

Financial Statement Analysis of Manado State University

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Introduction

Manado State University had applied Government Regulation No.71st 2010, but effectively in 2015. To understand the financial performance of the institution, financial statement during 2017 and 2018 could be examine and analyze with the realized budget.

Quality financial statement have a trait that could be understand, relevant, comparable, and reliable. Other than that, quality of financial statement could be expressed with auditor's opinion. Based on inspection result by Audit Board of the Republic of Indonesia at March 2017, there is a flaw in internal control system for drafting financial statement at Manado State University. Mainly on administrating and account for the financial administration, also the application of the Government Regulation No.71 article 4th and 7th2010 about accrual base government accounting standard still not optimal.

The focus on this research is that how the financial statement present by Manado State University is suitable with Government Regulation No.71article 4th and 7th2010 about accrual base government accounting standard? And how is the internal control system in the drafting of financial statement at Manado State University?

II. Literature Review

Public Accounting and Financial Statement

Government Regulation No.17 2010 about accrual base government accounting standard which abbreviated as SAP (*Standar Akuntansi Pemerintahan*) is an accounting principal that implemented in order to arranging and presenting government financial statement. SAP is state in a form of Government Accounting Standard Statement or PSAP (*Pernyataan Standar Akuntansi Pemerintahan*). Those components in the core of government financial statement.

a. Statement of Budget Realization

Statement of Budget Realization or LRA (Laporan Realisasi Anggaran) is a statement that shown information of income realization –LRA, expenditure, transfer, surplus/ deficit –LRA, outlay, and the leftoversfrom more/less of financing, which each of those will be compared with one period of a budget. Statement of Budget Realization is anstatement entity that provide information about budget and income realization –LRA, expenditure, transfer, surplus/ deficit – LRA, and financing. That information is serviceable to reader for evaluating the decision of economic resource allocation, accountability, and adherence of the statement entity to the budget. In the module of Government Accounting Standard Statement (PSAP) No.2 shown that Statement of Budget Realization (LSR) is one of government financial statement component which incomparably displaying and picturing the information of budget realization and statement entity in a certain period.

b. Statement of Financial Position/ Balance Sheet

Government Accounting Standard Statement No.1 Paragraph 38th inGovernment Regulation No.17 2010 stated that balance sheet is picturing financial position of statement entity about asset, obligation and fund equity in certain period. Balance sheet is a statement that showing complete picture of entity at certain time. In balance sheet, elements of the entity will be pictured, so balanced sheet often be said as a financial position's portrait of an entity.

c. Financial Realization Statement

Profit and loss statement presenting connection between income and expense of the entity. Profit often used as a performance measure and base of others measurement, such as return on investment or earnings per share. Factors of financial statement that directly in coherent with profit measurement are income and expense. Minimum profit and loss statement including items such as; income, financial expense, profit and loss from invitation that used equity method, tax burden, net profit and loss.

d. Statement of Changes in Equity

This statement shows:

- All changes in equity in one period, including income and expense factor which directly approved in equity of that period, effects of changing in accounting policy, and approved error correction of that period.
- Changing in equity, beside the change that arise from transaction of owner within capacity as the owner of investation, dividend calculation, and others equity distribution in one period.

e. Cash Flow Statement

Cash flow statement is a cash flow, cash outflows, and cash equivalents from regional general treasurer. Presentation of cash flow statement is to show the information of cash receipts and disbursements in certain period which was classified according to the activity, non-financial asset investation, outlay, and non-budgetary (Tanjung, 2008).

f. Notes of Financial Statement

Notes of Financial Statement is indispensable part from financial statement. The general purpose is that every cash flow must have cross reference from notes of financial statement (Tanjung, 2008). Notes of Financial Statement is intended to make the statement easier to understand and not limited to certain reader or management statement entity. Therefore, financial statement may include information that potentially for the reader to misunderstand. In order to avoid that, notes of financial statement was made which contain information that make the reader easier to understand the financial statement. The reader in this case is the people, legislative, supervisory agency, inspector, those who have the role in donation, investation, loaning, and government.

Specifically, the purpose of government financial statement is to present useful information for the decision maker and to show accountability in statement entity in regards of the entrusted resources, which are:

- Providing information related to position of economic resources, duty and administration.
- Providing information about changing in position of the obligated economic resources, and equity in government financial.
- Providing information concerning to adherence in budget realization
- Providing information about how the statement entity fund their activity, and fulfill the cash requirement.
- Providing information related to the possibility of government to fund government activities.
- Providing information that valuable for evaluating the capability of statement entity on funding it activities.

Internal Control System

Wilopo (2016) stated that Government Internal Control System or SPIP (*Sistem Pengendalian Intern Pemerintah*), including policy and procedure such as:

- a. Related to notes on financial
- b. Provide adequate assurance that the statement in coherence with Government Accounting Standard (SAP) and the income and outcome also correspond with the given authority.
- c. Provide adequate assurance on institution's asset security that had a financial impact on financial statement.

In order to ensure the organization's goal, SIP success not only depends on control structure but also to each individual in organization as a factor that made the control functioned.

III. Research Methods

This research approach uses a descriptive qualitative approach, where researchers want to understand more deeply about information on analysis financial statement at Manado State University (UNIMA). Cresswell (2014) states that qualitative research is an approach to exploring and understanding meaning by a number of individuals or groups of people considered to come from social or humanitarian problems. Furthermore Sugiyono (2015) states that qualitative research methods are applied / used to examine objects in natural conditions; researchers as key instruments; sampling by purposive and snowball. The research strategy used is descriptive research; where the researchers describe the results of the analysis of financial statement and the researchers explain systematically the facts presented, using their experience and experience of the parties involved in analysis of financial statement at UNIMA. Data collection techniques with interview techniques and open interviews with UNIMA financial management employees.

Data analysis techniques, adjusting to the method used by Sugiyono (2012) by following the steps are: (1) data collection, (2) data reduction, (3) data presentation, and (4) conclusion drawing.

IV. Findings and Discussion

Data analysis in this research is using qualitative approach with descriptive method, which analyzing and comparing theory with reality and practice regarding to suitability of Manado State University's financial report presentation with the Government Regulation No.17 2010 about accrual base government accounting standard. This descriptive analyze gave a whole picture of financial statement in Manado State University, which was coherence with the rule or not.

Data analysis technic in this research are:

1. Data gathering, interview technic and documentation study.
2. Data reduction, selecting and simplifying data. This activity includes data selection and discarding irrelevant data. Relevant data is organized, so it could provide an actual information.
3. Data presentation, in form of group of information, such as table, chart, or narrative descriptive, in order the data to become clearer and informative.
4. Follow-up actions, data presentation used in framework to draw conclusion of the end of action.

Manado State University is an accounting entity which has obligation to account, report, and held on responsibility for spending state budget. One of the responsibilities is to present financial statement.

Financial statement analysis on Manado State University, which was suitable or not with the Government Regulation No.17 2010 which financial accounting process consist of recording, classification, and reporting, with using application software called SAIBA (*Sistem Akuntansi Instansi Berbasis Akrua//* Accrual Base Institution Accounting System). Manado State University provide five financial statement, Statement of Budget Realization, Statement of Financial Position/ Balance Sheet, Statement of Changes in Equity, Operational Statement, and Notes of Financial Statement which applied the Government Regulation No.17 2010 about accrual base government accounting standard.

Study process on coherency in financial statement based on applied the Government Regulation No.17 2010 about accrual base government accounting standard:

1. Statement of Budget Realization, classified in expenditure and income by government organization such as expenditure in every operating unit in Manado State University. According to statement of budget realization, there is three account:
 - a. Staff Expenditure; b. Item Expenditure; c. Capital ExpenditureThe statement of budget realization, shown comparison between budget and realization of it, which included Income and Expenditure –LRA period 2018 (per- December 31st 2018). There is income realization at Manado State University during TA (*Tahun Anggaran/* Financial Year) period December 31st 2018 which is a Non-Tax State Revenue (PNBP/ *Pendapatan Nasional Bukan Pajak*) of Rp 91.693.471.805,- or about 89,87 % from estimate Income – LRA of Rp 102.030.400.000,-; and realization Expenditure at Manado State University period per-December 31st 2018 of Rp 248.860.808.284,- or about 89,10 % from allocated budget of Rp 279.304.710.000,-
2. Statement of Financial Position/ Balance Sheet, showed that entity of financial position regarding asset, obligation, and equity period December 31st 2018 where Asset Value presented by amount of Rp 908.887.470.919,- which consist of Current Asset (Net) of Rp 31.326.033.272,-; Fixed Asset (Net) of Rp 877.320.818.897,-; and Other Asset of Rp 240.618.750,- and each Obligatory and Equity Value of Rp 148.283.830,- and Rp 908.739.187.089,-
3. Operational Statement, providing various income resources-LO (Laporan Operasional/ Operational Statement), assessment, surplus/ deficit form non-operational activities, surplus/ deficit before extraordinary item, and surplus/ deficit-LO which needed to be presented. Income at period December 31st 2018 of Rp 87.851.216.435, - while assessment from operational activities of Rp 274.383.997.496, - ; so there is deficit of (Rp 186.532.781.061). Surplus of non-operational activities of Rp 461.447 and deficit of extraordinary items of Rp 0, - made entity having Deficit-LO of (Rp 186.533.242.508,-).
4. Statement of Changes in Equity shown information of increasing and decreasing of equity on financial statement in comparison of previous year, which equity on January 1st 2018 of Rp 845.313.257.748,- minus Deficit-LO of (Rp 186.533.242.508,-) plus/minus with other correction of Rp 90.768.971.320,- and transaction between entity of Rp 159.190.200.529,- therefore final equity on period December 31st 2018 of Rp 908.739.187.089,-
5. Notes of Financial Statement shown information related to description or detailed list or analyze on certain item that presented in Statement of Budget Realization, Balance Sheet, Operational Statement, and Statement of Changes in Equity including Notes of Financial Statement; this information presentation is needed and required by Government Accounting Standard and also for presentation of financial statement. Notes of Financial Statement is a part that cannot be separated from financial statement. From presentation of Statement of Budget Realization for period of December 31st 2018 drafting and statement presentation based on “cash based”, while Statement of Financial Position/ Balance Sheet, Statement of Changes in Equity, Operational Statement, and Notes of Financial Statement for period of December 31st 2018 had been drafted and presented base on “accrual base”.

Furthermore, internal control system in the drafting of financial statement at Manado State University, which is coherent with Government Regulation No.29th 2014, performance accountability implemented once a year in form of Performance Accountability System at Government Institution, but routinely every month is presented with financial activity and operational activity and financial management in the form of SIMONEV (*Sistem Informasi Monitoring Evaluasi/*Information System of Monitoring Evaluation) also quarter statement drafted by financial department using SAIBA application, then yearly statement in the form of performance statement.

With the result of analyze and debate above, after been reviewed in order to give an accurate belief, valid and reliable information, and in coherent with transaction statement based on Government Regulation No.17 2010 about government accounting standard.

V. Conclusion and Suggestion

1. Accountability report of institution financial administration at Manado State University is shown in the form of Statement of Budget Realization, Statement of Financial Position/ Balance Sheet, Statement of Changes in Equity, Operational Statement, and Notes of Financial Statement. Those statement has been drafted and presented **accordingly** with Government Regulation No.17 2010 about accrual base government accounting standard. But only system of statement of budget realization was still based on cash while statement of financial position/ balance sheet, statement of changes in equity, and operational statement that **had applied** the accrual base government accounting standard.
2. Financial statement is being use to compare income realization, expenditure, transfer, and financing with appointed budget, valuing financial condition, evaluating effectively and efficiency on statement entity, which support it assurance with regulation. Because on every statement, there is obligation to report every activity that has been done and every results systematically and structurally.
3. Internal Control System for financial administration at Manado State University has been done well with data integrity and document or achieve been stored decently. Efficiently and effectively, economic evaluation has achieved the target.

From conclusion above, we could offer some suggestion:

1. For the financial statement that presented by Manado State University, statement of budget realization could be better be realized 100%, and for unrealized targeted activities, better be realized on the following year, then move the budget those activities to the others, so the budget from State could be implemented by 100%. And for balance sheet, small problem that had been found such as cash deposition on treasury of expenditure, that caused by application system which busy during end of the yaeer, therefore the treasury of expenditure need to improve the performance so there will be no cash that could not be withdrawn during end of the year period.
2. Manado State University is expected to keep and improve the internal control system in order to realize the performance of financial statement on 2018, so in the next year the institution could receive Unqualified Opinion, then continue to produce transparent, accountable, effective and efficient financial statement suitable for people's aspiration to realize a clean and trusty government.

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