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## **SEPARATE RECOGNITION OF BUILDING SUPPORT COMPONENTS IN GOVERNMENT FIXED ASSET ACCOUNTING**

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### **Abstract**

This study provides empirical evidence related to the application of fixed asset accounting at the level of ministries or institutions' work units, with the research location at a university in Indonesia. Through this research, it can be proven that recording the value of fixed assets in the Statement of Financial Position sourced from the conversion of the value of capital expenditures in the LRA tends to cause problems if the codification of expenditure accounts does not contain the separation of recording the components of building support. The research in this study used a descriptive method by tracing historical/documentation data. The data studied comes from the documentation of planning/budgeting, budget realization, and financial reporting in 2015, especially those related to capital expenditure and fixed asset recording. The documentation starts from DIPA, RKA-KL, SPM, Contract Documents, Supervisory Consultant Reports, Contractor Reports for Construction Development Work, Financial Reports from SAIBA applications, and data from SIMAK-BMN. Data processing was carried out using descriptive statistical methods with the help of the Microsoft Excel application program. The results of this study indicate that after separating the recognition of building support components, the value of additional fixed assets in the agency in 2015 changed significantly. This research concludes that reclassification is needed after the value of capital expenditure is converted into the value of fixed assets to comply with PSAP 07, and maintenance expenditure can be budgeted.

**Keywords:** fixed assets; reclassification, governmental accounting

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### **INTRODUCTION**

Fixed assets have become the main focus of government accounting in Indonesia since it was mandatory to prepare a Statement of Financial Position as part of the government's financial statements. Its significant value and high complexity are the main causes of serious accounting attention aimed at the recognition/recording, classification, measurement/valuation, and presentation of these fixed assets (KSAP, 2014)

According to Yahya et al., (2018) Nine years since the obligation to prepare the Statement of Financial Position was enacted, namely, since the issuance of Government Regulation Number 24 of 2005 concerning Government Accounting Standards (SAP), the accounting for fixed assets in the government's financial statements still shows problems. After the government replaced the SAP regulation with Government Regulation Number 71 of 2010, the problem of asset accounting persists.

In SAP, accounting for fixed assets is regulated in PSAP No.07 concerning Accounting for Fixed Assets. In paragraph 4 of the PSAP, fixed assets are defined as tangible assets that have a useful life of more than 12 (twelve) months to be used, or intended to be used, in government activities or utilized by the general public (Adinegara et al., 2023). The classification of fixed assets is contained in paragraph 7 which states that fixed assets are

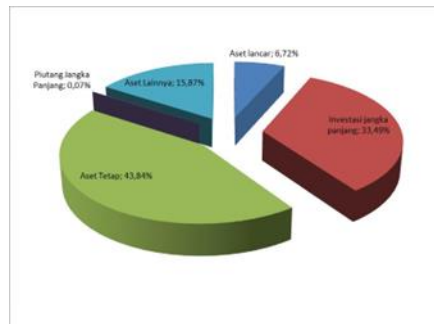
classified based on similarity in nature or function in operating activities. The classification of fixed assets is as follows: (1) Land; (2) Equipment and machinery; (3) Buildings and structures; (4) Roads, Irrigation, and Networks; (5) Other fixed assets; and (6) Construction in progress.

In practice, the issue of fixed assets continues to be reflected in the results of audits by the Supreme Audit Agency (BPK) on the government's financial reports until 2014. The results of the examination of 86 Financial Statements of Ministries and Institutions (LKKL) in 2014, there were 18 (20.93%) opinions of Fair With Exception (WDP) and 7 (8.14%) Opinion Disclaimer (TMP)/disclaimer. One of the things that sparked WDP's opinion was related to fixed assets. Even the TMP opinion was given to ministries/agencies which among others had problems in implementing fixed asset accounting. In addition to the audit results of the financial statements, according to the BPK, in terms of the internal control system (SPI), the administration and security of state-owned fixed assets in 56 KLs are also inadequate. In general, (Indonesia, 2015) also stated that weaknesses in government administration occurred in the management of fixed asset accounts. The unresolved issue of fixed asset accounting is what underlies the importance of this research (Adiputra et al., 2018).

As stated by KSAP quoted in the first paragraph of this chapter, one of the reasons for the unresolved issue of fixed assets is their significant value, which can be seen from the number of assets in the government's Statement of Financial Position. Based on the data in the government's Financial Position Report as of December 31 2014 presented in Table 1.1 below, it can be seen that the nominal value of these fixed assets is very large, namely Rp. 1,714.5 trillion from Rp. 3,910.9 trillion in government assets. That is, fixed assets have a composition of 43.84%, and are the largest component of the current government-owned asset component. The very large number of fixed assets owned by the government is equivalent to the number of fixed assets owned by the fifth largest publicly listed company in the world in 2014 DeMers, (2014), namely Berkshire Hathaway, Inc. This giant company owned by Warren Buffett, who is the third richest person in the world (Detik.com, 2015), has fixed assets of IDR 1,527.4 trillion Chierchia, (2020) (with the BI middle rate of IDR 13,266, April 4, 2016 ) or 21.87% of its total assets of IDR 6,985.6 trillion.

**Table 1 Total Assets of the Government of the Republic of Indonesia as of 31 December 2014**

<b>Asset Type</b>	<b>Value (in rupiah)</b>	<b>Composition</b>
Current assets	262.980.618.272.981	6,72%
Long term investment	1.309.921.393.887.620	33,49%
Fixed assets	1.714.588.328.953.210	43,84%
Long Term Receivables	2.825.834.229.735	0,07%
Other Assets	20.606.155.768.241	15,87%
<b>Amount</b>	<b>3.910.922.331.111.790</b>	

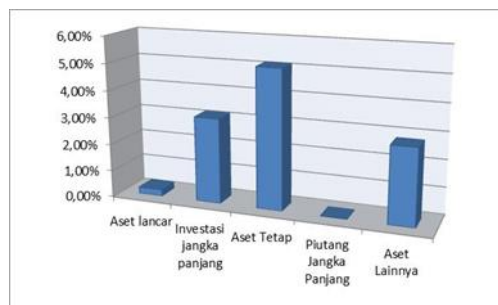


**Figure 1 Composition of Republic of Indonesia Government Assets as of 31 December 2014**  
**Source: Processed from the RI BPK Audit Report on the 2014 Central Government Financial Statements**

The number of fixed assets as above is believed to increase from year to year. This is due to the relatively large growth in government fixed assets, namely an average of 5.12% per year (Table 1 and Figure 1). The percentage of growth is also the largest compared to other types of assets. The nominal value of growth (addition) of fixed assets each year from 2010-2014 was an average of IDR 147.1 trillion.

Table 2 Growth of RI Government Assets from 2010 to 2014

Asset Type	Percentage Growth					Growth Average
	2014	2013	2012	2011	2010	
Current assets	0,26%	0,32%	-0,74%	0,40%	0,97%	0,24%
Long term investment	3,24%	7,03%	5,31%	1,44%	-1,26%	3,15%
Fixed assets	0,12%	-5,20%	9,54%	12,69%	8,47%	5,12%
Long Term Receivables	0,00%	-0,05%	0,04%	0,11%	0,00%	0,02%
Other Assets	5,16%	1,68%	-2,22%	5,19%	4,24%	2,81%
<b>Amount</b>	<b>8,78%</b>	<b>3,77%</b>	<b>11,93%</b>	<b>19,84%</b>	<b>12,41%</b>	<b>11,35%</b>



**Figure 2 Average Growth of Indonesian Government Assets from 2010 to 2014**  
**Source: Processed from BPK RI Audit Report on Central Government Financial Statements for 2010-2014**

A large number of additions every year shows the very large role of fixed assets in government organizations. It is inevitable, the government needs fixed assets to expedite the implementation of its activities in serving the community. This further illustrates that fixed assets need to be managed properly and carefully so that the function of fixed assets owned by the government can be maintained.

The government, based on the Statement of Financial Position as of December 31, 2014, has classified fixed assets as stipulated in PSAP No.07. This proves the seriousness of the government in implementing SAP. That is, there have been efforts by the government to carry out government accounting according to established standards. Details of the value of fixed assets owned by the government can be seen in Table 3 below:

**Table 3 Value of Indonesian Government Fixed Assets as of December 31, 2014**

<https://injury.pusatpublikasi.id/index.php/in>

<b>Types of Fixed Assets</b>	<b>Value (In Rupiah)</b>	<b>Composition</b>
Soil	945.677.266.992.956	44,44%
Equipment and Machinery	331.484.412.353.590	15,58%
Buildings and Buildings	210.934.630.857.630	9,91%
Roads, Irrigation, and Networks	476.253.657.666.187	22,38%
Other Fixed Assets	49.856.505.381.076	2,34%
Construction in Progress	113.946.714.499.490	5,35%
<b>Fixed Assets Total (gross)</b>	<b>2.128.153.187.750.930</b>	
Accumulated Depreciation of Fixed Assets	(413.564.858.797.715)	
<b>Total Fixed Assets</b>	<b>1.714.588.328.953.210</b>	

*Source: Processed from BPK RI's LHP of 2014 LKPP*

One part of fixed assets that government entities need to pay close attention to is included in the classification of buildings and structures. Each government agency or work unit has a building and premises for carrying out their respective operational activities. As shown in Table 1.3 above, buildings and buildings owned by the Indonesian government are currently worth a very large amount of IDR 210.9 trillion, or around 10% of its total assets.

In connection with this very large number, the government should pay more attention to building accounting. This is also because in buildings there are non-building supporting components which are generally in the form of other buildings, equipment, and machinery or networks (electricity, water, and telephone). KSAP (2014) states that the main supporting components of buildings consist of mechanical engineering (lifts, electrical installations and generators, and air conditioning and clean/dirty water channels). In addition, other supporting components that are commonly found in buildings include parks, fences, roads, parking lots, substations and electricity poles, clean water supply, clean water, and waste water channels, and fire alarm devices. Each of these components has a different useful life, so the depreciation value should also be different. For this reason, a detailed record is required, at least for each component that has the same useful life.

Building support components as mentioned above are usually obtained in one package with the building. This is because the acquisition price of government buildings currently refers to the rules regarding cost components in the construction of buildings contained in the Regulation of the Minister of Public Works Number 45/PRT/M/2007 concerning Technical Guidelines for the Construction of State Buildings which states that "financing documents for the construction of State buildings consists of: (1) Technical planning costs; (2) Implementation of physical construction; (3) Construction management/construction supervision costs; and (4) Activity management costs".

Acquisition of government buildings is carried out using procurement of goods and services as stipulated in Presidential Regulation Number 54 of 2010 concerning Procurement of Government Goods/Services, which was last amended by Presidential Regulation Number 4 of 2015. One way to do this is through the construction process using construction services. third party (contractor). One building is usually carried out by one or several contractors to carry out or procure all construction components by planning documents made by professional consultants (architects) until the building is ready for use.

In practice, after the acquisition, all of these components will be input into the Accrual-Based Agency Accounting System (SAIBA) application and the State Property Accounting and Management Information System (SIMAK BMN) as part of Buildings and Buildings. Meanwhile, if agencies make purchases separately, the goods will be grouped into Equipment and Machinery or Networks.

Recording of the building's supporting components separately will affect the budgeting and realization of costs incurred for expenditures after the acquisition (subsequent expenditures) of the building and its supporting components. These expenses are needed by the government to maintain the existence of the building so that its function can be maintained. That is, after the fixed assets are acquired, the government still has to make expenditures related to these assets. These expenses can be in the form of maintenance costs or rehabilitation or renovation costs (KSAP, 2014).

For this purpose, the government has budgeted for the maintenance of these buildings and buildings every year. The realization of the government fixed asset maintenance budget in 2014, can be

seen in Table 1.4. In the details of the maintenance expenditure, there is an allocation of maintenance expenditure for buildings and buildings amounting to IDR 3.77 trillion, or 20.71% of the total maintenance expenditure.

**Table 4**  
**Realization of Government Maintenance Expenditures of the Republic of Indonesia in 2014**

<b>Types of Maintenance Expenditures</b>	<b>Value</b>	<b>%</b>
Building and Building Maintenance Expenditures	3.767.620.658.962	20,71%
Equipment and Machinery Maintenance Expenditures	10.223.883.662.317	56,19%
Expenditures for Road Maintenance, Irrigation, and Networks	3.952.850.195.410	21,73%
Other Maintenance Expenditures	249.908.760.938	1,37%
<b>Amount</b>	<b>18.194.263.277.627</b>	



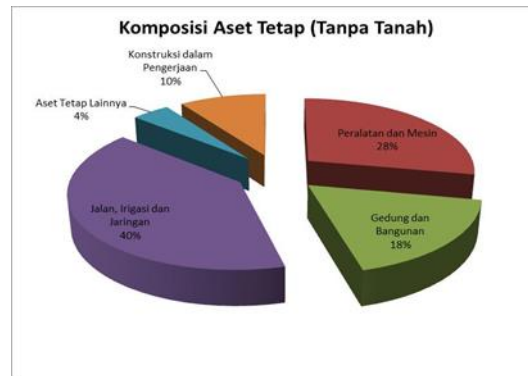
**Figure 3**  
**Composition of Realization of Government of the Republic of Indonesia Fixed Assets Maintenance Expenditures in 2014**

Source: Processed from the RI BPK Audit Report on the 2014 Central Government Financial Statements

Based on Table 4 and Figure 3 above, it can be seen that the highest realization of maintenance expenditure was for equipment and machinery, which reached IDR 10.22 trillion or 56.19% of the total maintenance expenditure. Meanwhile, the allocation for maintenance of buildings and structures amounted to IDR 3.77 trillion, or 20.71%, and was almost the same as spending on the maintenance of roads, irrigation, and networks. The data found is inconsistent with the composition of each fixed asset in the Statement of Financial Position, as presented in Table 1.5 below :

**Table 5**  
**Value and Composition of Fixed Assets (without land) of the Government of the Republic of Indonesia in 2014**

<b>Types of Fixed Assets</b>	<b>Value (in Rupiah)</b>	<b>Composition</b>
Equipment and Machinery	331.484.412.353.590	28,03%
Buildings and Buildings	210.934.630.857.630	17,84%
Roads, Irrigation, and Networks	476.253.657.666.187	40,28%
Other Fixed Assets	49.856.505.381.076	4,22%
Construction in Progress	113.946.714.499.490	9,64%
<b>Fixed Assets Total (gross)</b>	<b>1.182.475.920.757.970</b>	



**Figure 4**

**Composition of Fixed Assets (Landless) Government of the Republic of Indonesia in 2014**  
**Source: Processed from the RI BPK Audit Report on the 2014 Central Government Financial Statements**

Based on the data in Table 4 above, there is a very large realization of equipment and machinery maintenance expenditure (56.19%) compared to its composition in total fixed assets which is only 28.03% (Table 1.5 and Figure 1.4). It could be because equipment and machinery tend to be damaged more quickly than other fixed assets. However, another possibility can also occur, namely an inaccuracy in determining the maintenance expenditure account. For example, there was an error in the assignment of maintenance of buildings and buildings to the maintenance of equipment and machinery (Napitupulu & Budiarmo, 2015). This means that expenditures that should have been charged to building maintenance (based on initial records) were instead charged to the maintenance of equipment and machinery. However, this temporary analysis certainly requires in-depth research on the truth. In-depth research on this matter is the topic raised in this thesis.

From the problems above, if separate recording for each supporting component of the building is not carried out, the work unit will have difficulty preparing the maintenance expenditure account. There may be doubts as to which maintenance expense account to use. This difficulty is also caused by the absence of specific records of which equipment and machinery were purchased at the time of purchase of the building, and which were purchased separately.

The importance of this issue being studied can also be seen from the implementation of the cost capitalization policy which can be recognized as fixed assets. The requirement for the capitalization of government spending is regulated in PSAP No.07 paragraphs 49-51. In paragraph 49 it is stated that "expenses after the initial acquisition of a fixed asset that extends its useful life or which is likely to provide economic benefits in the future in the form of capacity, quality of production, or increase in work standards, must be added to the value of the asset in question". Regarding matters like this Nelson Lam, (2014) that in the past, "improvement" criteria (performance standards) were used to determine whether the continuing costs of fixed assets were recognized as assets or expenses. However, the current accounting theory has led to the same recognition at the time of acquisition and after acquisition. In other words, the "improvement" criterion is no longer used.

To determine expenses after the acquisition as assets (capital expenditures) or expenses (maintenance expenditures), the government has also issued several policies in the form of regulations from the minister of finance. The latest regulation is PMK No 143/PMK.02/2015 concerning Guidelines for Preparation and Review of Work Plans and Budgets of State Ministries/Institutions and Ratification of Budget Execution Forms. In the attachment to the regulation, it is stated that spending for expenses after the acquisition of fixed assets or other

fixed assets can also be included as Capital Expenditures. This expenditure is categorized as capital expenditure if it fulfills the requirement that the expenditure results in an increase in the useful life, capacity, quality, and volume of assets owned. What does this policy mean? If an error occurs in determining which assets will be budgeted for maintenance (buildings or supporting components), then two errors have occurred in one transaction. First, expenses that should have been charged to building maintenance expenditures have been grouped into equipment and machine or network maintenance expenditures. This means that there has been a mistake in the value of capital expenditure in the Budget Realization Report. Second, spending that should be capitalized on the value of the building will be capitalized on the value of equipment and machinery. This can lead to unreliable values of buildings and equipment and machinery in the Statement of Financial Position.

The existence of possible difficulties in compiling maintenance expenditures and errors in calculating the depreciation value, if separate recognition of the building's supporting components is not carried out is what underlies the importance of this research. If this is allowed to continue, it is possible that the value of fixed assets presented in the Statement of Financial Position based on their classification will not reflect the actual situation. In other words, such a state of confusion can lead to unreliable values of components of fixed assets, especially Buildings and Buildings and Equipment, Machinery, and Networks. In addition, the value of maintenance expenditures and capital expenditures in the Budget Realization Report will also be continuously wrong. The worst possibility is that if a physical calculation of equipment and machinery or networks is carried out, or an inventory (physical inspection of fixed assets), then the data in the SIMAK-BMN application will never be the same as the reality on the ground. This is because there are a lot of items in the form of equipment and machines or networks (building support components) which physically exist, but the records in the application do not exist because they are summarized in the building and construction records. This means that the recording of BMN (assets) will be increasingly irregular or unclear as stated by (Kusufi & Halim, 2014).

To examine this, an in-depth study is needed by tracing the data down to the work unit level where budgeting, expenditure realization, and fixed asset accounting are carried out to prepare government financial reports. Considering the efficiency, effectiveness, and ease of collecting data, including detailed data on the contents of contracts and budget disbursement which are usually difficult for outsiders to obtain, the researcher chose to collect data from the institution where the author works, namely IAIN Imam Bonjol Padang which is a work unit of the Ministry of Religion.

The purpose of this study was to find out the details of the use of spending accounts in all capital expenditure budgets in the 2015 IAIN Imam Bonjol Padang budget document and its suitability with the classification of fixed assets based on PSAP 07. To find out the details of the value of fixed assets in the financial statements of IAIN Imam Bonjol Padang in 2015, if the supporting components of the building are recognized separately. To find a solution so that the supporting components of the building can be recognized separately in the government's financial reports so that the classification of assets remains appropriate

## **METHOD RESEARCH**

This research was conducted by observing and tracing the historical documents needed to produce a description of how to apply the separate recognition of building components at IAIN Imam Bonjol Padang. Therefore, this research method is called the descriptive method



as meant by Nazir, (2014), namely a method of examining the status of a group of people, an object, a set of conditions, a system of thought, or a class of events in the present.

To obtain the data in this study, the documentation search technique was used as written by Nugroho, (2018) namely the method used to trace historical data. The data in this study were analyzed using descriptive statistics. This analysis is by the descriptive method used in this study, as stated by Comrey & Lee (2007) in Mangkuatmodjo, (2015) that descriptive statistics are used when researchers try or attempt to reveal or provide a description of the characteristics of the data collected in a study.

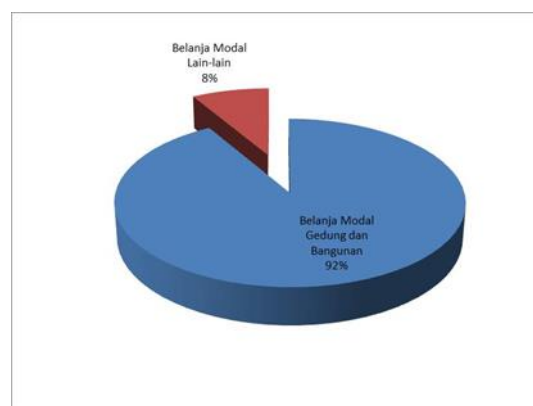
## **RESULT AND DISCUSSION**

### **1. Analysis of Account Use in Capital Expenditure Budgeting at IAIN Imam Bonjol Padang in 2015**

The total budgeted capital expenditure in DIPA IAIN Imam Bonjol Padang in 2015 amounted to IDR 61,334,999,100. This amount is equivalent to 35.48% of the total budget for that year which amounted to IDR 172,888,428,000. The capital expenditure is divided into 40 work packages with details as in the Appendix. The expenditure accounts used in capital expenditure budgeting at RKA-KL IAIN Imam Bonjol Padang in 2015 are described in table 6 below:

**Table 6 Details of the 2015 Capital Expenditures Account Usage**

No	Account	Account Description	Amount	Composition
1	532111	Capital Expenditures for Equipment and Machinery	775.420.000	1,26%
2	533111	Building Capital Expenditures	56.184.000.000	91,60%
3	534132	Capital Expenditures for Network Raw Materials	10.000.000	0,02%
4	536111	Other Capital Expenditures	288.445.000	0,47%
5	537111	Land Capital Expenditures - BLU	456.589.000	0,74%
6	537112	Capital Expenditures for BLU Machinery and Equipment	1.118.220.500	1,82%
7	537113	Building and Construction Capital Expenditures - BLU	1.802.574.600	2,94%
8	537114	Capital Expenditures for Roads, Irrigation, and Networks - - BLU	343.090.000	0,56%
9	537115	Other Capital Expenditures - - BLU	356.660.000	0,58%
		Amount	61.334.999.100	100,00%



**Figure 5**



**Composition of Capital Expenditure Budget of IAIN Imam Bonjol Padang in 2015**

**Source: Processed RKA-KL IAIN Imam Bonjol Padang in 2015**

**2. Analysis of Building Acquisition Recording at IAIN Imam Bonjol Padang in 2015**

In 2015, IAIN Imam Bonjol Padang realized capital expenditures for buildings and buildings using the spending account code 533111 for IDR 55,132,509,258, or 98.13% of the capital expenditure budget for buildings and buildings amounting to IDR 56,184,000,000. The expenditure is divided into three major procurement groups, namely: Construction of the Library Building for IDR 9,073,638,655; the Construction of the Campus III Lecture Building for IDR 40,600,997,758; and the Construction of the Campus II Lecture Building for IDR 4,815,664,000.

**3. Findings After the Supporting Components of the Building are Separated for Recognition**

Based on the explanation and analysis above, it was found that the amount of added value of fixed assets in the form of buildings and structures reported in the 2015 Financial Position Report of IAIN Imam Bonjol Padang can be considered unreliable because they do not fully comply with Government Accounting Standards. This discrepancy is related to the classifier of fixed assets regulated in PSAP 07.

Based on the realization of the capital expenditure budget, the resulting buildings and structures amounted to IDR 54,490,951,766. Meanwhile, after examining and tracing the source documents for payment, the amount turned out to be too large. The number of buildings that can be recognized should be IDR 43,290,581,900.00 or only 79.45% of the total reported in the Statement of Financial Position. While the remainder (20.55%) did not meet the criteria for Buildings and Structures as described in PSAP 07. Components that could not be recognized as Buildings and Structures consisted of Rp. 10,656,228,953.00 (19.56%) met the criteria for recognition as Network, while Rp544,140,913.00 (1.00%) met the criteria to be recognized as Equipment and Machinery.

**Table 7**

**Details of Separation of Acknowledgment of Supporting Components in Building Construction**

<b>Job description</b>	<b>The number of costs</b>	<b>Composition</b>	<b>Buildings and Buildings</b>	<b>Network</b>	<b>Equipment and Machinery</b>
1 Library Building Construction	9.073.638.655	16,65%	8.502.125.624	472.778.276	98.734.755
2 Construction of Campus III Lecture Building	40.600.998.409	74,51%	30.358.676.692	9.796.915.560	445.406.158
3 Construction of Campus II Lecture Building	4.816.314.701	8,84%	4.429.779.584	386.535.118	-

<b>Job description</b>	<b>The number of costs</b>	<b>Composition</b>	<b>Buildings and Buildings</b>	<b>Network</b>	<b>Equipment and Machinery</b>
Amount	54.490.951.766	100,00%	43.290.581.900	10.656.228.953	544.140.913
Percentage			79,45%	19,56%	1,00%

#### **4. Impact of Unseparated Recognition of Building Supporting Components**

In addition to the discrepancy in the value of fixed assets reported based on the classification stipulated in PSAP 07, other impacts that may arise if the supporting components of the building are not separated include:

1. Building supporting components are not recorded as fixed assets;
2. Influencing maintenance budget planning; and
3. Inaccurate depreciation value of fixed assets.

As previously described, due to the non-separation of the recognition of building support components, the financial statements of IAIN Imam Bonjol Padang in 2015 will not record the value of fixed assets in the form of Networks of IDR 10,656,228,953.00 and Equipment and Machinery of IDR 544,140,913.00. This causes the two classifications of fixed assets not to be recorded in the Accounting Information System and State Property (SIMAK-BMN) application. This causes the agency to be unable to compile a budget for network maintenance and equipment and machinery by the actual number of fixed assets. As stipulated in the Decree of the Director General of Treasury Number Kep-311/PB/2014 concerning the Codification of Account Segments in the Standard Chart, the determination of maintenance expenditure is based on the classification of fixed assets owned by work units. This means that there is a separation between maintenance expenditures for each classification of fixed assets. For example, Building and Building Maintenance Expenditure (account code: 523111), Equipment and Machinery Maintenance Expenditure (account code: 523121), and Network Maintenance Expenditure (account code: 523133) (Martani et al., 2018). Determination of the amount of the maintenance expenditure budget is also determined from the amount of each classification of fixed assets belonging to the work unit based on the data contained in the Financial Position Report or the SIMAK-BMN application.

Apart from the things mentioned above, the depreciation of fixed asset values that are automatically carried out by the SAIBA application will of course also be wrong. The application will only calculate the depreciation value based on the value of buildings and buildings. While in real conditions, there are other fixed assets, namely in the form of networks and equipment, and machinery whose useful lives vary. As stipulated in the Decree of the Minister of Finance No: 59/KMK.6/2013 concerning Tables of Useful Periods in the Context of Depreciation of State Property in the Form of Fixed Assets in Central Government Entities

#### **5. Alternative Solutions for Separation of Recognition of Building Supporting Components**

The solution that can be offered to IAIN Imam Bonjol Padang to separate the recognition of building support components that have already been combined in the Financial Position Report is to reclassify fixed assets. Such reclassification can be carried out by referring to PSAP No. 10 concerning Error Correction, Changes in Accounting Policies, Changes in Accounting Estimates, and Discontinued Operations (Sael & Kaparang, 2020). As stated in paragraph 4 of the PSAP, that correction is an accounting corrective action so that the accounts/posts presented in the entity's financial statements are as they should be. It should also be noted, in paragraph 7 it is stated that corrections that have a material effect in the following period must be disclosed in the notes to the financial statements. Correction of errors, in this case, is important because in paragraph 6 it is stated that in certain situations, an error has a significant effect on one or more of the financial statements of the previous period so that the financial statements are no longer reliable.

## **CONCLUSION**

This thesis discusses the implementation of fixed asset accounting in ministries/institutional work units, by taking the research location at IAIN Imam Bonjol Padang which is a work unit of the Ministry of Religion. Based on the research that has been concluded, the use of spending accounts in preparing the capital expenditure budget at IAIN Imam Bonjol Padang, in general, is by the Decree of the Director General of the Treasury Number Kep-311/PB/2014 concerning the Codification of Account Segments in the Standard Accounts Chart. However, it tends to be inconsistent when budgeting for work/procurement plans related to buildings and structures. When budgeting for a new building, IAIN Imam Bonjol Padang uses the Building and Building spending account code, while in additions/repairs to building supporting components, the agency uses different spending accounts. After the separation of the recognition of building support components, the value of additional fixed assets in the Financial Position Report of IAIN Imam Bonjol Padang in 2015 underwent significant changes. The additional value of Buildings and Buildings, which was originally Rp. 54,490,951,766, was reduced to Rp. 43,290,581,900, or 79.45%. Meanwhile, the Network value increased by Rp. 10,656,228,953, and the Equipment and Machinery value increased by Rp. 544,140,913. If the building support components are not recognized separately, it will have an impact on the budget for the maintenance of fixed assets in the form of Networks and Equipment and Machinery which were acquired together with the building construction. In addition, the depreciation value of fixed assets will be inaccurate, because each type of fixed asset whose recognition is combined into Buildings and Buildings has a different useful life. Reclassification of fixed assets is required after the value of capital expenditure in the LRA is converted to the value of fixed assets in the Statement of Financial Position so that it is by PSAP 07 and maintenance expenditure can be budgeted. Recording the value of fixed assets in the Statement of Financial Position originating from the conversion of the value of capital expenditures in the LRA tends to cause problems if the expenditure account codification does not contain the separation of the recording of building support components. This causes the work unit to always reclassify fixed assets when during the construction of the building the

packages are combined with supporting components that meet the classification other than the building.

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