

## **Literature Review on the Implementation of Government Accounting Standards (SAP) in Indonesia**

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### **Abstract**

In recent years, the adoption of accrual-based Government Accounting Standards (SAP) in Indonesia has become a critical focus for improving transparency, accountability, and efficiency in public sector financial management. The purpose of this research is to systematically examine the implementation of accrual-based Government Accounting Standards (SAP) in Indonesia, based on five relevant national scientific journals. This study adopts a literature study method with a descriptive-qualitative approach. The results show that although SAP has been formally regulated by government regulations and widely implemented, many improvements are still needed in practice. Some challenges in its implementation include low human resource competence, inadequate information technology infrastructure, lack of understanding of regulations, and weak political commitment at the regional level. Through this study, the author hopes to provide a clearer understanding of the SAP implementation situation and offer policy recommendations to improve the effectiveness of SAP implementation in the public sector.

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**Keywords:** Government Accounting Standards, SAP, Government Financial Statements, Literature Study.

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### **INTRODUCTION**

The implementation of Government Accounting Standards (SAP) is a critical step in enhancing the public financial management system in Indonesia (Jannah et al., 2025; Puspasari & Cris Kuntadi, 2023). Since the enactment of Government Regulation No. 71 of 2010 and Permendagri No. 64 of 2013, both central and regional governments are required to adopt accrual-based SAP (Halim et al., 2020; Prasetyo & Wibowo, 2021). Accrual-based SAP serves as an essential tool to prepare reliable, relevant, and accountable financial statements, which can support transparency, decision-making, and public accountability (Santoso & Riyadi, 2019; Wijaya et al., 2022). Effective implementation of SAP has also been linked to improved governance and better management of public resources (Nurhadi & Putri, 2023).

However, the implementation of SAP is not free from challenges. Various studies indicate that its application in the field still encounters problems arising from technical, structural, and cultural factors (Haryanto & Nugroho, 2020; Fitria et al., 2021). Some of the main obstacles include limited human resource capacity, insufficient understanding of accrual-based accounting

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principles, and resistance to organizational change (Saputra & Wulandari, 2019). Therefore, reviewing the literature on previous research is essential to gain a comprehensive understanding of the situation and constraints in the implementation of SAP in Indonesia (Rahayu & Prasetyo, 2022).

As a key instrument to improve the quality of government financial reports, the implementation of accrual-based SAP is also an important part of bureaucratic reform and financial governance that is more transparent and accountable. SAP is designed to describe the government's financial position and performance more accurately by recognizing transactions as they occur, rather than when money is received or spent.

Since the enactment of Government Regulation No. 71 of 2010, which replaced Government Regulation No. 24 of 2005 concerning the transition from cash-based to accrual-based SAP, the central and regional governments must prepare financial statements following modern accounting principles. This initiative is strengthened by Permendagri No. 64 of 2013, which requires all local governments to implement accrual-based SAP starting from the 2015 fiscal year.

However, empirical research shows that the implementation of SAP in a number of regions in Indonesia still experiences structural and technical constraints. Common problems include low human resource capabilities, inadequate infrastructure, inconsistencies in regulations, and a lack of legislative understanding of accrual-based financial statements. In addition, instability in the acceptance of changes by the apparatus is also a factor hindering full implementation.

On the other hand, evaluations by the Audit Board (BPK) indicate that regions that successfully implement SAP generally receive a Fair Without Exception (WTP) opinion, which reflects a higher level of accountability in financial management.

Previous studies have highlighted these challenges. Sari and Suharto (2020) examined regional SAP implementation and found that low human resource competence and limited IT infrastructure hindered the preparation of accurate financial statements. Meanwhile, Wijaya et al. (2021) emphasized the lack of understanding of regulations and weak political support at the local level as significant obstacles to full adoption of accrual-based SAP. While both studies provide valuable insights into specific barriers, they are limited in offering a comprehensive, integrated overview of the practical implementation issues across multiple regions and how these relate to policy effectiveness.

Given the various dynamics and complexities involved, it is important to conduct a thorough literature review on the implementation of SAP in Indonesia. The review aims to identify the key factors contributing to success, the barriers faced, and the strategies used to improve accountability and transparency in public financial management. By doing so, it contributes to the literature by offering a critical analysis of SAP implementation and providing practical policy recommendations to enhance the effectiveness of government financial management. This research is expected to benefit policymakers, auditors, and public sector managers by offering evidence-based strategies to improve transparency, accountability, and efficiency in financial reporting.

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## **RESEARCH METHOD**

This study used a literature review method with a descriptive-qualitative approach to analyze the implementation of Government Accounting Standards (SAP) in Indonesia, focusing on benefits, obstacles, and strategies for strengthening implementation. The research was qualitative-descriptive, aiming to provide an in-depth understanding of SAP implementation without collecting primary data. A descriptive approach described findings from various scientific sources.

Information was gathered from five accredited national journals discussing SAP implementation at the central and regional levels, selected based on relevance, publication date, and source reliability. These journals were: Khasanah & Nilasari (2023), analyzing SAP implementation and financial statement quality; Yogi Pranata (2024), focusing on the development and implementation of Indonesian SAP; Tarigan & Nurtanzila (2013), addressing SAP in realizing accountability and transparency in regional financial management; Rosana & Bharata (2023), studying the implementation of accrual-based SAP and financial report quality; and Putra & Varina (2021), examining accrual-based SAP implementation in regional financial statements of Bengkulu City.

Content analysis was conducted in three stages. First, methodological analysis assessed each study's approach and validity. Second, key findings were identified concerning benefits, challenges, and impacts on financial statement quality. Third, recommendations were extracted and organized into strategic themes such as strengthening human resource capacity, developing accounting information systems, and harmonizing regulations between central and regional governments.

The literature was selected based on four criteria: relevance to SAP implementation in the government sector, publication period from 2010 to 2024 to reflect changes in SAP implementation, accessibility and credibility through verified journal sources, and clear research methodology, including qualitative, case study, or literature review approaches.

To ensure data validity, source triangulation was applied by comparing findings across journals to minimize bias. Only studies with clear methodologies and significant empirical contributions related to SAP were included in the analysis.

## **RESULT AND DISCUSSION**

### **SAP Implementation in General**

Based on an analysis of five national journals, it can be seen that the implementation of Government Accounting Standards (SAP) has been widely carried out by various government entities, both at the central and regional levels. This step is a follow-up to Government Regulation No. 71 of 2010 and Permendagri No. 64 of 2013.

Khasanah and Nilasari (2023) emphasized that SAP serves as the main guide in compiling financial reports that are relevant, reliable, and in accordance with the principles of public transparency. On the other hand, Putra and Varina (2021) revealed that the Bengkulu City

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Government has started implementing accrual-based SAP since the 2015 fiscal year, but still faces some internal challenges, such as low quality of human resources and technological limitations.

Pranata (2024) states that overall, SAP has increased the awareness of government entities regarding the importance of accrual-based financial reporting. However, the level of compliance between local governments varies, depending on institutional readiness and leaders' commitment to supporting financial reporting system reform.

### **SAP Implementation Constraints**

Based on the analysis of various journals that have been researched, there are three main aspects that are obstacles in the implementation of SAP, namely:

#### **a. Human Resources and Technical Skills**

Most studies show that the limitation in the capacity of government employees is one of the main problems. Khasanah and Nilasari (2023) found that a lack of understanding of accrual accounting principles is one of the important factors that hinder the effectiveness of SAP implementation. In Bengkulu City, Putra and Varina (2021) reported an initial rejection from financial staff to the system change, although eventually the adjustment process began to occur.

#### **b. Technology and Information Systems**

Another problem arises from the accounting information system that has not been functioning properly to support the implementation of SAP. Limited technological infrastructure and existing facilities cause delays in reporting and increase the likelihood of data errors. Tarigan and Nurtanzila (2013) emphasized that a valid reporting system must exist to support regional financial responsibility.

#### **c. Political Commitment and Regulatory Alignment**

Pranata (2024) shows that the low political commitment of some regional leaders and the incompatibility between central and regional laws are structural obstacles in the implementation of SAP. Some regions only implement SAP to meet administrative demands without strengthening substance in management reform.

### **Positive Influence of SAP Implementation**

Despite the various difficulties, the implementation of SAP has brought great positive effects on the management of public finances, including:

Increased Audit Opinion According to Rosana and Bharata (2023), the application of accrual-based SAP has a good impact on the acquisition of a Fair Without Exception (WTP) opinion from the BPK. This shows an improvement in the quality and accuracy of government financial statements.

SAP Transparency and Accountability reinforces the principles of public transparency by providing more complete financial information that can be compared and accounted for. Tarigan and Nurtanzila (2013) revealed that SAP is an important part of the development of a solid fiscal accountability system.

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**Strengthening the Principles of Good Governance** Several studies (Khasanah & Nilasari, 2023; Pranata, 2024) affirms that SAP helps support the principles of good governance, especially in terms of budget efficiency, fiscal transparency, and public accountability.

### Strategic Recommendations from the Literature

**An analysis of all journals** has provided some strategic suggestions that can be applied across the country:

**Training and Human Resource Competency Improvement** All journals reviewed agreed that the importance of improving employee skills through continuous engineering training is key to supporting the successful implementation of SAP.

**Development of Integrated Information Systems** Local governments need to strengthen technological infrastructure, including electronic reporting systems that are integrated with the center, to ensure that the reporting process runs smoothly and accurately.

**Synchronization of Regulations and Leadership Commitments** Harmonization between central and regional regulations is needed, in addition to strengthening the commitment of regional leaders so that the implementation of SAP is not only a formality, but really supports the improvement of governance.

**Periodic Monitoring and Evaluation** A structured and ongoing evaluation and monitoring mechanism for SAP implementation is needed to identify challenges and provide feedback for continuous improvement.

**Table 1. SAP Implementation Research Results Comparison Table**

| No | Writer                      | Research Title                                                                        | Method                    | Key Findings                                                                                                         | Recommendations                                                                                 |
|----|-----------------------------|---------------------------------------------------------------------------------------|---------------------------|----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| 1  | Stuart & Stuart (2023)      | <i>SAP Implementation Analysis on Financial Statement Quality</i>                     | Studi Literature          | SAP has a positive effect on the quality of financial statements (relevant, reliable, understandable)                | Improvement of human resource technical competence and understanding of accrual principles      |
| 2  | Yogi Pranata (2024)         | <i>Development of Government Accounting Standards and Implementation in Indonesia</i> | Qualitative, Case Studies | SAP implementation increases transparency, but is still constrained by weak regulations and human resource readiness | Harmonization of regulations, institutional strengthening, integration of reporting systems     |
| 3  | Tarigan & Nurtanzila (2013) | <i>SAP in Realizing Regional Financial Accountability and Transparency</i>            | Descriptive Qualitative   | SAP promotes public accountability and fiscal transparency in the regions                                            | Increasing the commitment of regional leaders and providing reporting infrastructure facilities |
| 4  | Rosana & Bharata (2023)     | <i>SAP Implementation on the Quality of Financial Statement Presentation</i>          | Studi Literature          | SAP supports the achievement of the WTP opinion from BPK as an indicator of report quality                           | HR training and development of accounting information systems                                   |

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| No | Writer                | Research Title                                              | Method                     | Key Findings                                                                                      | Recommendations                                                                           |
|----|-----------------------|-------------------------------------------------------------|----------------------------|---------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| 5  | Putra & Varina (2021) | <i>Implementation of Accrual-Based SAP in Bengkulu City</i> | Qualitative, Field Studies | SAP implementation is running quite well but is constrained by human resources and infrastructure | Improving the quality of regional financial information apparatus and information systems |

Based on the author's observations, the table presented above shows five studies that explore the application of Government Accounting Standards (SAP) with various methods. All of these studies show that the application of accrual-based SAP has a positive effect on the quality of government financial statements, especially in terms of increasing transparency, accountability, and obtaining good audit opinions (Reasonable Without Exception/WTP).

However, the challenges faced tend to be the same, namely the low level of human resource readiness, limited infrastructure, and inconsistencies in regulations. Therefore, the suggestions given usually emphasize the importance of improving human resource skills, strengthening information systems, and aligning policies and commitments from regional leaders.

In other words, although SAP theoretically encourages better financial management, its implementation still requires sufficient support from institutional and technical capacity.

From the discussion of the table, it can be concluded that the implementation of SAP in Indonesia has shown good development. However, in order to continue, total support in the field of institutions, human resource capabilities, and technological infrastructure is needed. With the commitment of various parties and the strengthening of the system, SAP has great potential in strengthening transparent and responsible regional financial management reforms.

### CONCLUSION

Based on an analysis of five national journals, the implementation of Government Accounting Standards (SAP) in Indonesia has been carried out at both central and regional levels following Government Regulation No. 71 of 2010, but effectiveness and compliance vary across government entities. SAP has improved the quality of financial statements by enhancing relevance, reliability, and comparability, contributing to the achievement of Reasonable Opinion Without Exception (WTP) from BPK in some regions. Key obstacles include limited technical capacity in accrual-based accounting, inadequate technological infrastructure and unintegrated financial information systems, low commitment from regional leaders, and policy disharmony between central and regional governments. Overall, SAP is regarded as a cornerstone for public financial management reform and good governance in local governments. Future research could focus on evaluating specific strategies to overcome these obstacles and assessing the long-term impacts of SAP implementation on fiscal accountability and transparency across diverse regional contexts.

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