

Implementation of Government Accounting Standards During Pandemic and Internal Auditor Support in Preventing Fraud.

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ABSTRACT

This paper aims to discuss the implementation of government accounting during the pandemic in Indonesia and the role of the Government's Internal Supervisory Apparatus in realizing accountability for the professional, credible, transparent and accountable State Revenue and Expenditure Budget for the 2020 Fiscal Year.

All government internal supervisors, both at the central and regional levels, are required to continue to maintain the implementation of handling Covid-19 and continue to collaborate, innovate, and help each other to create accountability for handling Covid-19 in their respective regions. Therefore, the government must continue to cooperate with the Financial and Development Supervisory Agency as internal auditors, as well as all internal supervisory officials in ministries / agencies and local governments. Handling the covid-19 pandemic requires speed but at the same time it is emphasized that speed must not neglect accountability, transparency and good management. This paper also describes public sector accounting reforms. Reform of the government accounting system in Indonesia began with the issuance of Law Number 17 of 2003 concerning State Finance. The law mandates that the government accounting system in Indonesia, which was previously cash-based, must change to an accrual basis. In its implementation, several obstacles arise, ranging from changes in the mindset of actors in the public sector, limited human resources to the political will of each regional head. This study uses a qualitative approach with descriptive type of research. The data collection technique uses literature study, namely through a review of various literature studies and regulations related to the research topic. Data can be obtained from books or literature such as articles, online media, research results that have relevance to the title of the article.

The implication of this study is that the implementation of government accounting during a pandemic must still meet accountability, transparency and good governance according to applicable standards. The Government Accounting Standards Committee has issued guidelines for implementing relevant Government Accounting Standard Statements related to government programs and activities carried out in the context of handling the Covid-19 Pandemic.

Keywords: public : public sector, accounting reform, internal auditors, fraud.

INTRODUCTION

Indonesia and all countries in the world are facing major challenges to restore the economy affected by the Coronavirus Disease 2019 pandemic. The Covid response and economic recovery program is an extremely important program, designed in an atmosphere of compelling crisis. Emergency or urgency is very important. Speed in handling the Covid-19 pandemic is very important, but at the same time it is emphasized that speed must not neglect accountability, transparency and good management. At the end of March 2020, the Government of Indonesia has designated the Covid-19 Pandemic as a national level Non-Natural Disaster. The government issued a Government Regulation in Lieu of Law (Perppu) Number 1 of 2020 concerning State Financial Policy and Financial System Stability for Handling the Corona Virus Disease 2019 (Covid-19) Pandemic and / or in the Context of Facing Threats Endanger the National Economy and / or Stability The Financial System, as stipulated in Law Number 2 of 2020 on May 16, 2020. This Perppu provides broad powers for the Government to take the necessary steps and policies, so that the impact of the Covid-19 Pandemic does not spread and can be resolved immediately. The government implemented various policies to handle the Covid-19 Pandemic in the fields of health, social safety nets, and national economic safeguards which have an impact on changes in fiscal and budgeting policies. The Central and Local Governments revise the 2020 APBN / APBD through refocusing and reallocation of non-priority spending to be diverted to efforts to accelerate the handling of the impact of the Covid-19 Pandemic. The budget changes are realized and accounted for in the form of financial reports (LKPP / LKPD). Government financial transactions related to these steps and policies must then be accounted for in government financial reports in accordance with Government Accounting Standards.

In emergency situations, especially related to the Covid-19 pandemic, there are many Government transactions whose implementation requires very fast, urgent and massive handling. This of course must be followed by strengthening good governance. The principle of prudence, accountability and absolute transparency must still be maintained, so that every state financial transaction can be properly managed and accounted for. Thus, the opinion opinion or financial report quality can be maintained and can be continuously improved. Regional heads are required to always prioritize accountability in the management of state finances in the emergency handling of the Covid-19 pandemic and the implementation of the national economic recovery program.

It takes a strong commitment from all stakeholders, so that it can be a very valuable asset for the synergy of state financial management in handling the Covid-19 pandemic and national economic recovery which is carried out in a transparent and accountable manner. Thus, the quality of the financial reports of all government entities can be maintained, continue to obtain unqualified opinion, and have a real impact in realizing a prosperous, advanced, just and prosperous society, as is the ideal of the Indonesian nation.

The government has reallocated and refocused the budget to prioritize handling the Covid-19 pandemic in Indonesia. Extraordinary and quick steps have been taken based on Perppu No.1 of 2020 which regulates state financial policies and financial sector policies. Stimulus has been given by the government in various aspects, including health aspects, social security network aspects, and business aspects. Handling the covid-19 pandemic needs to be done quickly, however, we must not abandon the principles of transparency and accountability in its management. Therefore, the Government Internal Supervisory Apparatus or APIP must continue to oversee so that the preparation and use of the budget is accountable and in accordance with the provisions.

Handling the Covid-19 pandemic requires synergy and collaboration from various elements of the government, including from the internal control unit. APIP (Government Internal Supervisory Apparatus) as government internal supervisors, is expected to be able to oversee government financial accountability in handling Covid-19. All government internal supervisors, both at the central and regional levels, are expected to continue to maintain the implementation of handling Covid-19 and continue to collaborate, innovate, and help each other to create accountability for handling Covid-19 in their respective regions.

METHODOLOGY

The form of research used is a qualitative approach with descriptive research type. In this study, to obtain an understanding of the implementation of government accounting standards during the pandemic and how government internal control officials provide assistance and supervision in preventing fraud.

Data collection techniques using literature study, namely through a review of various literature studies and regulations related to research topics. Data can be obtained from books or literature such as articles, online media, research results that have relevance to the title of the article. The data used are secondary data

REVIEW OF RELATED LITERATURE

2.1 Teori Fraud Triangle

Fraud triangle theory was initially developed by Donald Cressey (1953) with an approach using three components, namely, pressure, opportunities and rationalisation. These components are fraud enablers. Having one of these components along with intent can motivate any individual to commit fraud, which develops the fraud diamond model. Added to the three components was the capability of an individual to commit fraudulent acts (Wolfe and Hermanson, 2004). The fraud triangle was further expanded by adding competence and arrogance (Horwarth, 2014). The component of competence is an approach to an individual's ability to override internal controls and to control situations, as a person is expected to commit fraud. Arrogance is a lack of conscience, where an individual would feel entitled to receive resources and not be covered by related policies and procedures of the organisation. (Zahari,2020)

2.2 Definition of Public Sector Accounting

The definition of accounting for the public sector is a process of collecting, classifying, analyzing, and preparing financial management reports in public institutions. according to Mardiasmo (2009) in (Arjuli, 2019) defining public sector accounting is as follows: "Public sector accounting is an information tool both for the government as management and an information tool for the public"

Meanwhile, according to (Prof. Indra Bastian, 2019) Public sector accounting is an accounting technique and analysis mechanism that is applied to the management of public funds in high state institutions and departments under them, local governments, state-owned enterprises (SOEs), municipally-owned corporations, NGOs and social foundations. as well as on public and private sector cooperation projects.

This financial management report will later be used by public institutions to provide financial information to those in need. In essence, this financial management report is very helpful when there is a decision making.

In carrying out work, public organizations and institutions are always required to make the management of social and economic costs more efficient. If the demands for public accountability by various public institutions are strengthened, public sector accounting will be recognized as a science for managing public finances.

Accounting for the public sector is used for transparency to the public to fulfill public rights. The public sector referred to in this accounting consists of government agencies at the regional and central level and non-government agencies. In fact, hospitals and educational institutions also need this type of accounting.

Usually, the process of classifying and analyzing financial management reports carried out by the public sector is different from the processes carried out by the private sector. This difference occurs because countries, especially government organizations, of course have their own accounting system standards. So, the process must be adjusted to the accounting standards adopted by the institution.

2.3 Public Sector Accounting Reform

To increase transparency and public accountability in order to support the implementation of regional autonomy and fiscal decentralization, it is necessary to reform public sector accounting. The aspects needed in these reforms are the need to have government accounting standards and the need to change the accounting system from single entry to double entry.

In general, public sector accounting reforms in world countries start from the traditional accounting phase towards modern accounting.

Demands regarding financial accountability, efficiency, and effectiveness in the public sector make public sector organizations in the world undergo changes. In (Rizky & Setiawan, 2019). This change is from a traditional system which has the characteristics that budgeting is incrementalism, uses line-items and tends to be centralized which seems rigid to a flexible system.

Initially, government accounting bookkeeping traditionally adopted the basis of cash accounting with single entry records. The reforms towards modern accounting changed the cash basis to an accrual basis.

The accounting system has traditionally been based on cash accounting with a single entry recording system. Meanwhile, the modern accounting system maintains an accrual basis with a double entry recording system. In the traditional accounting system, economic transactions that increase the amount of cash will be recorded on the receiving side and economic transactions that result in reduced cash will be recorded on the expenditure side. the entity. So that the government never displays the balance sheet as a commonly known form of financial report that can describe the government's financial position. The traditional accounting system that uses a cash basis only recognizes cash inflows and outflows (Indra, 2006). The final financial account will be summarized in a cash book, so that financial reports cannot be generated due to the absence of data on assets and liabilities.

The cash-based accounting system has several weaknesses, including: (a) more complex information that is actually required by users of financial statements cannot be provided by a cash-based accounting system; (b) the relevance of financial statements for decision makers is very lacking, because the cash basis focuses only on cash flows and ignores other resource flows. (c) liability to the public is limited to the use of cash only, no liability for the management of other assets and debts or liabilities is included.

(Suryanto, 2018) explained that the application of a cash-based accounting system has not played a role as a tool to increase the accountability of the performance of the government bureaucracy in providing public services to the public. The output generated by cash-based accounting is often inaccurate, late, and uninformative, so it cannot be relied on in decision making.

Accrual basis accounting according to Asfiansyah (2015) is considered better than cash basis. Accrual-based accounting is believed to be able to produce financial reports that are more reliable, more accurate, comprehensive, and relevant for economic, social and political decision making. The application of the accrual basis is basically to determine the amount of costs required to produce public services and determine the price of services that are charged to the public. Accrual-based accounting distinguishes between cash receipts and the right to receive cash, as well as cash disbursements and the obligation to pay cash. Therefore, with the income accrual system and costs are recognized when they are earned or incurred, regardless of whether the cash has been received or disbursed, and recorded in the accounting records and reported in the financial statements of the period concerned.

Reform in the financial sector calls for financial reports that can be used by parties in need, both internally and externally. Therefore, the basis of accounting that can meet these demands is the accrual basis.

In the journal (Yuhertiana & Indrawati, n.d.), the following are some countries that use accrual accounting

	Accrual accounting for individual agencies & departements	Consolidated whole of governmental accrual accounting	Accrual budgeting
Australia	Since 1995	Since 1997	From fiscal year 1999-2000
Canada	Fr fiscal year 2001-2002	Fr fiscal year 2001-2002	No
Finland	Since 1998	Since 1998	No
Germany	Permitted since 1998	no	No
Iceland	Since 1992	Since 1992	Since 1998
Ireland	Pilot launched in 1995	no	no
Netherlands	Pilot launched in 1994	no	No
New Zealand	Since fiscal year 1991-1992	Since fiscal year 1991-1992	Since fiscal year 1994-1995
Sweden	Since 1994	Since 1994	No
United Kingdom	Launched in 1993;all by fiscal year 1999-2000	planned	Fr fiscal year 2001-2002
United States	Since fiscal year 1997-1998	Since fiscal year 1997-1998	No

Sumber: OECD,PUMA,199a,p.4 in OECD Journal Models of Public Budgeting Reform, 2001.

However, because the application of the accrual basis fully in the financial accounting system requires many changes in human resources and technology, the application of the accrual basis in Indonesia is carried out gradually through a transition process (Abdul Halim, 2004).

2.4 Phases of Government Accounting Development in Indonesia

Indra Bastian (2010: 138) explains the definition of Government Accounting Standards as follows: "Government Accounting Standards are accounting principles applied in preparing and presenting government

financial reports. Thus, SAP is a requirement that has legal force in an effort to improve the quality of government financial reports in Indonesia”.

Government accounting in Indonesia has been running since the New Order era until the Reform era emerged. . (Suryanto, 2018) The important phases of the development of government accounting in Indonesia include:

a) Era Before Regional Autonomy

The implementation of state finances before 1975 had not used an accounting system. At that time, the management of state finances only used an administrative system, known as state financial administration.

The implementation of government financial management is based on:

- (1) Law No. 5 of 1974 concerning the Principles of Government in the Regions;
- (2) Government Regulation No. 5 of 1975 concerning Management, Accountability and Supervision of Regional Finances; and
- (3) Government Regulation No. 6 of 1975 concerning Preparation of the Regional Budget, Implementation of Regional Financial Administration, and Compilation of Regional budget Calculations.

In this phase, the government administration system is still done manually, because there is no known integrated computerized system. In addition, in this phase Indonesia does not yet have Government Accounting Standards. The government's financial accountability report to the legislative assembly is in the form of a State Budget Calculation (PAN) which is presented based on the contribution of budget calculations from ministries / agencies that are compiled manually and in single entry. The government submits State Budget Calculation reports to the legislative assembly within 2-3 years.

b) The Era of Regional Autonomy Transition

In the phase of the autonomy transition era, local governments began to be able to use a more informative recording system for outsiders and internal local government parties. The technical implementation is based on Government Regulation Number 105 of 2000 concerning Regional Financial Management and Accountability. Local governments have been able to provide more measured and transparent information related to regional financial management.

Concurrent regional autonomy and fiscal decentralization in Indonesia led to changes in the budget format and financial reporting. In line with that, the Kepmendagri No. 29 of 2002 which began to introduce the use of modified cash basis accounting as well as double entry book keeping for government financial records.

Government Financial Reports have been prepared even though there is no accounting standard. The financial statements consist of balance sheets, budget realization reports and notes to financial reports. However, the financial statements that have been prepared have not been able to describe the real condition, because they are not the result of a consolidation of the work units under the Regional Government.

c) Era after Regional Autonomy Transition.

Reform of the government accounting system in Indonesia began with the issuance of Law Number 17 of 2003 concerning State Finance. The law mandates that the government accounting system in Indonesia, which was previously cash-based, must change to an accrual basis. Recognition and measurement of accrual-based income and expenditure shall be carried out no later than 5 (five) years after the issuance of the law. Changes in the basis of government accounting, from cash basis to accrual basis, are carried out gradually. This means that

government entities apply a cash toward accrual basis during the transition period. In this regard, the cash toward accrual basis came into effect for the preparation of financial reports and budgets in 2005. In fact, Government Regulation No. 1 of 2004 stipulates that the accrual basis should be implemented no later than the 2008 fiscal year. However, this mandate is not feasible to implement. Considering that the accrual-based Government Accounting Standard became effective in 2010. This accrual-based Government Accounting Standard is a standard as a guideline for presenting accrual basis financial information with cash-based Budget Realization Reports. Taking into account standard users who are still in the learning stage, government entities can implement a cash toward accrual basis Government Accounting System until no later than five years after the 2010 fiscal year, namely 2015. To bridge the process of changing from cash-based accounting to accrual-based accounting as mandated by Law Number 17 of 2003, the government has issued Government Regulation Number 24 of 2005 concerning Government Accounting Standards. Government Regulation No. 24 of 2005 using a cash towards accrual approach in the accounting recording system.

These standards serve as guidelines for the government in preparing financial reports. Financial reports according to Government Regulation no. 24 of 2005 in outline consists of the Budget Realization Report, Balance Sheet, Cash Flow Statement and Notes to Financial Statements, which are known as cash toward accrual basis. Although cash toward accrual basis has not fully applied accrual basis, in essence, cash toward accrual basis mostly refers to accrual based accounting practice. (Risnarningsih, 2016) Government Regulation No. 71 of 2010, which is basically the government compiling the Government Accounting System which refers to the accrual-based Government Accounting Standards. In Accrual-Based Government Accounting Standards recognized are revenues, expenses, assets, debt, and equity in reporting, as well as revenues, expenditures, and financing in reporting on budget implementation recognized based on the basis set out in the State Budget / Regional Revenues and Expenditures Budget. If previously the main government financial report was only a Budget Realization Report, then one of the things that distinguishes accrual-based Government Accounting Standards from cash-toward accrual basis is the financial statements, which consist of balance sheets, operational reports, cash flow reports and reports on changes in equity, all of which prepared on an accrual basis.

Meanwhile, the budget report is prepared on the basis of the prevailing accounting basis in that sector, which until now is still on the basis of cash. In the Government Accounting Standards or accrual-based Government Accounting Standards , the change from cash to accrual basis to accrual basis is carried out by modifying Government accounting standards by referring to the International Public Sector Accounting Standards by taking into account the provisions of applicable laws, so that the structure of Government Accounting Standards Statement in Government Regulation No. 24 of 2005 has not changed much.

DISCUSSION

3.1 The Role Of Government Accounting to Promote Good Governance

Accrual-based government accounting standards are expected to be more systematic towards better financial management as one of the financial reform agendas in Indonesia, as well as challenges in the current era of globalization, namely the demand for accountability and transparency in government administration with government accounting (Tarigan and Nurtanzila. 2013)

Until now, the state of public sector administration in Indonesia is not very encouraging. This is reflected in the low quality of public services and rampant practices of corruption, collusion and nepotism related to public services. Various attempts have been made to remedy this situation. However, efforts to make these changes often meet with failure or an unintended outcome. Jeremy Pope in his book (Simanjuntak, 2005) *The Development of a National Integrity System* mentions several causes for the failure of efforts to change or reform in the public sector:

- a. Limited power at the top level, the new leader wants to face challenges effectively, but in fact the new leader is inherited by corrupt government machines that hinder efforts to change.
- b. Lack of commitment at the top level.
- c. Promises that are too ambitious give rise to unrealistic and unattainable expectations.
- d. Reforms took place gradually and in uncoordinated circumstances.
- e. Reform relies heavily on the law, which is an uncertain instrument when it has to be used to change human behavior or be too regulating to lead to oppression, abuse of power and the emergence of other corrupt regimes.
- f. Reformasi tended to ignore those at the top, the so-called "big fish", and focused more on the "petty class"
- g. Reforms are not focused or produce results, so they fail to meet real change for society.
- h. An institutional mechanism for reform was not established after its main supporters disappeared from the stage.

However, in the last decade that culminated in the promulgation of three state finance packages, there has been a very strong impetus for reforming government accounting in Indonesia. Several important factors driving the rapid growth of government accounting in Indonesia lately include:

1. The stipulation of three packages of laws governing State Finances Article 32 (1) of Law no. 17 of 2003 concerning State Finance mandates that the accountability report for the implementation of the State Expenditure Budget / Regional Expenditure Budget is in the form of financial reports that are prepared and presented in accordance with government accounting standards.
2. The enactment of laws on regional government and laws on the balance between central and regional government finances. Article 184 paragraph (1) of Law no. 32 of 2004 concerning Regional Government states that financial reports are prepared and presented in accordance with Government Accounting Standards stipulated by Government Regulations.
3. The accounting profession The Indonesian Institute of Accountants (IAI) has long wanted an accounting standard in the public sector that is parallel to the preceding accounting standards in the commercial sector. The involvement of the Indonesian Institute of Accountants can be seen from the encouragement by IAI to form a standard committee in the public sector, the participation of the General Chairperson of the IAI DPN in the

Consultative Committee of the Government Accounting Standards Committee, the participation of IAI members in the Working Committee of the Committee on Government Accounting Standards, the establishment of the IAI Public Sector Accountants Compartment, and various seminars, discussions, and workshops organized by the IAI Public Sector Accountants Compartment.

4. Government bureaucracy is a compiler and at the same time a user who is very interested in the existence of a reliable government accounting. With the promulgation of the three state finance packages as well as laws related to regional government, it has encouraged both central and local government agencies to seriously prepare resources for the development and preparation of government financial reports. In addition, the chairmen of the provincial, district and city government associations, each of whom is ex officio, also sits as a member of the Consultative Committee of the Government Accounting Standards Committee

5. The public (non-governmental organizations and people's representatives) through non-governmental organizations and people's representatives in the People's Representative Council, Regional Representative Council, and Regional People's Representative Council also pay attention to good governance practices in Indonesian government. The enactment of laws relating to the three packages of state finance and regional government is a reflection of the active contribution of the people's representatives in the House of Representatives. In addition, accountability for the implementation of the State Revenue Expenditure Budget / Regional Expenditure Budget requires approval from the People's Representative Council / Regional People's Representative Council.

6. Private Sector The attention of the private sector may not be very significant because government accounting does not have a very direct impact on the activities of the private sector. However, the use of information technology and the development of accounting-based information systems will encourage some business actors in the private sector to take part in it.

7. Academics Academics especially in the accounting sector pay considerable attention to the development of knowledge in the field of government accounting. This concern is closely related to the preparation of human resources who have mastery in the field of government accounting to meet the needs of operational personnel and accounting managers in government. Several members of the Government Accounting Standards Committee currently come from universities. In addition, the accounting department at higher education institutions has long provided undergraduate students with government accounting courses. Several universities have also started to offer specialization in public sector accounting in their master program of accounting.

8. International World (lenders and investors) World Bank, ADB, and JBIC, are international institutions (lenders), which have an interest in developing good public sector accounting in Indonesia. This accounting development is expected to increase the transparency and accountability of development projects funded by these institutions. This institution, either directly or indirectly, has played a role in encouraging the realization of government accounting standards that support changes in government accounting in Indonesia.

9. State Audit Agency (BPK) Law no. 17 of 2003 and Law no. 15 of 2004 states that the accountability for the implementation of the State Revenue Expenditure Budget and Regional Expenditure Budget is audited by the State Audit Agency (BPK). In order to provide its opinion, the State Audit Agency requires a generally accepted government accounting standard. The State Audit Agency's (BPK) attention to the development of government accounting is very large, marked by the participation of this institution in the discussion of three packages of

laws with the House of Representatives, the participation of the State Audit Agency in various workshops and seminars on government accounting, and the formation of a technical team formed by the Chairman of the State Audit Agency to discuss technical aspects of government accounting standards with the Government Accounting Standards Committee's Working Committee. In addition, article 32 (2) Law no. 17 of 2003 mandates that government accounting standards be stipulated by a Government Regulation after prior consideration from the State Audit Agency. For drafting government accounting standards which are currently in the process of establishing government regulations, State Audit Agency has provided considerations to the government through a letter from the Head of the Audit Board addressed to the President on January 17, 2005, asking the President to immediately ratify the Government Accounting Standards.

10. The Government Internal Supervisory Apparatus (APIP) which includes the Provincial Internal Audit Agency (Bawasda), the Inspector General, and the State development audit agency are government internal auditors whose role is to assist leaders in the realization of a good internal control system so as to encourage increased performance. government agencies at the same time prevent the practices of Collusion, Corruption and Nepotism. Government accounting is very closely related and its impact on the internal control system so that internal auditors must inevitably have the ability in government accounting so that they can play a role in encouraging the application of government accounting that is being developed.

3.2 Implementation Of Government Accounting Standards during the Covid-19 Pandemic

The Governmental Accounting Standards Committee has issued Guidelines to be used in the application of the Governmental Accounting Standards (PSAP) which are relevant to government programs and activities carried out in the context of handling the Covid-19 Pandemic. This manual is not a standard statement and is not intended to provide an interpretation of the Governmental Accounting Standards Statement.(Standar & Pemerintahan, 2020)

Application of Government Accounting Standard Statements in Preparing Financial Statements during the Covid-19 Pandemic

In order to provide guidance on the application of Government Accounting Standards in preparing financial reports during the Covid-19 pandemic, the Government Accounting Standards Committee provides an explanation, as follows:

1. The Government Accounting Standards Committee considers that there is no part of the Government Accounting Standards that becomes invalid due to the Covid-19 Pandemic until the date of issuance of this guide.
2. Preparers of financial reports use appropriate and relevant Government Accounting Standards in recording and reporting transactions and conditions that occur. Several Government Accounting Standard Statements and Technical Bulletins related to the handling of the Covid-19 Pandemic include:
 - a. Statement of Government Accounting Standards 01 Presentation of Financial Statements
To deal with the Covid-19 Pandemic, the Government issued a policy to increase debt in order to fund spending on handling the Covid-19 Pandemic. The delay in some government activities is likely to cause supplies to take longer not to be distributed and construction work to be delayed completion. This

will cause a significant change compared to the previous year, so it must be explained in the notes to the financial statements.

b. Statement of Government Accounting Standards 02 Cash Based Budget Realization Report (LRA).

The Covid-19 Pandemic handling program will have an impact on changes to the 2020 State Expenditure Budget / Regional Expenditure Budget and its realization will be reported in the Budget Realization Report (LRA). The items in the Budget Realization Report will experience significant changes compared to the previous year, therefore these changes must be explained in the notes to the financial statements.

c. Statement of Government Accounting Standards 04 Notes on government financial report/s(CaLK).

In the context of adequate disclosure, information on the handling of the Covid-19 Pandemic can be disclosed adequately, including:

- 1) The financial and macroeconomic fiscal policy section explains the impact of the Covid-19 Pandemic on fiscal entities and policies, budget changes and macroeconomic conditions affected by the Covid-19 Pandemic.
- 2) A summary of the achievement of financial targets explains the impact of the Covid-19 Pandemic on financial achievement.
- 3) The accounting policy explains that the handling of the Covid-19 Pandemic is not presented in an extraordinary post because the influence of the Covid-19 Pandemic has almost spread throughout all financial statement posts. For this reason, the impact of the Covid-19 Pandemic will be explained in the disclosure of financial report posts that were significantly affected.
- 4) Financial report posts that had a significant impact on the Covid-19 Pandemic explain changes in these items as a result of budget reallocation or refocusing, for example: unexpected expenditures, goods spending, and capital expenditures. The impact of a decrease in economic activity that has an impact on income and several government policies that have an impact on increasing debt, delays in government projects that have an impact on construction on completion and supplies.

d. Statement of Government Accounting Standards 06 Investment Accounting

Government policies in order to stabilize the financial system are carried out through the placement of state capital in State-owned enterprises (SOEs) / corporation / private, either through direct investment or through financial institutions, as well as the possibility of decreasing the value of government ownership due to the loss of state-owned enterprises

e. Statement of Government Accounting Standards 09 Obligations

Government obligations that have been determined based on regulatory provisions and existing contracts are recognized in accordance with the Government Accounting Standards Statement on Obligations. The special debt policy carried out in the context of handling the Covid-19 Pandemic needs to be explained in the notes to the financial statements.

f. Technical Bulletin 13 Grant Accounting

Activities of giving grants by the Central Government to local governments, to institutions or to the community directly, as well as activities to provide grants by local governments to institutions or to the community directly or receiving grants by the government from the government or other institutions as

well as those from the community directly reported in the financial statements following the provisions or referring to this Technical Bulletin.

g. Technical Bulletin 19 on Accrual-Based Social Assistance Accounting

Accounting and financial reporting for government assistance programs aimed directly at the community in the form of providing social assistance is referred to in this Technical Bulletin.

h. Technical Bulletin 24 on Accrual-Based Tax Revenue Accounting

This technical bulletin can be used as a guide in financial reporting in the field of taxation.

3. The Covid-19 pandemic is an extraordinary event. However, the handling of the Covid-19 Pandemic was carried out based on statutory provisions and budgeting which are fully under the control of the Government. The impact of the handling of the Covid-19 pandemic affected the government's fiscal policy and had an impact on the macro economy, thus affecting almost all posts in financial reports. For this reason, it is not necessary to present special items in the Operational Report and add new items to the Financial Statements, except for additional information in the notes to the financial statements as stated in point 2.c.
4. The government can provide additional information explaining the impact of the Covid-19 Pandemic and the activities the government has carried out in order to deal with the Covid-19 Pandemic. The preparation of this additional information can be adjusted according to managerial needs or the requirements of laws and regulations. The information that can be presented includes, among others:
 - a. General information on the impact of the Covid-19 Pandemic on health, economy and financial policy.
 - b. Steps taken by the government in dealing with the Covid-19 Pandemic.
 - c. Budget refocusing and budget reallocation carried out in the context of health, social safety nets and economic strengthening.
 - d. An explanation for the decline in revenue as a result of changes in macroeconomic conditions.
 - e. Budget changes due to refocusing and budget reallocation for handling the Covid-19 Pandemic. This guide serves as a guideline for preparing government financial reports during the Covid-19 Pandemic. The Government Accounting Standards Committee will monitor and improve the guidelines if there are things that need to be adjusted. The central government and regional governments can determine certain accounting policies if needed.

3.3 Potential for fraud in Handling the Covid-19 Pandemic

Fraud (fraud) is a deliberate fraud that causes losses without realizing it by the aggrieved party and provides benefits to the perpetrator of the fraud. Fraud generally occurs because of pressure to commit fraud or an urge to take advantage of existing opportunities and there is (generally accepted) justification for such actions.

In accelerating the handling and prevention of covid-19, the Government has conducted budget refocusing and budget reallocation through optimization of Unexpected Expenditures (BTT) which prioritize 3 things: 1) health management and other health-related matters; 2) handling of economic impacts, especially keeping the business world in the respective regions alive; and 3) provision of a social safety net (JPS). Of course, the three priorities above have the risk of fraud, from the procurement of goods / services both medical equipment, personal protective equipment, rehabilitation of isolation rooms, basic necessities, distribution of Social Safety Nets to economic safety net capital assistance or JPE.

3.4 The Role of Government Internal Oversight in Preventing Fraud During Pandemic

Role and Function of Internal Audit A shift in the philosophy of internal auditing from the old paradigm to a new one, marked by a change in the orientation of the role of the internal auditor profession as a watchdog to become a consultant and partner for management. The paradigm shift in the role of internal audit has consequences for a more proactive approach to auditing and a more focused audit on risk-based audits, so that internal auditors play a role in identifying and analyzing the risk of organizational activities. (Asy ' et al., 2013) The role of internal audit oversight itself, based on the definition of the Institute of Internal Auditors, is as an independent and objective insurance and consulting activity designed to add value and improve organizational operations. Meanwhile, there are at least 3 (three) functions of the internal audit, namely:

- 1) Determine whether the company's internal control is good or not;
- 2) Determine the reliability of information prepared by management; and
- 3) Determine the level of effectiveness and efficiency of various operational activities of the organization.

The work effectiveness of the Government Internal Supervisory Apparatus, in accordance with Government Regulation Number 60 of 2008 concerning Government Internal Control Systems can be measured by at least fulfilling the following criteria:

- (1) Providing adequate confidence in the obedience, efficiency, efficiency and effectiveness of achieving the objectives of implementing the duties and functions of government agencies;
- (2) Providing early warning and increasing the effectiveness of risk management in carrying out the duties and functions of government agencies; and
- (3) Maintain and improve the quality of governance in the implementation of duties and functions of government agencies.

Changes during this pandemic did not change the three roles of the Government Internal Supervisory Apparatus. In effect, every task of the Government Internal Supervisory Apparatus has been planned at the beginning of the year by making an Internal Audit Plan. The pandemic period that has been present since March, of course, was not indicated when the Internal Audit Plan was made. so that it becomes irrelevant if forced to stick to these plans. From an economic point of view, it would be a waste, if the internal audit still insists on working on the audit plan. In this time of pandemic, there is no way we can work with everything we assume. It is necessary to make a priority scale for the work to be carried out, so that it can still provide added value at this time. In order to choose the priority scale, it is necessary to have good communication between Internal Audit and Management. Internal audit is expected to be able to talk and interact with management, that the current function of the Government's Internal Supervisory Apparatus is to assist consultations, not just for auditing. Because right now we are facing a disaster, so we must focus on try to help, not just acting as a watch dog. During this pandemic, all of us, including internal auditors, are expected to have a sense of crisis. It is hoped that the Government Internal Supervisory Apparatus will be willing to remove the hat of their internal auditors and make several modifications in several areas, particularly by (1) Identifying high risk areas using the probability & impact risk assessment method; (2) Conduct intensive supervision regarding the potential risk of fraud, (3) ensure whether crisis management, disaster recovery, business contingency plans have been established, so that crisis management can be carried out systematically, (4) Conduct internal supervision (internal control) over high risk areas, in order to identify fraud risk detection, (5) Carrying out monitoring

activities related to compliance and effectiveness, (6) increasing the role of advice and insight (consultancy / advisory) especially related to governance, risk and control;

(7) Continuously improving and utilizing information technology to support the implementation of fast and intensive internal control (Continuous Auditing); (8) conducting real-time assurance (minimizing after the fact); (9) Adopting a Collaborative Approach (intensive communication between the audit team and stakeholders to provide advisory during the pandemic period; and (10) Alignment of audit plans in accordance with the pandemic period. Internal audit must be able to provide control services in real time. No need to wait after a new incident is audited, but real time assistance can be provided to mitigate deviations that occur, while still monitoring the controls carried out, and providing other alternative consulting services. , it is hoped that the Internal Auditor can carry out their role more effectively and can provide added value to the organization.

The Government's Internal Supervisory Apparatus acts as Quality Assurance, namely ensuring that an activity can run efficiently, effectively and in accordance with the rules in achieving organizational goals. The focus of the implementation of the "supervision and inspection" task is to take preventive action, namely preventing errors in the implementation of programs and activities by the Regional Government Work Units and correcting mistakes that have occurred to be used as lessons so that these mistakes do not recur in the past. will come. On the basis of this role, all internal government supervisors both at the central and regional levels are required to continue to maintain the implementation of Covid-19 handling and continue to collaborate, innovate, and help each other to create accountability for handling Covid-19 in their respective regions.

Therefore, the government must continue to cooperate with the Financial and Development Supervisory Agency as an internal auditor, as well as all active officials in ministries / agencies and local governments. Handling a pandemic requires speed but at the same time it is emphasized that speed must not compromise accountability, transparency and good management.

The government internal supervisory apparatus must carry out supervision to ensure that the objectives are achieved and / or so that there is no risk of failure and fraud in the future. Social assistance to the community can be distributed effectively and distribution of medical devices can be done in a timely manner.

In anticipation of several policies related to handling covid-19, first, escorting financial accountability by State development audit agency (BPKP) to the central and regional governments, by forming a technical escort team. At the regional level, the Head of the State development audit agency has issued a letter No. S-336 / K / 2020 dated 23 March 2020 to Governors throughout Indonesia, and the technical team at State development audit agency representatives will provide assistance to local governments in terms of financial accountability for handling Covid-19; second, assistance by the government internal supervisory apparatus or APIP in this case the Inspectorate which is oriented towards risk mitigation and prevention of irregularities. APIP is asked to provide assistance to regional apparatuses that handle the procurement of goods / services for handling Covid-19 and periodically report to the Inspector General of the Ministry of Home Affairs in accordance with the Inspector General Letter of the Ministry of Home Affairs Number 700/859 / IJ dated March 26, 2020; third, safeguarding and escorting strategic development related to APBN and APBD allocations in the context of overcoming Covid-19 by the prosecutor's office in accordance with the letter JAM Intelligence No. R-TI-03 / D / Dek / 03/2020 dated 30 March 2020 and confirmed again by the letter JAM Intelligence No. B-563 / D / Dpp /

04/2020 dated April 20, 2020. There are two substances of security by the prosecutor, namely the security pattern in the form of coordination in terms of providing legal opinions and supporting investigations / security functions related to distribution and distribution of protection budgets. social; fourth, strengthening coordination between APH and APIP if there are reports of public complaints of irregularities in the use of the covid-19 control budget so that the prosecutor's office puts forward coordination with APIP and related agencies to ensure the truth of public reports.

Although, of course there are challenges and obstacles that must be experienced by the Government Internal Supervisory Apparatus in carrying out their role during this pandemic, namely (1) limited travel outside the city for conducting audits; (2) The risk of having an auditor infected with a virus that must be quarantined, thus impacting on the implementation of the audit plan by reducing the number of members of the audit team; (3) Conditions for working in a Work From Home manner which can be disrupted at any time, due to unstable internet or network connections; and (4) The number of employees (auditee) is limited in the office, so that they are unable to fully assist the auditor in fulfilling requests for the required audit information. In facing these challenges and obstacles, adjustments need to be made, especially in the accountability of supervisory duties.

CONCLUSION

In implementing the regional financial accounting system, it must be based on accrual-based government accounting standards, namely Government Regulation No. 71/2010. The benefits of implementing a regional financial accounting system based on Government Regulation No. 71/2010 concerning Government Accounting Standards are aimed at increasing accountability and management reliability. government finance through the preparation and development of government accounting standards. During the pandemic, the Government accounting Standards Committee has issued Guidelines to be used in the application of the relevant Government Accounting Standard Statements (PSAP) related to government programs and activities carried out in the context of handling the Covid-19 Pandemic. This manual is not a standard statement and is not intended to provide an interpretation of the Governmental Accounting Standards Statement. Refocussing of Activities and Budget Reallocation, as well as Procurement of Goods and Services in the Context of Accelerating Handling of Corona Virus Disease 2019 (Covid-19), can be another potential fraud that might develop related to budget management for handling the COVID-19 pandemic in Indonesia. Therefore, in implementing the government budget related to accelerating the handling of the Covid-19 pandemic, assistance is needed by the Government Internal Supervisory Apparatus who acts as Quality Assurance, namely ensuring that an activity can run efficiently, effectively and in accordance with the rules in achieving organizational goals.

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