

The Influence of Fixed Asset Accounting Policies on the Preparation of Financial Reports at the Sadar Civil Servant Cooperative (KPN) in Karang Waru Village, Musi Banyuasin Regency

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ABSTRACT

This study aims to analyze the accounting treatment of fixed assets at the State Civil Servants Cooperative (KPN) Sadar in Karang Waru Village, Lawang Wetan District, and assess its compliance with SAK-ETAP. The research uses a qualitative descriptive method through interviews, documentation, and observation of the cooperative's financial statements. The findings show that the recognition and measurement of fixed assets comply with the standards, but discrepancies occur in depreciation, asset derecognition, and financial statement presentation. Errors in calculating depreciation result in book values and expenses that do not reflect actual amounts, affecting the reliability of the financial statements. This study is expected to serve as an evaluation for improving fixed asset recording accuracy and overall financial reporting quality.

INTRODUCTION

According to Law Number 25 of 1992 concerning Cooperatives, a cooperative is a business entity whose members are individuals or legal entities whose activities are based on cooperative principles and the principle of family. The purpose of a cooperative is to improve the welfare of its members and the wider community, and to contribute to national economic development to create a progressive, just, and prosperous society. To achieve these goals, cooperatives need to be well-managed to compete with other business entities and provide economic benefits to the surrounding community. Effective cooperative management will ensure the achievement of the goal of improving the welfare of its members and the community.

In this regard, the Financial Accounting Standards for Entities Without Public Accountability (SAK-ETAP) serve as guidelines for the preparation of financial statements for cooperatives and other economic entities. SAK-ETAP is essential for presenting financial statements that are useful, easy to understand, and not misleading. SAK-ETAP is used by entities without significant public accountability, such as cooperatives, and aims to ensure financial statements are understandable to external users, such as owners not directly involved in business management, creditors, or credit rating agencies.

Fixed assets are resources owned by a business entity, acquired and held for use in economic activities. Inappropriate accounting treatment for fixed assets can impact financial statements. Every asset has the potential to experience impairment, known as "impairment." SAK-ETAP states that asset impairment occurs if the asset's carrying value exceeds its recoverable amount. An asset's recoverable amount is the higher of its fair value less costs of disposal and its value in use. At the end of each reporting period, an entity must assess whether there is any indication of asset impairment and estimate the recoverable amount, if necessary.

Fixed asset valuation aims to optimize asset efficiency and safeguard assets so that invested funds can provide maximum benefits during their useful lives. This is also closely related to estimating the asset's economic life, which must be calculated accurately so that the company can manage its fixed assets more effectively.

The Village Unit Cooperative (KPN) is a social economic organization that functions to develop community economic activities. KPN is often called a multi-purpose cooperative because it focuses on various areas such as savings and loans, consumption, production, marketing, and services. In carrying out its operations, cooperatives rely on their fixed assets to improve performance and profitability. KPN Sadar is a cooperative engaged in goods and services, primarily in the plantation and savings and loans sectors. The purpose of establishing KPN Sadar is to raise awareness among members and the community about realizing a just and prosperous society based on the values of Pancasila and the 1945 Constitution. KPN Sadar owns a number of fixed assets used to support the cooperative's operations.

When acquiring fixed assets, cooperatives must consider various factors, as incorrect decisions regarding fixed asset acquisition can impact their performance, particularly in terms of fund management. Therefore, careful planning is required when making decisions regarding fixed asset acquisition policies. This is the basis for the author's further research into the condition of fixed assets at the Sadar Village Unit Cooperative (KPN) in Karang Waru Village.

Based on the cooperative's fixed asset report, several errors were found in the treatment of fixed assets at the Sadar Civil Servant Cooperative (KPN) in Karang Waru Village, namely:

1. Printers are recognized as fixed assets, even though their useful life is less than one year and often only requires cartridge replacement. This indicates that printers should be classified as equipment, not fixed assets.
2. Inaccurate estimation of the economic life of fixed assets. The assessment of the economic life of fixed assets does not reflect their actual condition, which can affect depreciation calculations.
3. Inaccurate depreciation calculations. KPN Sadar does not correctly calculate the acquisition date of fixed assets. Depreciation is considered to apply for the full year even though the fixed assets were not acquired in January. Furthermore, some fixed assets that had reached the end of their useful lives were not written off.
4. Failure to write off fixed assets. KPN Sadar did not retire or write off fixed assets that had reached the end of their useful lives.

These errors in the treatment of fixed assets can significantly impact the depreciation, accumulated depreciation, and book value recorded in KPN Sadar's annual financial statements in Karang Waru Village. As a result, the depreciation reported in the calculation of operating results, as well as the accumulated depreciation and book value of fixed assets in the balance sheet, do not reflect their actual and expected values. Therefore, it can be concluded that the recognition, measurement, depreciation, retirement, and presentation of fixed assets at KPN Sadar in Karang Waru Village do not comply with the provisions stipulated in SAK-ETAP. Based on this phenomenon, the author is interested in conducting research entitled "*The Influence of Fixed Asset Accounting Policy on the Preparation of Financial Reports at the Sadar Civil Servant Cooperative (KPN) in Karang Waru Village, Musi Banyuasin Regency*".

LITERATURE REVIEW

Cooperative Concept

According to Law Number 25 of 1992 concerning Cooperatives, a cooperative is a business entity whose members are individuals or cooperative legal entities, whose activities are based on cooperative principles and are also a people's economic movement based on the principle of family. Article 3 of Law Number 25 of 1992 concerning Cooperatives states that cooperatives aim to advance the awareness of members in particular and society in general, as well as to participate in building the national economic order, in order to realize an advanced, just, and prosperous society based on Pancasila and the 1945 Constitution. According to Law Number 25 of 1992, cooperatives can be divided into:

1. Savings and Loan Cooperatives.
2. Consumer Cooperatives.
3. Production Cooperatives.
4. Service Cooperatives.
5. Multipurpose Cooperatives.

Fixed Asset Concept

Soemarso (2018:23) explains that fixed assets are assets that:

1. Have a long useful life.
2. Used in the company's activities.
3. Held not for resale in the normal course of business.
4. Has a substantial value.

Based on SAK ETAP (2016) Paragraph 15.3, fixed assets have the following characteristics:

1. Fixed assets are physical goods owned to facilitate or facilitate the production of other goods or to provide services to the company or its customers in the normal course of business.
2. All fixed assets have a limited life; at the end of their useful life, they must be disposed of or replaced.
3. The value of a fixed asset derives from its ability to exclude others from obtaining rights to its use, not from the enforcement of a contract.
4. Fixed assets are entirely non-monetary; their benefits are received from the use or sale of services, not from their conversion into a specific amount of money.
5. Generally, the services received from these assets cover a period longer than one year or the company's operating cycle.

Based on SAK ETAP (2016) Paragraph 15.2, fixed assets are tangible assets that:

- a. Are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes.
- b. Are expected to be used for more than one period.

Concept of Fixed Asset Treatment

Based on the Financial Accounting Standards for Entities Without Public Accountability, Paragraph 15.2 (2016:214), the treatment of fixed assets includes the recognition, measurement, depreciation, retirement, and presentation of fixed assets. Depreciable assets constitute a significant portion of the total assets. Accounting issues related to fixed assets include: determining the acquisition cost of fixed assets, recording expenditures after acquisition of fixed assets, depreciation of fixed assets, disposal of fixed assets, and presentation of fixed assets. Based on SAK-ETAP (2016:216) Paragraph 15.20, financial statements must disclose for each class of fixed assets:

1. The valuation basis used to determine the gross carrying amount. If more than one basis is used, the gross carrying amount for each basis in each category must be disclosed.
2. The depreciation method used.
3. The useful life or depreciation rate used.

4. The gross carrying amount and accumulated depreciation at the beginning and end of the period.
5. A reconciliation of the carrying amount at the beginning and end of the period showing additions, disposals, acquisitions, business combinations, decreases in carrying amount, depreciation, net exchange differences arising from the translation of a foreign entity's financial statements, and reclassifications.

Concept of Financial Statements

According to the Statement of Financial Accounting Standards (2017:1), financial statements are part of financial reporting. According to Anoraga (2017:45), the types of cooperative financial reports consist of:

1. Balance Sheet.
2. Calculation of Business Results.
3. Cash Flow Statement.
4. Member Economic Promotion Report.
5. Notes to the Financial Statements.

METHODOLOGY

In this study, the author used quantitative analysis techniques to assess the accounting treatment of fixed assets at KPN Sadar, which adheres to SAK ETAP. Therefore, the method used was descriptive quantitative analysis. The data obtained from KPN Sadar in Karang Waru Village was intended to obtain a clear and comprehensive picture of the accounting treatment and calculations for fixed assets. After obtaining a clear picture of the accounting treatment for fixed assets, this method was compared with the accounting treatment method for fixed assets based on SAK ETAP.

RESEARCH RESULT

Based on the results of research on the treatment of fixed assets at the Civil Servant Cooperative (KPN) Sadar, Karang Waru Village, Lawang Wetan District, a recapitulation of the discussion/research results can be compiled in Table 1.

Table 1. Recapitulation of Research Results/Discussion

N o	Fixed Asset Treatment	According to SAK-ETAP	Implementatio n of KPN	Conclusio n	Informatio n
1	Confession	Fixed assets are recognized at cost. The cost of a fixed asset consists of its purchase price, including	Fixed assets are recognized at acquisition cost	In accordance	KPN has recognized fixed assets based on acquisition cost

No	Fixed Asset Treatment	According to SAK-ETAP	Implementation of KPN	Conclusion	Information
		import duties, input VAT, shipping costs, loading and unloading costs, installation costs, and professional fees.			
2	Measurement	Measurement of fixed assets can occur in 2 (two) ways, namely using acquisition costs (<i>historical cost</i>) and fair cost at the time of acquisition (<i>fair value</i>).	Measurement of fixed assets at the Civil Servant Cooperative (KPN) Sadar, Karang Waru Village, Lawang Wetan District based on acquisition costs (<i>historical cost</i>) namely recording fixed assets based on acquisition cost and reduced by accumulated depreciation of fixed assets	In accordance	Fixed assets have been measured at acquisition cost
3	Depreciation	The depreciation methods that should be used are straight line, declining balance and production quantity.	KPN in count depreciation No notice date purchase	It is not in accordance with	Depreciation counted No based on date purchase

No	Fixed Asset Treatment	According to SAK-ETAP	Implementation of KPN	Conclusion	Information
4	Termination	Fixed assets are derecognized upon disposal or when no future economic benefits are expected from their use or disposal.	Fixed assets that have reached the end of their useful life are not written off. This is due to an error in the depreciation calculation.	It is not in accordance with	Fixed assets that have reached the end of their economic life are not written off
5	Presentation	Fixed assets are presented in the balance sheet at acquisition cost and accumulated depreciation.	The Sadar Civil Servant Cooperative (KPN) in Karang Waru Village, Lawang Wetan District, presents fixed assets in its balance sheet at acquisition cost and accumulated depreciation. However, KPN does not present all fixed assets in its balance sheet, and the nominal value presented differs from that in SAK ETAP.	It is not in accordance with	Nominal presented in report balance sheet No in accordance with SAK ETAP calculation

DISCUSSION

Based on the data in Table 1 above, the author can conclude that the Civil Servant Cooperative (KPN) Sadar, Karang Waru Village, Lawang Wetan District, has not fully implemented SAK-ETAP in preparing its financial statements. This is because the company's records contain errors in recording the acquisition of fixed assets that do not comply with the Financial Accounting Standards Without Public Accountability (SAK-ETAP). Civil Servant Cooperative (KPN) Sadar, Karang Waru Village, Lawang Wetan District, records fixed assets at acquisition cost. In measuring fixed assets at the Civil Servant Cooperative (KPN) Sadar, Karang Waru Village, Lawang Wetan District, it is in accordance with SAK-ETAP. In depreciation of fixed assets at the Civil Servant Cooperative (KPN) Sadar, Karang Waru Village, Lawang Wetan District, it is not in accordance with SAK-ETAP because there is an error in using the depreciation method.

In the termination of fixed assets at the Civil Servant Cooperative (KPN) Sadar, Karang Waru Village, Lawang Wetan District, it is not in accordance with SAK-ETAP. This is because the Civil Servant Cooperative (KPN) Sadar, Karang Waru Village, Lawang Wetan District did not carry out a permanent write-off of fixed assets that had expired, which was basically caused by errors in depreciation calculations. The presentation of fixed assets by the Sadar Civil Servant Cooperative (KPN) of Karang Waru Village, Lawang Wetan District, in its financial statements does not comply with Financial Accounting Standards without Public Accountability. This is because all fixed assets are not presented in the balance sheet and there is a misstatement of the nominal value of fixed assets.

Analysis of the impact of differences in accounting treatment on fixed assets at KPN Sadar is one of the important ones in supporting the company's operations, both playing a direct role in the production process, such as vehicle engines, and other fixed assets or indirectly related to the company's operations, namely office buildings and so on. Recording and Valuation of the acquisition price of fixed assets must be carried out correctly, namely in accordance with generally accepted accounting principles regulated in SAK-ETAP if the accounting treatment applied by the company is not in accordance with SAK-ETAP, it will have an impact / influence on the financial statements, especially the profit / loss statement and balance sheet of the cooperative, so that the information presented is inaccurate or not presented properly.

Accounting treatment that does not comply with Financial Accounting Standards will impact KPN's operating results and balance sheet due to errors in depreciation calculations. Consequently, the depreciation expense in the operating results and the book value of fixed assets in the balance sheet do not reflect the appropriate amounts. Therefore, the financial statements prepared by KPN do not provide the information they should, in accordance with generally accepted accounting principles.

CONCLUSIONS AND RECOMMENDATIONS

Based on the research results and discussion, the author draws the following conclusions:

1. The treatment of fixed assets of the Civil Servant Cooperative (KPN) Sadar, Karang Waru Village, Lawang Wetan District is not in accordance with SAK ETAP. This is due to :
 - a. From the perspective of recognizing fixed assets, KPN is in accordance with SAK ETAP.
 - b. From the perspective of measuring fixed assets, KPN is in accordance with SAK ETAP.
 - c. From the perspective of depreciation of fixed assets, KPN is not yet in accordance with SAK ETAP.
 - d. From the perspective of discontinuing fixed assets, KPN is not in accordance with SAK ETAP.
 - e. From the perspective of presentation of fixed assets, KPN is not yet in accordance with SAK ETAP.
2. The impact of accounting treatment that does not comply with Financial Accounting Standards will affect the KPN's operating results report and balance sheet due to errors in depreciation calculations. Consequently, the depreciation expense in the operating results report and the book value of fixed assets in the balance sheet do not represent the values they should. Therefore, the financial statements prepared by KPN do not provide the information they should, in accordance with accounting policy provisions.

ADVANCED RESEARCH

The Civil Servant Cooperative (KPN) Sadar, Karang Waru Village, Lawang Wetan District should evaluate its depreciation method so that the depreciation charged is appropriate. The Civil Servant Cooperative (KPN) Sadar, Karang Waru Village, Lawang Wetan District should write off assets that have expired. The Civil Servant Cooperative (KPN) Sadar, Karang Waru Village, Lawang Wetan District should present fixed assets and accumulated depreciation based on the types of fixed assets to make it easier to read financial reports. The Civil Servant Cooperative (KPN) Sadar, Karang Waru Village, Lawang Wetan District, should be more precise in treating fixed assets based on SAK ETAP, so that the resulting financial reports can be more accurate.

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