicable government financial statements. One of the forms of financial statements regulated in SAP Statement Number 2 is the Budget Realization Report (LRA). LRA is a financial statement of a government entity that presents a comparison between the budget plan and the realization of its implementation in a certain period.

The existence of LRAs has an important role because it provides useful information for stakeholders in predicting the potential receipt of economic resources that will be used to finance government activities in the future. The information is presented in a comparative and accountable manner so that it can increase the credibility of the financial statements. In addition, the LRA also provides a comprehensive overview of pre-budgeted financial activities with actual realization, which in turn can be the basis for evaluating government performance at both the central and regional levels. The achievement of budget realization within the scope of ministries/institutions and local governments is a crucial aspect that needs to be known by the public, because it reflects the level of efficiency and effectiveness of the use of the public budget. The LRA not only functions as an accountability instrument, but also as a means of evaluating the government's financial performance that emphasizes the principles of transparency and accountability. Humbang Hasundutan Regency as an autonomous region in North Sumatra has the responsibility to manage regional finances effectively, efficiently, transparently, and accountably. One of the important instruments in an effort to realize

good governance is the implementation of a cash-based Budget Realization Report (LRA) in accordance with the provisions of PSAP No. 2. The conformity of the presentation of LRA with the PSAP No. 2 standard at the regional level, including in Humbang Hasundutan Regency, is an important issue to be studied because this can show the extent to which local governments have implemented the principles of transparency and accountability in financial reporting. Therefore, this study aims to analyze the implementation of PSAP No. 2 related to the cash-based Budget Realization Report in Humbang Hasundutan Regency, as well as assess whether the resulting report truly reflects the accountability and financial performance of the local government.

LITERATURE REVIEW

Government Accounting Standards (SAP)

Government Regulation Number 71 of 2010 states that Government Accounting Standards (SAP) are accounting principles applied in compiling and presenting government financial statements. SAP is also a legal reference that ensures that every government financial statement, both central and regional, is presented according to the standards applicable nationally (Government of the Republic of Indonesia, 2010). Government Accounting Standards (SAP) have the main purpose as a reference in the preparation of government financial statements, especially as a form of accountability for the implementation of the State Budget and Regional Budget. The implementation of SAP is expected to be able to increase the accountability and reliability of state and regional financial management, so that the financial reports produced can be presented in a relevant, reliable, and comparable manner. Thus, the existence of SAP also plays an important role in encouraging the realization of good governance.

By Cash-Based SAP Towards Accrual**,** reporting entities are required to prepare four main financial statements, namely the Budget Realization Report (LRA), Balance Sheet, Cash Flow Report (LAK), and Notes on Financial Statements (CaLK). This model is still oriented towards budget accountability, but has gradually adopted the principle of accrual, especially in the recognition of assets, liabilities, and equity (Government Regulation No. 24 of 2005).

Furthermore, the implementation of Accrual-Based SAP regulated in Government Regulation Number 71 of 2010 expands the scope of government financial reporting. Reporting entities are required to present seven principal reports which are divided into two main groups, namely: (1) accrual-based financial statements consisting of Balance

Sheet, Operational Statements (LO), Cash Flow Statements (LAK), and Equity Change Reports (LPE); and (2) cash-based budget implementation reports, which include Budget Realization Report (LRA) and Surplus Budget Balance Change (SAL) Report. All of these reports must be completed with a Notes on Financial Statements (CaLK) as an additional form of disclosure to strengthen transparency and accountability. The difference between Cash-Based To Accrual SAP and Accrual-Based SAP reflects conceptual developments in government accounting. Cash-to-accrual-based SAP focuses on the accountability function for budget realization, while accrual-based SAP provides more comprehensive information on the government's financial position, operational performance, and changes in equity.

Budget Realization Report

One type of government financial report that describes how closely the budget is implemented in accordance with the set plan is the Budget Realization Report (LRA).PSAP Number 02 explains that LRA presents information regarding the comparison between the budget set and the realization achieved in a reporting period. This view is in line with the opinion of Hasanah and Fauzi (2016:17) who emphasized that the LRA contains information related to the realization of income, expenditure, and financing which is then compared to the budget. Meanwhile, Mardiasmo (2018) emphasized that LRA does not only describe income and expenditure, but also includes transfers and financing, so that the scope is broader and comprehensive. Based on these definitions, it can be concluded that LRA is a government financial report that presents a comparison between the budget that has been set and its realization in a reporting period.

PSAP Number 02 of 2010 emphasizes that the preparation of the Budget Realization Report (LRA) uses a cash basis. This means that income is recognized at the time cash is actually received in the State or Regional General Cash Account, while expenditure is recognized at the time cash is withdrawn from the account. Thus, the information presented in the LRA fully reflects the cash inflows and outflows during the current budget period. The use of the cash base in the Budget Realization Report is intended to show clearly the extent to which the government implements the budget in accordance with the set. In addition, it also makes it easier for the public and stakeholders to interpret financial information.

a. Functions, Objectives and Benefits of Budget Realization Reports

According to the Government Accounting Standard Statement (PSAP) Number 02 of 2010, the Budget Realization Report (LRA) functions to present information regarding the realization of revenue, expenditure, transfers, surplus/deficit, and financing of a reporting entity compared to the predetermined budget. This report aims to provide a clear picture of the implementation of the budget, so as to facilitate the evaluation of government performance, especially in terms of efficiency, effectiveness, and resource efficiency. In addition, LRA is useful for report users in assessing whether the use of the budget has been carried out efficiently, according to the budget (APBN/APBD), and compliant with laws and regulations. Thus, the LRA not only serves as a tool for government accountability, but also as a strategic instrument that supports transparency, accountability, and better fiscal planning.

b. Structure of the Budget Realization Report

In the preparation of the Budget Realization Report (LRA), there is a number of important information that must be included to ensure that the report can be understood clearly and consistently by users. The presentation of this information not only supports the principles of accountability and transparency, but also provides the right context regarding the reporting entity, the scope of budget management, the reporting period, and the units used. Some of the information that must be presented includes:

- The name of the reporting entity or other means of identification, which ensures the report can be associated with the central government, local government, or organizational unit concerned.
- The scope of the reporting entity, i.e. the limits or units included in the report, for users to understand the scope of the budget management presented.
- The period covered, so that readers know the reporting period and can compare the realization with the budget that has been set
- The reporting currency**,** which shows the unit of currency used, for example rupiah, making it easier to interpret the numbers in the report.
- The unit of number used**,** for example thousands or millions of rupiah, to make it easier for users to read and analyze data

c. Elements of the Budget Realization Report

In compiling the Budget Realization Report (LRA), each component is prepared systematically so that readers can clearly understand how the budget has been realized and used. The LRA not only displays the figures separately, but emphasizes the

relationship between the set budget and the realization that occurred in the same period. Some of the main elements that are the focus of the presentation of the LRA include:

- RevenueThis section presents information about all sources of revenue obtained by the reporting entity, whether in the form of taxes, levies, grants, or other revenues. The revenue recorded in the LRA reflects the government's ability to manage resources to finance planned activities and programs.
- ExpenditureThe expenditure section reflects all expenditures incurred by the reporting entity in order to carry out government functions, finance programs, and pay obligations. This information is important to assess the efficiency and effectiveness of budget use**.**
- TransferTransfer refers to the flow of funds that are diverted to another entity, such as a local government or other agency that is part of a country's financial system. This section helps report users understand the distribution of resources between entities and their impact on the overall budget.
- Surplus/DeficitSurplus or deficit is the difference between income and expenditure. This number is important because it reflects whether an entity is able to cover its expenses with existing income or is experiencing shortfalls that require additional financing.
- FinancingThe financing section includes receipts and expenses that affect the financial position, such as loans, debt installments, or the use of the Budget Surplus Financing Balance (SiLPA). This element helps explain how the deficit is closed or the surplus is used, thus providing a complete picture of the flow of funds.

d. Principles of Presentation of Budget Realization Reports

In the preparation of the Budget Realization Report (LRA), the presentation of information must follow certain principles so that the report can be used effectively for performance evaluation and supervision. The main principles of LRA presentation include:

- Comparability: Reports are structured to be comparable between periods and between entities, making it easier to assess performance and accountability.
- Openness **:** Information should be clear and easy to understand for the users of the report, supporting transparency and public scrutiny.
- Compliance **:** Reports are prepared in accordance with laws and regulations and government accounting standards, ensuring official accountability.

Accounting in the Preparation of Budget Realization Reports

According to PSAP Number 02, the Budget Realization Report (LRA) is prepared by applying various types of interrelated accounting, so as to be able to provide a comprehensive picture of the government's financial management. Each type of accounting has a specific role and purpose in recording financial flows, be it revenue, expenditure, or financing, so that the resulting reports can be used to assess the government's performance, accountability, and compliance with the set budget.

a. Budget Accounting.

   The administration of revenue, expenses, transfers, and financing is aided by budget accounting methods that emphasize management accountability and control. The budget structure consists of revenue, expenditure, and financing budgets, which are followed when performing budget accounting. The revenue budget includes the estimated revenue divided into the estimated revenue allocation. The expenditure budget is divided into allocation authorizations, which make up the expenditure budget. Both financing receipts and financing expenditures form the financing budget.

b. Revenue Accounting-LRA.

   When income is received in the State/Regional General Cash Account, it is recorded and recognized through LRA revenue accounting. Revenue is divided into different categories based on its type. Cash receipts from other reporting organizations, such as revenue sharing from the provincial government and receipt of balance funds from the federal government, are referred to as inbound transfers. The gross principle, which records gross receipts without documenting net amounts (after deduction of expenditures), is the basis of revenue accounting.

c. Expenditure Accounting.

   Accounting for expenditures records all the money the government spends on programs and initiatives, including capital expenditures, personnel costs, and costs for products and services. In the Budget Realization Report, expenditures are categorized based on their nature. The Budget Realization Report or Record of the Financial Statements provides details of expenses per organization. The notes on the Financial Statements provide details of expenditures by function. Accounting for surplus/deficit: The difference between revenue and expenditure during the reporting period is recorded by the LRA. There is a surplus when income is greater than production, and a deficit when expenditure is higher than income. When evaluating

how well the balance between government revenues and expenditures is, this information is crucial.

d. Financing Accounting.

Financing accounting records all receipts and expenses associated with financing, such as loans or the use of previous budget surpluses, to cover deficits or utilize surpluses. This section explains how the government covers the deficit or makes use of the surplus.

e. Accounting for Financing Receipts.

This section focuses on all receipts that affect financing, such as loan receipts or receivables repayments. This revenue will improve the government's cash position and be used to cover budget deficits or finance certain programs.

f. Financing Expense Accounting.

Record financing expenditures, including loan repayments or expenses to cover budget deficits. This expenditure reduces the government's cash position and may affect its fiscal ability in the future.

g. Net Financing Accounting.

Shows the difference between the receipt and expenditure of financing. This information is important because it provides an overview of changes in the government's cash position due to financing activities.

h. Accounting for Budget Over/Under Financing (SiLPA/SiKPA).

This section displays the final balance after all revenue, spending, and financing have been taken into account. SiLPA/SiKPA is an important indicator for planning the next year's budget and shows the remaining funds that can be reused or shortfalls that must be covered.

METHOD

To explore and understand the data and conduct an in-depth analysis of the implementation of PSAP Number 02 in the presentation of the Budget Realization Report (LRA), this study uses a qualitative descriptive research approach. In this context, the qualitative descriptive approach is interpreted to describe regional financial statements and regional financial statements compliance with applicable laws, without considering and calculating quantitative aspects. In this study, primary and secondary data and information were used. The primary data and information in question are the Budget Realization Report document in the Regional Government Financial Statements.

Meanwhile, the secondary data and information in question are books, articles, journals, and other documents related to legislation, the public sector, and public accounting. The collection of data and information is carried out by a documentation study technique which basically examines and compares the realization of the budget with the provisions listed in PSAP Number 02 and provides analysis and studies to strengthen the development of theoretical and analytical frameworks. The data obtained will be analyzed by comparing the content of the report with the criteria listed in PSAP Number 02. This will measure the compliance of the budget realization report with regulations and identify things that need to be improved, so that this study can more accurately describe the implementation of public sector accounting standards as well as improvements to transparency.

Humbang Hasundutan District
Revenue And Expenditure Budget Realization Report
Until 31 May 2025

NO. MAS SAGE	DESCRIPTION	2025 APBD BUDGET	REALIZATION 2025	(%)	MORE/(LESS)
4	**REGIONAL REVENUE**	**1.010.565.805.740,00**	**318.910.143.471,24**	**31,56**	**(691.655.662.268,76)**
4.1	**REGIONAL ORIGINAL REVENUE (PAD)**	87.742.336.898,00	13.188.491.618,24	15,03	74.553.845.279,76
4.1.1	Regional Taxes	25.936.468.398,00	4.595.112.827,00		21.341.355.571,00
4.1.2	Regional Levy	7.921.368.500,00	1.534.931.951,00	19,38	6.386.436.549,00
4.1.3	Results of Segregated Regio nal Wealth Management	5.000.000.000,00	5.147.408.494,00	102,95	(147.408.494,00)
4.1.4	Other Valid PADs	48.884.500.000,00	1.911.038.346,24	3,91	46.973.461.653,76
4.2	**TRANSFER INCOME**	912.703.428.842,00	305.721.651.853,00	33,50	606.981.776.989,00
4.2.1	Central Government Transfer Revenue	884.005.304.025,00	300.750.995.628,00	34,02	583.254.308.397,00
4.2.2	Inter-Reg. Transfer Income	28.698.124.817,00	4.970.656.225,00	17,32	23.727.468.592,00
4.3	**OTHER LEGITIMATE REGIONAL REVENUE**	10.120.040.000,00	0,00	0,00	10.120.040.000,00
4.3.3	Other income in accordance with the provisions of laws and regulations	10.120.040.000,00	0,00	0,00	10.120.040.000,00
5	**REGIONAL SHOPPING**	**1.013.047.092.008,00**	**258.136.231.047,00**	**25,48**	**(754.910.860.961,00)**
5.1	**OPERATING EXPENSES**	713.789.459.377,00	175.310.680.579,00	24,56	(538.478.778.798,00)
5.1.1	Employee Spending	470.597.447.166,00	148.390.702.756,00	31,53	(322.206.744.410,00)
5.1.2	Shopping for G&s	234.114.590.483,00	26.919.977.823,00	11,50	(207.194.612.660,00)
5.1.5	Grant Spending	8.024.421.728,00	0,00	0,00	(8.024.421.728,00)
5.1.6	Social Assistance Spending	1.053.000.000,00	0,00	0,00	(1.053.000.000,00)
5.2	**CAPITAL EXPENDITURE**	114.396.776.578,00	308.831.800,00	0,27	(114.087.944.778,00)
5.2.1	Land Capital Expenditure	330.000.000,00	0,00	0,00	(330.000.000,00)
5.2.2	Capital Expenditure of Equipment and Machinery	23.016.455.957,00	276.580.500,00	1,20	(22.739.875.457,00)
5.2.3	Capital Expenditure on Buildings and Buildings	16.064.641.187,00	0,00	0,00	(16.064.641.187,00)
5.2.4	Capital Expenditure on Roa ds, Networks, and Irrigation	69.096.735.091,00	32.251.300,00	0,05	(69.064.483.791,00)

5.2.5	Other Fixed Asset Capital Expenditures	5.688.944.343,00	0,00	0,00	(5.688.944.343,00)
5.2.6	Other Capital Expenditures	200.000.000,00	0,00	0,00	(200.000.000,00)
5.3	**UNEXPECTED SHOPPING**	3.000.000.000,00	72.000.000,00	2,40	(2.928.000.000,00)
5.3.1	Unexpected Shopping	3.000.000.000,00	72.000.000,00	2,40	(2.928.000.000,00)
5.4	**TRANSFER SHOPPING**	181.860.856.053,00	82.444.718.668,00	45,33	(99.416.137.385,00)
5.4.1	Revenue Sharing Spending	2.335.029.350,00	0,00	0,00	(2.335.029.350,00)
5.4.2	Financial Aid Shopping	179.525.826.703,00	82.444.718.668,00	45,92	(97.081.108.035,00)
	SURPLUS / (DEFISIT)	**(2.481.286.268,00)**	**60.773.912.424,24**	**(2.449,29)**	**63.255.198.692,24**
6	**REGIONAL FINANCING**				
6.1	**Financing Acceptance**	2.481.286.268,00	32.032.035.123,61	1.29,94	29.550.748.855,61
6.1.1	The Rest of the Previous Year's Budget Calculation	2.481.286.269,00	32.032.035.124,61	1.291,94	29.550.748.855,61
6.1.1	**Financing Withdrawal**	0,00	0,00	0,00	0,00
6.2	Regional Capit. Participat	0,00	0,00	0,00	0,00
6.2.2	**NET FINANCING**	**2.481.286.268,00**	**32.032.035.123,61**	**1.290,94**	**29.550.748.855,61**
	RESIDUAL BUDGET FINANCING (SILPA)	**0,00**	**92.805.947.547,85**	**0,00**	**0,00**

HASIL PENELITIAN DAN PEMBAHASAN

Results

Analysis of the Budget Realization Report of Humbang Hasundutan Regency

From the data of the Budget Realization Report (LRA) of Humbang Hasundutan Regency as of May 31, 2025, regional revenue is budgeted at IDR 1,010,565,805,740.00 and the realization is IDR 318,910,143,471.24 or 31.56%. Regional revenue consists of PAD budgeted at IDR 87.74 billion (realization of IDR 13.19 billion, 15.03%), Transfer Revenue budgeted at IDR 912.70 billion (realization of IDR 305.72 billion, 33.50%), and Other Legitimate Regional Revenue budgeted at IDR 10.12 billion and not realized. For regional expenditure, it is budgeted at IDR 1,013,047,092,008.00 and the realization is IDR 258,136,231,047.00 or 25.48%. The realization of Operating Expenditure is budgeted at 24.56%, Capital Expenditure 45.33%, while Unexpected Expenditure and Transfer Expenditure are not significantly realized. Entering the end of May 2025, there has been a budget deficit of Rp 60,773,912,424.24. Part of this deficit is covered by net financing of IDR 12,481,286,268.00 from SILPA last year, resulting in a net budget deficit of IDR 58.29 billion. For the whole, the realization of the APBD has been staged at the beginning of the fiscal year with reasonable realization.

Discussion of the Budget Realization Report of Humbang Hasundutan Regency

Overall, the achievement of regional revenue and expenditure realization is still below 50 percent because the reporting period only covers the first five months of the fiscal year. In terms of revenue, realization was recorded at 31.56 percent, while regional spending was realized at 25.48 percent of the total budget. Thus, until May 2025, the

implementation of the Humbang Hasundutan Regency Budget is still in the early stages of the fiscal year with an absorption rate that can be categorized as reasonable.

Regional Revenue Analysis

Regional Revenue of Humbang Hasundutan Regency consists of three main components, namely Regional Original Revenue (PAD), Transfer Revenue, and Other Legitimate Regional Revenue. Based on the results of the analysis, the realization of PAD was recorded at IDR 13.19 billion from the total budget of IDR 87.74 billion or around 15.03 percent. This percentage shows that PAD's performance is still relatively low, which is likely due to slow revenues from the regional tax and levy sectors. This condition indicates that the potential of the local economy has not been optimally utilized to increase regional income. Meanwhile, the realization of transfer revenue reached IDR 305.72 billion from the budget of IDR 912.70 billion or around 33.50 percent. This achievement is quite good because most of the transfer funds from the central and provincial governments, such as the General Allocation Fund (DAU) and the Profit Sharing Fund (DBH), are generally disbursed in the first and second quarters of the fiscal year. As for the Other Legitimate Regional Revenue category, until the end of May 2025 it has not shown any realization. This is still relatively reasonable considering that most of the revenue from this post is usually realized in the middle to the end of the fiscal year.

Regional Expenditure Analysis

Regional expenditure in Humbang Hasundutan Regency consists of four main components, namely Operating Expenditure, Capital Expenditure, Unexpected Expenditure, and Transfer Expenditure.Based on existing data, the realization of regional expenditure has only reached 25.48 percent of the total budget. This shows that local governments have only started implementing programs and activities at the beginning of the fiscal year. The realization of Operating Expenditure reached 24.56 percent, this figure shows that routine government activities, in the implementation of public services, and office operations are still in the implementation stage. However, Capital Expenditure has reached a fairly high realization of 45.33 percent. This shows that local governments prioritize physical infrastructure development activities which are a priority at the beginning of the fiscal year. Unexpected Spending and Transfer Spending have not yet shown meaningful realization, and this is understandable, as both types of spending are recognized as contingencies and are highly dependent on the constellation of

arrangements in emergency situations and intergovernmental transfer policies. Overall, the implementation of regional expenditure for Humbang Hasundutan Regency can be said to be efficient and in line with the reporting time. However, local governments are still expected to prioritize the effectiveness of the implementation of Operating Expenditure, so that public services can be optimized and have a more meaningful impact on the community.

Budget Surplus/Deficit Financing Analysis

In terms of financing and budget surplus/deficit, LRA showed that there was a budget deficit of Rp 60.77 billion, which was then reduced by a net financing of Rp 2.48 billion from the previous year's SILPA. Thus, the final position of the budget shows the Remaining Budget Financing Deficit (SIKPA) of Rp 58.29 billion. From the perspective of PSAP Number 02, information on financing has been presented correctly because it includes elements of financing receipts and expenditures and their impact on budget surpluses/deficits. This presentation reflects the principle of fiscal accountability which is one of the main goals of PSAP 02.

Analysis of Suitability of Report Structure and Presentation

PSAP Number 02 stipulates that the Budget Realization Report (LRA) must contain information on LRA-revenue, expenditure, transfers, surpluses or deficits, as well as regional financing consisting of financing receipts and expenditures. The RA of Humbang Hasundutan Regency conducted a complete and systematic analysis. Each element consistently reports budget data, accounting side, performance percentage, and realization side to the budget, which facilitates the process of evaluating the performance of the implementation of the regional budget. The presentation of this report has followed the requirements stated in articles 15 to 20 of PSAP No. 02, which emphasizes the comparative relationship between the amount of the budget and the realization in a single report period. The classified financial statements have also followed the economic classification set out in the APBD, where code 4 relates to revenue including PAD, transfer income, and other legitimate regional revenues, code 5 relates to operational expenditures, capital, contingencies, transfer expenses, and code 6 relates to regional financing, revenue and expenditure. Thus, formatively and structurally, the LRA report of Humbang Hasundutan Regency is in line with PSAP No. 02 in the completeness and harmony of the appropriate account budget classification.

CONCLUSION

Based on the analysis of the Budget Realization Report (LRA) of the Humbang Hasundutan Regency Government as of May 31, 2025 and the overall conformity of the LRA with PSAP Number 02, it can be concluded that the local government has implemented PSAP Number 02 quite well. There is already a structure and presentation of reports that contain all the main components, namely revenue, expenditure, transfers, surplus or deficit, as well as regional financing prepared in cash. In general, the implementation of the budget still shows reasonable results for the initial period of 2025. The realization of regional revenue has reached 31.56 percent and the realization of expenditure is 25.48 percent of the total budget. Although the Regional Original Revenue Budget (PAD) is still relatively low, which is 15.03 percent, which means that more efforts are still needed in exploring the potential of regional revenue. In terms of spending, the portion of capital expenditure showed the highest performance with an achievement of 45.33 percent, which indicates that there is a priority of local governments on infrastructure development. Overall, the condition of fiscal discipline is also still under control with a budget deficit of IDR 60.77 billion and part of the budget deficit of IDR 60.77 billion can be covered by net financing from SILPA the previous year. This indicates careful financial management. The financial statements are also as a whole and also with the reports prepared in accordance with PSAP Number 02.

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