

**EVALUATION OF THE ACCRUAL BASED ACCOUNTING IMPLEMENTATION
IN SUB-NATIONAL GOVERNMENTS OF INDONESIA**

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ABSTRACT

This research examines the impact of the Accrual-Based Accounting Implementation in Sub-National Governments in Indonesia. The research was conducted using a qualitative method. Data was collected from respondents in district/city regional governments representing the four most extensive and densely populated islands: financial report preparers, regional government functionals, and financial report users.

The research result is that most respondents believe that the expected benefits from implementing accrual-based accounting have been achieved, and regional government financial reports produced by an accrual-based accounting system can be used for decision-making. However, most respondents believed that implementing accrual-based accounting had more significant challenges than cash-based accounting. The biggest challenge faced is a common understanding of accrual-based accounting. Due to the vast range of accrual-based accounting, these building applications can support accrual-based accounting and complexity in the audit process.

Keywords: Accounting, Accrual Basis, Cash Basis, Sub-national Government

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