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APPLICATION OF ACCRUAL-BASED GOVERNMENT ACCOUNTING STANDARDS AND OBTAINING FAIR OPINIONS WITHOUT EXCEPTIONS

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ABSTRACT

The purpose of this study is to identify and describe organizational changes that occur in the Gresik Regency government in the context of implementing accrual -based accounting standards (SAP) and obtaining fair opinions without exceptions (WTP) opinions seen from the aspects of preparation and strategies carried out based on moving stages according to Lewin (1951). This study used a qualitative approach with a case study research model under the Post-positivist paradigm . The results of this study are, among others, in order to apply based accounting standardsThe accruals of the Gresik Regency government have made various preparations as evidenced by the results obtained during the last four years (since 2015) the Audit Result Report (LHP) on the Regional Government Financial Report (LKPD) has always received an Unqualified Opinion. This WTP opinion was obtained because the Gresik Regency Government Financial Report was presented fairly for all material matters in accordance with Government Accounting Standards. To maintain the opinion acquisition, the challenges faced by the Gresik Regency government are increasingly complex, not only preparing for the implementation of SAP on an accrual basis but also planning strategies to continue to survive to obtain WTP opinion.

KEYWORDS: Accrual-based, WTP Opinion, LKPD.

ABSTRAK

Tujuan dari penelitian ini adalah untuk mengetahui dan mendeskripsikan perubahan organisasi yang terjadi pada pemerintah Kabupaten Gresik dalam rangka penerapan SAP akrual dan perolehan opini WTP dilihat dari aspek persiapan serta strategi yang dilakukan berdasarkan tahapan moving menurut Lewin (1951). Penelitian ini menggunakan pendekatan kualitatif dengan model penelitian studi kasus di bawah paradigma Post-positivis. Hasil penelitian ini antara lain dalam rangka penerapan SAP akrual pemerintah Kabupaten Gresik telah melakukan berbagai persiapan yang dibuktikan dengan hasil yang diperoleh selama Empat tahun terakhir (Sejak tahun 2015) Laporan Hasil Pemeriksaan (LHP) atas Laporan Keuangan Pemerintah Daerah (LKPD) selalu mendapat opini Wajar Tanpa Pengecualian (WTP). Opini WTP ini diperoleh karena Laporan Keuangan Pemerintah Kabupaten Gresik telah disajikan secara wajar untuk semua hal yang material sesuai dengan Standar Akuntansi Pemerintahan. Untuk mempertahankan perolehan opini tersebut, tantangan yang dihadapi oleh pemerintah Kabupaten Gresik semakin kompleks tidak hanya mempersiapkan implementasi SAP dengan basis akrual tetapi juga merencanakan strategi agar terus bertahan untuk mendapatkan opini WTP.

KATA KUNCI: LKPD; Opini WTP; SAP Akrual.



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INTRODUCTION

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Several attempts have been made by the Indonesian government in the context of reform in the field of state finance. One form includes the application of the government accounting system on an accrual basis as mandated by Government Regulation Number 71 of 2010 concerning Government Accounting Standards and Regulation of the Minister of Home Affairs of the Republic of Indonesia Number 64 of 2013 concerning Application of Accrual-Based Government Accounting Standards in Regional Governments. The application of accrual-based SAP in the local government must have started at the latest in the 2015 fiscal year.

The purpose of implementing accrual-based SAP is to provide more transparent information regarding revenue, expenditure, assets, liabilities, government equity and to improve the quality of decision making within government by using expanded information, not just paying attention to cash ([Ibrahim, 2013](#)). It can also be said that accrual-based Government Accounting Standards aim to increase transparency, accountability and the quality of accountability for the management of state finances. According to [John and Setiawan \(2009\)](#), government financial reporting which is the accountability of state finances is said to be good if the information contained in the government financial statements can be used as a source of information for decision making by the users and obtaining an Unqualified Opinion (WTP) on financial reporting from CPC.

Because the WTP Opinion is a reflection of accountability, ideally accrual-based SAP will make it easier for an entity to get a WTP opinion on its financial statements. However, in reality there are concerns over the possibility of a decline in opinion on government financial reports in the early stages of implementing accrual-based accounting because the concept of accrual accounting for local governments is new. For this reason, there is a need for serious preparation, strategy, and efforts from the central government and regional governments so that the financial reports get WTP opinion from the BPK.

Preparations, strategies and efforts in the context of implementing SAP accruals and obtaining WTP opinions can be formulated in policies. Making these policies forces government organizations to make organizational changes. [Lewin \(1951\)](#) argues that organizational change is a deliberate organizational movement from one fixed stage to another, and this occurs because of pressures on organizations, individuals, or groups. With the enactment of PP Number 71 of 2010 and Regulation of the Minister of Home Affairs of the Republic of Indonesia Number 64 of 2013, it is a form of pressure from the central government to local governments to implement accrual SAP and changes in cash SAP to accrual to accrual SAP are changes that are deliberately created. The policy made by a regional government in order to obtain WTP opinion is the pressure from the regional leadership to the work units under it. This forces local governments to make changes.

The application of accrual basis accounting for the public sector is first applied to countries that carry out financial reforms such as in New Zealand. [Damayanti \(2013\)](#) states that the use of an accrual basis is one of the characteristics of modern public sector financial management practices with the aim of providing more transparent information about government costs and improving the quality of government decision making by using expanded information, not just paying attention to cash disbursements. only.

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3.2 This research focuses on the opinion acquisition of the Gresik Regency Government since the 2015 fiscal year (the initial implementation of the accrual basis) until the 2018 fiscal year has received an unqualified opinion. So that accrual-based SAP application is one way to

maintain the opinion acquisition. The Gresik Regency Government has taken several ways to maintain the acquisition of unqualified opinion, one of which is by evaluating the application of the standards currently used and enforced in accordance with applicable laws. According to the *Fee Public Sector Committee* in a paper entitled *Accrual Accounting In The Public Sector*, accrual accounting facilitates better planning, can support economic decision making more effectively and efficiently, and provides reliable information because it is able to provide information about the rights to be received. and its obligations.

LITERATURE REVIEW

Organizational changes

Organizational change is a deliberate and goal-oriented process caused by demands or pressures such as demands from the workforce, technological developments, economic crises, competition, world social and political trends ([Robbin and Judge, 2015](#)). From this definition, there are two key words, namely "intentional" and "pressure", this is in accordance with the theory of organizational change presented by Kurt Lewin. [Lewin \(1951\)](#) states that organizations move from one fixed stage to another, through a series of predetermined stages and the movement of the organization from a fixed stage to another occurs because of pressures on organizations, individuals, or groups.

Still according to [Lewin \(1951\)](#), organizational change must be based on several things, including; 1) Changes should only be made for good reasons; 2) Change must be gradual; 3) All changes must be planned and not be drastic or sudden; 4) All individuals affected by change must be involved in planning change.

[Darto \(2013\)](#) concluded that Kurt Lewin focused on "why" statements, namely why individuals, groups, or organizations change. From this question, Kurt Lewin finds out how change can be managed and produce something. In the end, Kurt Lewin concluded that in organizational change there are *driving forces that* will be confronted with *resistance to change*. Organizational change can occur when *driving forces are* maximized or by minimizing *resistance*.

To overcome the opposing forces that are resisting organizational change, [Robbin and Judge \(2015\)](#) offer tactics that can be used to overcome resistance to organizational change. These tactics include: education and communication, participation, building support and commitment, developing positive relationships, implementing change fairly, selecting people who accept change, coercion and the politics of change. Of the several tactics, the main tactic is effective communication. Effective communication is communication in all directions, not only *top bottom*, so that it will facilitate the efforts made in order to make organizational change. With effective communication, the organization can communicate the importance of change, accommodate suggestions and input from organizational members and relationships between organizational members and increase the involvement of organizational members. The high involvement of organizational members will ensure the success of efforts to build a new organizational culture so that it can support organizational change.

In addition to resistance from organizational members that can hinder the organization from making changes, [Amirya \(2011\)](#) concludes that there are several obstacles that become the obstacles for organizations in making organizational changes, such as: a) The old management values are still strong. Change generally brings about a new culture so that actors are expected to be able to apply it amidst the still strong old culture; b) Human Resources that are still minimal both in quantity and quality will affect the sustainability of

the organization; c) Limited financial resources, without the support of strong financial resources, the implementation of the organization's vision and mission will be hampered; d) Technology is still minimal, if the organization is not supported by technological capabilities, it will have an impact on the speed, accuracy and accuracy of information presentation; e) The absence of a policy, with the absence of a policy, it will affect the organization's operations.

Public Policy Implementation

One of the objectives of this study is to identify, describe the preparation and implementation process of public policies. The public policy in question is Government Regulation No. 71 of 2010, Permendagri No. 64 of 2013, Regional Regulations on Regional Government Accounting Policies, Regional Regulations on Strategies for Acquiring WTP Opinions. [Nugroho \(2014\)](#) defines public policy as a decision made by the state to realize state goals. In other words, public policy is a strategy to regulate society at an early stage, enter society during a transitional period, towards the society it aspires to.

In general, the stages in the public policy process can be classified as follows: first, the policy formulation process (formulation) or agenda setting, is the earliest stage. In this stage the political process is more dominant than the administrative aspect. According to [Nugroho \(2014\)](#), in this stage several activities are carried out, among others; (a) Formulation of problems requiring policy intervention; (b) Agenda setting, defining the real problem, namely looking for the causes or root causes, not the consequences arising from the problem; (c) Search for legitimacy, identify solutions to overcome these problems; (d) Selection of alternatives, from various existing solutions, then evaluating the options that are most likely to be carried out by considering the impact; (e) Policy statement, from the results of the evaluation, the best option is selected in the form of a policy. This policy will be implemented in the form of programs as a form of real government intervention on public problems.

Accrual-Based Government Accounting Standards: Purpose and Benefits

Accrual-based Government Accounting Standards (SAP) are a development of SAP as stipulated in Government Regulation Number 24 of 2005 with reference to the *International Public Sector Accounting Standards (IPSAS)*, taking into account statutory regulations, adjusted to conditions in Indonesia and adjusted to the accrual basis (attachment III Government Regulation Number 71 of 2010). Accrual basis refers to recognizing income, expenses, assets, debt, and equity in accrual-based financial reporting, as well as recognizing income, expenditure and financing in reporting on budget implementation based on the basis set out in the APBN / APBD, namely the cash basis.

In attachment I of Government Regulation No. 71/2010, that the information presented in the financial statements is general purpose to meet the information needs of all user groups such as the public, people's representatives, supervisory agencies, auditing institutions, parties that provide or play a role in the donation, investment and loan processes and the government. The purpose of applying accrual accounting is to provide information about government operational activities as well as the position of assets and liabilities that is more accurate and of course better based on the recognition of rights and obligations, not based solely on cash flows.

3.2 Government financial reports should provide useful information for users in assessing accountability and making decisions on economic, social and political decisions by providing information about the sources, allocation and use of financial resources; provide

information regarding the adequacy of current period revenues to cover all expenses; provide information regarding the amount of economic resources used in the reporting entity's activities and the results it has achieved; provide information about how the reporting entity funds all of its activities and meets its cash needs; provide information regarding the financial position and condition of the reporting entity in relation to the sources of revenue, both short and long term, including those from tax collections and loans; provides information about changes in the reporting entity's financial position, whether they have increased or decreased, as a result of activities carried out during the reporting period.

According to Heather Thompson in the *Transition from Cash to Accrual Accounting Project, Public Expenditure Management*, quoted by [Widjajarro \(2008\)](#), that the objectives of implementing accrual basis accounting in the public sector include: 1) To increase the efficiency and effectiveness of the financial system in the public sector. consisting of budgeting, accounting and reporting; 2) To improve fiscal control, asset management and public sector culture. 3) To increase accountability in the program for the provision of goods and services by the government; 4) Providing more complete information for users for decision making; 5) To reform the expenditure budget system; 6) To achieve wider transparency on the cost of services carried out by the government.

METHOD

Based on the opinion of [Sarantakos \(1993\)](#), [Creswell \(2009\)](#), [Chariri \(2009\)](#) and [Malik and Nugroho \(2013\)](#) paradigm is defined as a point of view to understand and see the world, which is a guide used by researchers during the research process from starting to identify problems, to formulating which problems will be studied, determine the methods used in the research to how to interpret the findings. Therefore, it can be concluded that the choice of paradigm in research has an influence on the choice of research methodology and methods of collecting and analyzing research data.

[Burrell and Morgan \(1979\)](#) group social science research perspectives into four paradigms, namely the Functionalist Paradigm, the Interpretive Paradigm, the Humanist Radical Paradigm, the Structuralist Radical Paradigm. In contrast to [Burrell and Morgan \(1979\)](#), [Chua \(1986\)](#) classifies the accounting research paradigm into a Positivist Paradigm, an Interpretive Paradigm and a Critical Paradigm. Then based on the paradigm developed by [Chua \(1986\)](#) and [Sarantakos \(1993\)](#), [Triyuwono \(2011\)](#) classifies accounting research into five paradigms, namely: *The Functionalist Paradigm*, *The Interpretivist Paradigm*, *The Critical Paradigm*, *The Postmodernist Paradigm*, *The Spiritualist Paradigm*. Meanwhile, according to [Chariri \(2009\)](#) who based on his opinion Lather (1992) states that there are two paradigms, namely positivist and *post-positivist*.

The positivist paradigm is a paradigm adopted from natural science that emphasizes the combination of numbers and deductive logic and the use of quantitative tools in interpreting a phenomenon objectively ([Chariri, 2009](#)). In the positivist paradigm, a phenomenon is analyzed to determine a relationship that exists between the variables involved, the relationship can be in the form of a correlation or causal relationship.

Still according to [Chariri \(2009\)](#), in the positivism paradigm, social and natural sciences are believed to use the same logical basis of science, so that all scientific activities in the two fields of science must also use the same method in studying and finding answers and developing theories. The theory development in the positivist paradigm uses a deductive approach that begins with a review of the literature and operationalizes it in research to be

used as a basis for developing hypotheses. Furthermore, the hypothesis is tested using existing data based on statistical analysis. The positivist paradigm tends to confirm, or revise or expand theory through analysis of causal relationships.

Post-positivist is a paradigm that appears after positivists as an effort to correct the weaknesses in the positivist paradigm so that the positivist and *post-positivist* paradigm has a very close relationship. The weaknesses of the positivist paradigm include using the same basic scientific logic between social and natural sciences which is then corrected by the *post-positivist* paradigm. According to the *post-positivist* paradigm, natural science cannot be equated with social science because human actions cannot be predicted with one absolute definite explanation, because humans are always changing. Another weakness of positivism is that it is considered to only rely on the ability to directly observe the object under study (Malik and Nugroho, 2013).

Salim (2001) argues that the *post-positivist* paradigm recognizes that reality does exist according to natural laws as stated by the positivist paradigm but the *Post-positivist* paradigm argues that humans are unlikely to get the truth from reality if the researcher makes a distance from reality or is not directly involved with it. reality. The relationship between researchers and reality must be interactive, but what needs to be remembered is that researchers still have to be as neutral as possible, so that the level of subjectivity can be reduced to a minimum.

According to Guba and Lincoln (1994), the basic belief system in *Post-positivist* researchers is ontologically realist and critical (*critical realism*) because it considers that reality does exist in accordance with reality and natural laws but it is impossible for researchers to see or understand this reality correctly. Epistemologically, the *post-positivist* paradigm is *modified dualist / objectivist*, in which the relationship between the researcher and the reality being studied cannot be separated but must be interactive with minimal subjectivity.

Then methodologically the *post-positivist* paradigm is experimental / manipulative modified (*modified experimental / manipulative*), namely by emphasizing the critical dual nature. Observations are carried out naturally using qualitative analysis methods that depend on *grounded theory*. The criteria for the quality of *post-positivist* research are still the same as the positivism paradigm that uses *Objectivity, Reliability and validity (internal and external validity)*

RESULTS AND DISCUSSION

Accrual Sap Application Preparation

Since the 2015 fiscal year, the Government of Gresik Regency has implemented the mandate of Government Regulation Number 71 of 2010 and Permendagri Number 64 of 2013, namely implementing Accrual SAP. Because the concept of accrual accounting in the Regional Government was still very new at that time, in order to implement accrual SAP, the Gresik Regency Government made several preparations such as establishing regional head regulations related to accounting policies and accounting procedure systems, development of Regional Financial Management Information Systems and Regional Goods Management Information System, training for financial managers / compilers of financial reports in all OPDs and auditors, *restatement* of financial reports and asset management. These preparations were made by the Gresik Regency Government in order to be ready and able to overcome various obstacles in implementing the accrual basis.

Stipulation of Regional Head Regulations concerning Accounting Policies and Accounting Procedure Systems.

In attachment I of the Minister of Home Affairs Regulation Number 64 of 2013, it is stated that accounting policies are an important instrument in the application of accrual accounting. So that it is hoped that the Regional Heads can make regulations that regulate the accounting policies of their local governments based on or can take the main elements from SAP which then develop the choice of methods, both in recognition, measurement and disclosure. Unlike what has happened so far, accounting policies are prepared by simply copying all existing SAP contents.

The stages of preparing local government accounting policies are based on the main components of accounting policies, namely the preparation of financial reporting accounting policies and the preparation of account accounting policies. As the main reference for the formulation of accounting policies for local governments, they can use the Government Accounting Standards Statement (PSAP) which is contained in attachment I of Government Regulation No. 71 of 2010.

The Regional Government Accounting System (SAPD) described in attachment II of the Minister of Home Affairs Regulation Number 64 of 2013 is a tool for realizing the basic principles set by SAP and accounting policies into a series of recording procedures using *double entry* accounting through its tools in the form of journal books, ledgers, trial balances and financial reports. The Local Government Accounting System provides a guideline that explains who did what and at the same time defines how transactions are recorded. Can be explained through descriptive descriptions or flow charts.

Still according to Permendagri Number 64 of 2013, regional head regulations regarding regional government accounting policies and regional head regulations concerning the Regional Government Accounting System (SAPD) must have been enacted no later than May 31, 2014, the commitment of the new Gresik Regent can be seen with the issuance of Regent Regulation Number 24 of the Year 2014 concerning Accrual-Based Accounting Policies, Accrual-Based Accounting Systems and Government Standard Accounts Chart (BAS). This regulation is the basis for the application of accrual-based accounting in the Gresik Regency Government.

The Perbup was only legalized in August 2014, it can be said that it is late from the stipulation that has been promulgated based on Permendagri Number 64 of 2013 Article 10 paragraph (1), namely the Regional Head Regulation that regulates the accounting policies of local governments as referred to in Article 4 paragraph (5).) and regional head regulations governing SAPD as referred to in Article 6 paragraph (4) are stipulated no later than May 31, 2014.

The legal basis for the preparation was: 1) Law Number 17 of 2003 concerning State Finance; 2) Law Number 01 of 2004 concerning State Treasury; 3) Government Regulation Number 71 of 2010 concerning Government Accounting Standards; 4) Regulation of the Minister of Home Affairs Number 64 of 2013 concerning Application of Government-Based Accounting Standards; 5) Government Regulation Number 65 of 2010 concerning Amendments to Government Regulation Number 56 of 2005 concerning Regional Financial Information Systems. To support understanding of these regulatory tools, BPPKAD conducts outreach activities to regional financial management executives in all OPDs through technical guidance activities for the accrual-based accounting system.

As stated by [Khan and Mayes \(2009\)](#) in the formulation of accounting policies, the main issue is that the government needs to focus on the material for which accounting policy choices are most appropriate and consistent with accounting standards. With the enactment of Regent Regulation Number 24 of 2014 concerning Accrual-Based Accounting Policies, Accrual-Based Accounting Systems and the Government's Standard Account Chart (BAS) are also evidence of the support of the executive and legislative bodies. [Iman \(2008\)](#) concluded that one of the factors for the successful application of accrual basis accounting is the support of the executive and legislative bodies.

Training for financial managers, financial report compilers and auditors

One of the obstacles in implementing accruals SAP in local governments is the limited and unequal knowledge of SAP accruals for financial managers, compilers of financial statements. As stated by [Kusuma & Fuad \(2013\)](#), the problem of human resources will be one of the obstacles that hinders or delays the application of accrual SAP.

Therefore, to anticipate the obstacles faced by the Gresik Regency government when implementing accrual SAP, especially constraints related to human resources, since the beginning of the accrual basis implementation (2015) the Gresik Regency government has carried out socialization and technical guidance with SAP Accrual material for financial managers, compilers of financial reports in all OPDs. This is as has been done by the Makassar City government, namely the socialization to Makassar City government officials is the first step of the Makassar City government in implementing accrual-based SAP in 2015 ([Faradillah, 2013](#)).

In addition, the results of research conducted by [Ichsan \(2013\)](#) also concluded that one of the key success factors in implementing accrual SAP is the readiness of human resources who adequately understand accrual-based SAP, so that continuous training is needed.

In the Gresik Regency Regional Personnel Agency (BKD) Budget Implementation Document (BKD) for the 2019 fiscal year, in addition to the technical guidance activities, the Gresik Regency government also held ongoing socialization and training, this was conveyed by the Head of the Gresik Regency BKD:

"The focus of this training is to train ASN (State Civil Servant) financial managers with a focus on calculating financial reports, based on accrual-based government accounting. This training is an effort to improve competence and professionalism in carrying out tasks in financial management. Later, the participants are required to show their performance to be better financial managers "

Featured in investigative news.today on 22 July 2019

The Vice Regent of Gresik also added the following:

"Along with the development of information and communication technology. This training activity aims to improve the competence of good human resources and play an active role in making the quality of human resources in local government financial management "

From the explanation given above by the chairman of the BKD and the Deputy Head of Gresik Regency, it is clear that the commitment to the commitment to the presentation of financial statements as much as possible is to maintain the acquisition of WTP opinion on the LHP every year.

Summary

The financial statements of the Gresik Regency government for fiscal year 2014 still use SAP on a cash basis towards accruals. With the enactment of PP Number 71 of 2010 and Permendagri Number 64 of 2013, in the 2015 fiscal year the Gresik Regency government has implemented Accrual SAP. This is in line with research conducted by [Afiqoh \(2019\)](#) that the Gresik Regency government has implemented accrual-based SAP since the initial implementation (2015) was required through several periods, namely the first tolerance period, second trial period and the third transition period.

Because accrual SAP is a new thing for local governments including the Gresik Regency government, in its application it finds various kinds of obstacles. These constraints include limitations and unequal knowledge of financial managers / financial report compilers about SAP accruals, in order to implement accrual SAP, these constraints must be resolved immediately. The steps taken by the Gresik Regency government to resolve these obstacles include establishing regional head regulations related to accounting policies and accounting procedure systems, development of Regional Financial Management Information Systems, training for financial managers in all OPDs, compilers of financial reports and other auditors in the context of implementing SAP accruals to maintain the WTP opinion acquisition on the Audit Result Report conducted by the Supreme Audit Agency.

WTP OPINION OBTAINING STRATEGY

One of the objectives of implementing accrual SAP is to increase transparency, accountability and the quality of accountability for the management of state finances, while the WTP opinion is a reflection of accountability. Therefore, ideally, the implementation of accrual-based SAP will make it easier for local governments to get WTP opinion on their financial statements.

The Gresik Regency Government since the early adoption of Accrual-based SAP (2015) received a WTP Opinion on its Regional Government Financial Statements. However, all local governments including the Gresik Regency government are concerned about the possibility of a decline in opinion on government financial reports at the accrual-based accounting implementation stage. This is as conveyed by the head of the BPK in the submission of the LHP LKPD of Gresik Regency in 2018 " *Predictions from the BPK and the Ministry of Finance, agencies that are already WTP are very likely to decline in opinion*"

Not only local governments are worried, but BPK and the Ministry of Finance have also predicted the possibility of a decline in BPK's opinion. For this reason, it is necessary to have serious preparation, strategy, and efforts from the Regional Government so that the financial reports can still maintain the WTP opinion obtained from the BPK. The following are some of the strategies that have been carried out by the Gresik Regency government to maintain the WTP opinion from the BPK.

Making a Policy Regarding the Opinion of PAPs

To find out whether the Gresik Regency government has made a special policy regarding the strategy for obtaining WTP opinion, the researcher again digs up information related to this by searching for rules that have been published on the Gresik local government web page and which are published on the bpk.go.id page.

According to [John and Setiawan \(2009\)](#), the mindset of structuring financial management towards WTP opinion starts by identifying precisely the current conditions, then identifying the regulations which are the hopes and goals to be achieved. If there is a gap

between conditions and regulations, it is necessary to formulate a strategy. The flow of mind for structuring financial management towards WTP opinion is illustrated below.

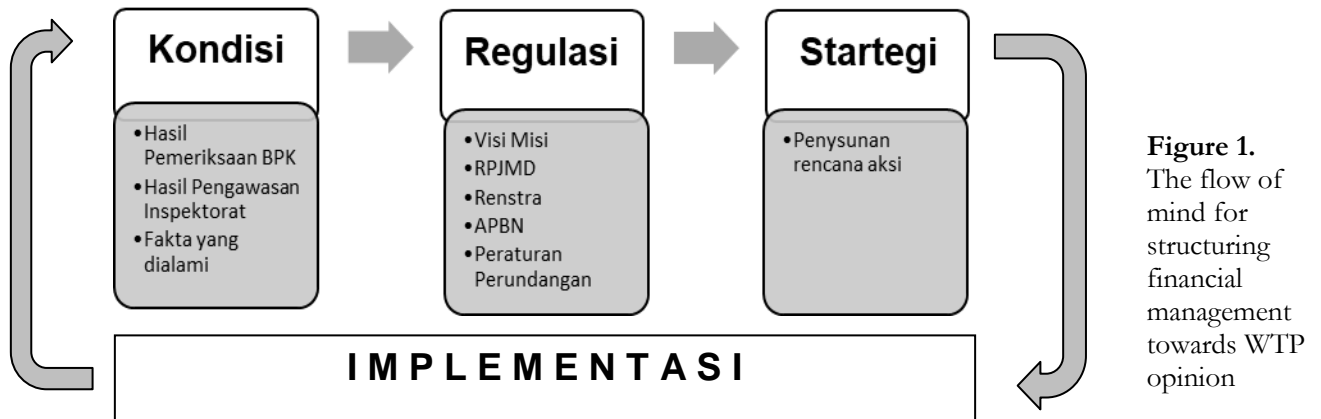


Figure 1. The flow of mind for structuring financial management towards WTP opinion

Source: John and Setiawan (2009)

Figure 1 shows that the implementation of the strategy compiled from the action plan is the main thing. The policy for obtaining a WTP opinion is not sufficient from the target for obtaining opinions contained in the RPJMD document but requires a technical policy or action plan. This has been done by the Gresik Regency government. Gresik Regency Government has set several policies regarding the application of accrual SAP. The criteria for providing opinions on government financial reports by BPK according to Law Number 15 of 2004 are conformity with SAP. Since the 2019 fiscal year is no longer the first year the accrual SAP is implemented, it is likely that the BPK will focus more on its examination of the application of accrual-based accounting to the Regional Government with the consequences of local government policies.

The policy regarding the application of accrual SAP in the Gresik Regency government is one of the policies made in order to obtain WTP Opinions from BPK. Policies that have been prepared include: Gresik Regent Regulation No. 33 of 2017 concerning Regional Government Accrual-Based Accounting Standards amendments to the Gresik Regent Regulation Number 24 of 2014 and Gresik Regency Regional Regulation Number 14 of 2015 concerning Changes in Regional Budgets and Expenditures.

Nevertheless, the Gresik Regency government still has to establish a special / technical policy regarding the strategy for obtaining WTP opinion in the form of an action plan. This is because the criteria for giving WTP opinions are not only conformity to SAP, there are still 3 other criteria, namely compliance with laws and regulations, effectiveness of the Internal Control System and adequacy of disclosure.

According to [Nugroho \(2014\)](#) in the implementation of public policy, if a public policy cannot be implemented directly, it is necessary to make an implementation policy. But if it can be implemented immediately, what needs to be done next, among others, for implementation procedures, allocate resources, adjust implementation procedures with the resources used, control the implementation and finally evaluate the implementation. The Gresik Regency policy regarding the acquisition of WTP opinions can be immediately implemented with its implementation policy which is stipulated through regional regulations.

3.2 Human Resources Improvement

The main problems faced by local governments in the context of obtaining WTP opinions are the problem of quantity / number of human resources and problems of quality of

human resources ([Suwanda, 2013](#)). In the Gresik Regency government, the problem of the quantity of human resources can be resolved by increasing the number of financial managers, financial report compilers in local government financial managers, financial report compilers and auditors who have a background in economic education, especially accounting.

The decision to recruit activity personnel to assist financial management in OPD becomes OPD policy because it is the OPD who knows whether or not it is necessary to increase the workforce of these activities. In essence, the Gresik Regency government agreed to a budget for salaries / honoraria for activity personnel as long as the OPD's staff really needed them.

In addition to the addition of activity personnel, through the Regional Civil Service Agency, the Gresik Regency government has also rearranged civil servants who have a background in accounting education. So far, many civil servants with accounting education backgrounds are not placed in the formation of financial report compilers, treasurers or auditors. The number of civil servants with accounting education backgrounds who are assigned to BPPKAD is also still limited. The rearrangement of civil servants can be done by rearranging the *job description* / main function tasks (*tupoksi*) by considering their educational background. So those who have an accounting education background are placed in financial manager formations such as income treasurers, expenditure treasurers or financial report compiler formations, auditors or treasurers / property managers. The second way of rearranging civil servants is by performing mutations. If there are OPDs who have civil servants with a background in accounting education, it is necessary to transfer to BPPKAD to strengthen the financial report compilation team or to the Inspectorate as auditors or other OPDs who still need financial management staff, financial report compilers with accounting education background

For the second HR problem is the quality of HR. To address the problem of the low quality of human resources, the Gresik Regency government has taken several steps, including conducting training for financial managers, report compilers and auditors. [Mutiara \(2011\)](#), [Suwanda \(2013\)](#), [John and Setiawan \(2009\)](#), and [Nasution \(2008\)](#) state that one strategy for obtaining WTP opinion is to improve the quality of human resources through training. In particular, Mutiara (2011) proposes a training program that is suitable for the strategy of obtaining WTP opinions, which is in-house solution training, with an apprenticeship and assistance program.

The Gresik Regency Government conducts training for financial managers, financial report compilers and auditors in the context of implementing SAP accruals. The training carried out aims to provide sufficient provisions regarding the understanding of the application of SAP accruals so that it is hoped that they can carry out financial administration and compile accrual financial reports. That way the implementation of SAP accruals in the Gresik Regency government can run successfully. With the successful application of accrual SAP, it will be easier for the Gresik Regency government to maintain the WTP opinion acquisition from the BPK for auditing its financial statements which are prepared on an accrual basis.

Joint Commitment

To be able to defend the WTP opinion from the BPK on the financial statements of the regional government, the most important thing is the commitment of the regional leadership. Regional leaders are not only the Regent but also members of the DPRD. Commitment from the leadership is very important because regional leaders are the

decision makers, it is in their hands for policies, important regional regulations are made. Examples of concrete steps as a manifestation of the leader's commitment to the strategy for obtaining WTP opinions are the regional head together with the DPRD designing and establishing regional regulations regarding local government accounting policies and local government accounting systems guided by SAP accruals. The next step is to instruct the OPD head to make an integrity pact regarding his commitment and support for the acquisition of WTP opinion ([Suwanda, 2013](#)).

As [Suwanda \(2013\)](#) argues above, in the case of the Gresik Regency government the commitment of the regional leadership to obtain BPK's opinion has been reflected in the Regulation of the Regent of Gresik Regency No. 33 of 2017 concerning Regional Government Accrual-Based Accounting Standards.

After the commitment from the Regional Head (Regent / Mayor) as a result of coordination with DPRD members, what is needed to obtain the WTP opinion is the commitment of the Regional Secretary, Assistant Regional Secretaries and of course all OPD Heads within the local government. One proof of the joint commitment statement of the OPD heads was the making of an integrity pact. The Gresik Regency Government once made an integrity pact to implement good governance of regional finance and goods in order to obtain WTP opinion.

The Head of BPPKAD Gresik Regency said that the responsibility for obtaining WTP opinions is not only the responsibility of BPPKAD as a reporting entity but is the responsibility of all OPDs.

Summary

In maintaining the WTP opinion obtained from BPK on the Regional Government Financial Report, the Gresik Regency government has made various efforts, including (1) targeting the acquisition of WTP opinion in 2019; (2) Stipulating several policies regarding the application of accrual SAP which are also policies made in order to obtain WTP Opinions from BPK; (3) Implementing BPK recommendations by structuring assets with an inventory of assets whose records are still not detailed, improving regional asset management and management, and improving internal control; (4) Increasing the quantity and quality of human resources for financial management, compilers of financial reports with recruitment of activity personnel, structuring civil servants with a background in accounting education, and training; (5) increasing and maintaining joint commitment of related parties such as regional leaders, OPD heads and all financial managers to implement good governance of regional finances and goods in order to obtain WTP opinion.

By establishing several policies regarding the application of SAP accruals which are also policies made in order to obtain WTP opinion from BPK. Thus, the Gresik Regency government still has to establish a special / technical policy regarding the strategy for obtaining WTP opinion in the form of an action plan in the form of a regional regulation. This is because the criteria for giving WTP opinions are not only conformity to SAP, there are still 3 other criteria, namely compliance with laws and regulations, effectiveness of the Internal Control System and adequacy of disclosure

JAA CONCLUSION

3.2 Since the beginning of the application of accrual-based SAP (2015) in the Gresik Regency Government, the BPK has obtained a WTP Opinion on its Regional Government Financial Statements, and the WTP opinion has been received for four consecutive years

(2015 s / d 2018). So that in 2019 the Gresik Regency government seeks to maintain the acquisition of the WTP Opinion. The Gresik Regency Government has made several preparations to overcome the obstacles in applying the accrual basis and maintaining the WTP opinion opinion by: 1) Making a policy regarding the acquisition of WTP opinion; 2) Increasing human resources; 3) Mutual commitment.

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