

IMPLEMENTATION OF CAPITAL EXPENDITURE ACCOUNTING BASED ON GOVERNMENT REGULATION NUMBER 12 OF 2019 AT THE MANADO CITY TOURISM SERVICE

Eunike Amelia Palendeng^{1*} , Jenny Morasa² , Lady Diana Latjandu³ 

Accounting Study Program, Faculty of Economics and Business, Sam Ratulangi University, Manado

Accounting Study Program, Faculty of Economics and Business, Sam Ratulangi University, Manado

Accounting Study Program, Faculty of Economics and Business, Sam Ratulangi University, Manado

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Corresponding Author:

Eunike Amelia Palendeng

Email:

palendengeunike@gmail.com



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ABSTRACT

The importance of regional financial management is not only reflected in efforts to achieve administrative efficiency, but is also a reflection of the implementation of the regional economy. This research aims to determine whether the application of capital expenditure accounting at the Manado City Tourism Office is appropriate or not based on Government Regulation Number 12 of 2019. The type of research used is qualitative research with a descriptive approach utilizing data obtained from documentation and interviews. The research results show that the Manado City Tourism Office has ensured that the assets acquired have a useful life of more than 12 months and are recorded on an accrual basis. The breakdown of capital expenditure into 6 categories and inclusive reporting are also in accordance with established provisions. This shows that the implementation of capital expenditure accounting at the Manado City Tourism Office is in accordance with the criteria set out in PP No. 12 of 2019 and SAP regarding Capital Expenditures in 2022.

INTRODUCTION

Indonesia, with its vast archipelago and abundant ethnic diversity, continues to be committed to realizing good governance. This diversity makes Indonesia a country that continues to strive to improve the principles of good governance. A significant part of these efforts focuses on regional financial management, which involves a series of activities ranging from planning, budgeting, implementation, administration, reporting, accountability, to regional financial supervision. The importance of regional financial management is not only reflected in efforts to achieve administrative efficiency, but is also a reflection of the implementation of the regional economy. This process is a critical indicator that reflects the public's assessment of the

government's performance in managing financial resources wisely. The latest state accounting standards and government regulations, such as Government Regulation (PP) no. 12 of 2019 concerning regional financial management, is the basis for regulating regional financial governance to achieve transparency, accountability and efficiency.

Government Regulation Number 12 of 2019 was ratified on March 12 2019. Government Regulation Number 12 of 2019 article 3 paragraph 1 explains that regional economic management is controlled, effective, economical, efficient, transparent and accountable, paying attention to justice, morality, community interests and compliance with regulations. legislation. PP No. 12 of 2019 comes into effect with the publication of this decision. Applicable regulations, especially those relating to the Regional Revenue and Expenditure Budget (APBD), detail how to manage financial allocations at the provincial, district and city levels. Articles 26, 27, and 28 of Government Regulation (PP) Number 12 of 2019 describe these provisions, which establish the APBD as the basis for regional financial management during one fiscal year, along with state financial law regulations.

Regional income, expenditure and funds are included in the APBD. The focus on regional expenditure shows that this includes all Regional Government tasks that are recognized as factors in reducing the value of net assets during the relevant fiscal year. Regional spending is distributed by giving priority to mandatory government affairs, especially those related to basic services. The aim is to meet the Minimum Service Standards set by Minister of Home Affairs Regulation (Permendagri) Number 77 of 2020 which is a derivative of PP Number 12 of 2019. This is a performance benchmark in determining the achievement of the type and quality of basic services which are mandatory government affairs. every citizen is entitled to at a minimum. Regional expenditure includes operational, capital, unexpected and transfer expenditure, according to Article 55 Paragraph 1 PP Number 12 of 2019. Thus, budget management involves careful allocation of funds to support the continuity of Mandatory Government Affairs and basic services, in line with the principles regional finances as stated in applicable regulations (Permendagri, 2019).

Recording and reporting capital expenditures is part of capital expenditure accounting. This process is regulated by government accounting standards. Accounting activities for capital expenditures produce financial reports that can be used as a guide in preparing the following year's financial reports or as an assessment to produce better financial reports. Capital expenditure, as part of budget expenditure, includes aspects of acquiring fixed assets and other assets that provide benefits for more than one accounting period. The components of capital expenditure include expenditure on land, equipment and machinery, buildings and structures, roads, as well as fixed assets and other assets. The purpose of capital expenditure is to support regional government tasks, especially in the specific context for each Regional Work Unit (SKPD) within the government structure.

The importance of capital expenditure is recognized in Minister of Home Affairs Regulation no. 13 of 2006, which groups shopping into two main categories: Indirect Shopping and Direct Shopping. Direct Expenditure is expenditure that is directly related to programs and activities, while Indirect Expenditure has no direct connection to the implementation of programs or activities. In this context, capital expenditure is included in the direct expenditure category because it is directly connected to the implementation of regional government programs and activities. The importance of the capital expenditure accounting system in regional government is recognized, considering that capital expenditure budgeting not only has an impact on reducing regional cash, but also increases regional assets. Therefore, attention to a careful and structured accounting system is crucial, so that recording and reporting related to capital expenditure can be carried out transparently, accurately and in accordance with applicable accounting standards. (Permendagri, n.d.)

The Manado City Tourism Office Government Office is an institution that handles management matters in the Manado City tourism sector and carries out the tasks of formulating policies, implementing policies, implementing evaluations and reporting, implementing administration in accordance with its scope. The budget at the Manado City Tourism Office is a budget obtained based on Regional Revenue and Expenditures (APBD). The Manado City Tourism Office is facing problems with one organizational unit where recording procedures are still not optimal. In terms of capital expenditure reporting, office employees cannot complete tasks on time due to a lack of recording processes. To illustrate, employees at the Manado City Tourism Office spend quite a long time compiling financial reports, especially those related to capital expenditure, because the recording process is still manual. With current technological advances, recording capital expenditure has become easier with a data entry system. It is hoped that the implementation of this system will be a very useful tool and help Manado City Tourism Office employees prepare capital expenditure reports quickly, accurately and efficiently. This study will look at how capital expenditure accounting is implemented in the Manado City Tourism Office. Capital expenditure is government expenditure that can increase regional income as part of regional expenditure. According to Mohammed et al. (2015), one way of regional government spending is capital expenditure, which can increase fixed assets and generate profits in the long term.

Capital expenditure, according to Article 55 paragraph 2 of PP Number 12 of 2019, is budget expenditure to purchase fixed assets and other assets that provide benefits for more than one accounting period. Article 64 also states: 1. Capital expenditures mentioned in Article 56 paragraph 2 are used to budget expenditures related to the procurement of fixed assets and other assets, 2. Fixed assets referred to in paragraph 1 must meet the following requirements: (a) have useful period of more than 12 (twelve) months; (b) used in regional government activities; and (c) has a minimum limit for asset capitalization and 3. The minimum limit for asset capitalization as stated in paragraph 2 meets the criteria. Capital expenditure accounting is a system for recording every budget issued in the form of fixed assets or other assets that have benefits for more than one accounting period. Accounting is closely related to capital expenditures, where each budget issued for capital expenditures is a series of accounting recording processes.

LITERATURE REVIEW

Accountancy

Bookkeeping is somewhat related to the accounting system, but in fact bookkeeping is a work process that is not easy. This information is very useful in daily use, especially in business life. Proper and correct accounting allows management to better understand their company's finances. According to Puspita and Iskandar (2021), this allows them to plan future expenses strategically to maximize profits. According to Paul Grady, accounting is a collection of information and organizational activities in a systematic, authentic and original way by recording, classifying, processing, summarizing, analyzing and interpreting all transactions and events that occur in accounting, as well as financial characteristics. means leading as a report and being responsible for the mandate he receives.

Government Accounting

Government accounting is the application of government financial records to certain work units. In this type of accounting, many things are discussed, one of which is the recording of budget implementation owned by all public administration units. Meanwhile, according to Sadat (2020:9), government accounting can be interpreted as an activity providing services to provide government financial information based on the process of recording, classifying, summarizing government financial transactions and interpreting financial information. State

financial reports according to PP 71 of 2010 concerning state financial reporting standards are the accounting principles used in preparing and presenting state financial reports. Government accounting standards are prepared by the independent State Committee for Accounting Standards and established in government decrees after prior review by the Supreme Audit Office.

Capital Expenditures

In the view of Nauw and Riharjo (2021), capital expenditure is a process in the budget context that focuses on the acquisition of fixed assets and other assets that provide benefits for more than one accounting period. Its use is directed at supporting public services in accordance with appropriate demands. According to Suryana (2018), referring to Government Regulation (PP) no. 71 of 2010 concerning Government Accounting Standards, capital expenditure is defined as budget expenditure aimed at acquiring fixed assets and other assets that will be used in government operations for more than one accounting period. This includes the acquisition of assets such as land, buildings and structures, equipment, and intangible assets. Thus, capital expenditure is a form of government financial commitment to support sustainable government functions, ensure the sustainability of government wheels, and increase the capacity of public services in the longer term.

Government Regulation Number 12 of 2019

Capital expenditures are included in the regional expenditure category along with operational, unexpected and relocation costs, according to Article 55 PP Number 12 of 2019. Operational costs are defined as budget expenditures related to daily regional government activities that provide short-term benefits (Article 55 paragraph 2) (Tendean, Tinangon, and Datu 2021). Unexpected expenditure is intended to be allocated to the APBD for emergencies, including urgent needs that cannot be predicted in advance (Article 55(4)). Expenditures from a state government to another state government or to a village government may be considered transfer costs (§ 55 Para. 5). In addition, Article 55(3) stipulates that investments are household costs for purchasing fixed assets and other assets that are useful for more than one financial year.

The concept of APBD is linked to capital expenditure

The regional government financial system at the district/city level includes supervision and regulations that are integrated into a comprehensive framework, known as the Regional Revenue and Expenditure Budget (APBD). This APBD is determined through regional regulations and has a period of one year, starting from January 1 to December 31, as regulated by Law no. 17 of 2003 concerning State Finances, especially Article 17.

Republic of Indonesia Minister of Home Affairs Regulation Number 77 of 2020

Technical guidelines for Regional Financial Management are implemented in accordance with statutory provisions. Fixed assets are budgeted for capital expenditure at cost. The acquisition price is the purchase or construction price of the asset plus all expenditures related to the procurement/construction of the asset until the asset is ready for use. Capital expenditure on other assets is used to budget for fixed assets that do not meet the fixed asset criteria, and must be presented in other assets according to their carrying value.

Theoretical Framework

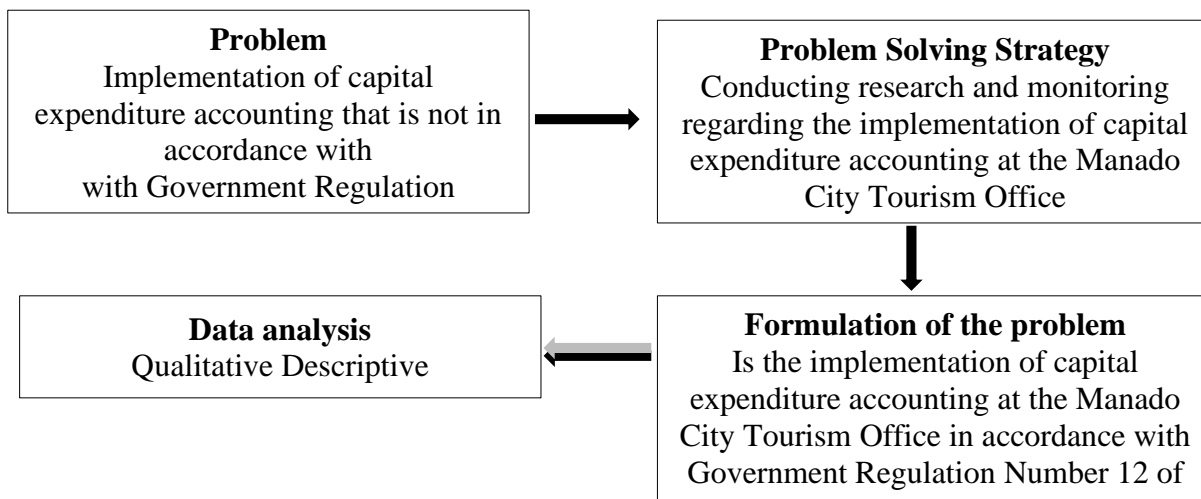


Figure 1 Framework of Thought

METHODOLOGY AND PROCEDURES

The research method applied in this study is a qualitative descriptive method. A qualitative descriptive approach is used to provide an in-depth description of the research object without involving a general analysis process or making generally applicable conclusions. In this research, the use of descriptive methods aims to provide an in-depth description of capital expenditure accounting practices at the Manado City Tourism Office. A qualitative approach allows a deeper and more interpretive understanding of the observed phenomena. The research was conducted at the Manado City Tourism Office located on Jl. Novena, Mega Mas Area, South Titiwungen, Sario District, Manado, North Sulawesi. The duration of the research lasted approximately 6 months. The data used involves two main aspects, namely qualitative data and quantitative data. Qualitative data is in the form of words, sentences, narratives and non-numerical data, while quantitative data is in the form of numbers or numbers. Secondary data was obtained from documents such as the 2022 Regional Revenue and Expenditure Budget Realization Report, while primary data was obtained through interviews with authorized informants at the Manado City Tourism Office.

The combination of secondary and primary data is expected to provide a comprehensive picture regarding capital expenditure accounting practices. Data collection was carried out through two main approaches, namely documentation and interviews. A documentation approach is used for secondary data, while an interview approach is used for primary data. The data analysis process was carried out using a qualitative descriptive method, where data from the 2022 Regional Revenue and Expenditure Budget Realization Report was analyzed in accordance with Government Regulation Number 12 of 2019. Data analysis was carried out by collecting, processing and evaluating information related to capital expenditure recording at the Department Manado City Tourism, then ends by concluding and providing recommendations based on the findings in the research.

RESULTS AND DISCUSSION

Descriptive The research results reflect the implementation of capital expenditure accounting carried out by the Manado City Tourism Office, with reference to Government Regulation Number 12 of 2019. Table 1, presents the 2022 Regional Revenue and Expenditure Budget Realization Report, which is the focus of analysis in identifying the extent of implementation of these regulations. This table provides a detailed overview of budget realization, especially in the capital expenditure sector related to tourism development initiatives and projects.

Table 4.1 Report on Realization of Regional Revenue and Expenditure Budget for Fiscal Year 2022

KODE REKENING	URAIAN	ANGGARAN	REALISASI			LEBIH / KURANG
			s/d PERIODE LALU	PERIODE INI	TOTAL	
5.1.02.02.05.0009	Belanja Sewa Bangunan Gedung Tempat Pertemuan	460.935.000,00	0,00	459.550.000,00	459.550.000,00	(1.385.000,00)
5.1.02.02.09	Belanja Jasa Konsultansi Non Konstruksi	250.000.000,00	0,00	224.822.250,00	224.822.250,00	(25.177.750,00)
5.1.02.02.09.0019	Belanja Jasa Konsultansi Layanan Kepariwisata-Jasa Konsultansi Penelitian Kepariwisata	75.000.000,00	0,00	75.000.000,00	75.000.000,00	0,00
5.1.02.02.09.0020	Belanja Jasa Konsultansi Layanan Kepariwisata-Jasa Konsultansi Perencanaan Kepariwisata	175.000.000,00	0,00	149.822.250,00	149.822.250,00	(25.177.750,00)
5.1.02.02.12	Belanja Kursus/Pelatihan, Sosialisasi, Bimbingan Teknis serta Pendidikan dan Pelatihan	4.810.000,00	0,00	0,00	0,00	(4.810.000,00)
5.1.02.02.12.0003	Belanja Bimbingan Teknis	4.810.000,00	0,00	0,00	0,00	(4.810.000,00)
5.1.02.03	Belanja Pemeliharaan	276.622.500,00	0,00	276.011.902,00	276.011.902,00	(610.598,00)
5.1.02.03.02	Belanja Pemeliharaan Peralatan dan Mesin	126.622.500,00	0,00	126.213.690,00	126.213.690,00	(408.810,00)
5.1.02.03.02.0022	Belanja Pemeliharaan Alat Besar-Alat Bantu- Electric Generating Set	15.850.000,00	0,00	15.850.000,00	15.850.000,00	0,00
5.1.02.03.02.0035	Belanja Pemeliharaan Alat Angkutan-Alat Angkutan Darat Bermotor-Kendaraan Dinas Bermotor Perorangan	59.800.000,00	0,00	59.799.790,00	59.799.790,00	(210,00)
5.1.02.03.02.0120	Belanja Pemeliharaan Alat Kantor dan Rumah Tangga-Alat Rumah Tangga-Alat Pembersih	7.292.500,00	0,00	7.074.900,00	7.074.900,00	(217.600,00)
5.1.02.03.02.0121	Belanja Pemeliharaan Alat Kantor dan Rumah Tangga-Alat Rumah Tangga-Alat Pendingin	6.100.000,00	0,00	6.085.000,00	6.085.000,00	(15.000,00)
5.1.02.03.02.0355	Belanja Pemeliharaan Alat Laboratorium- Peralatan Laboratorium Hydrodinamica- Peralatan Umum	9.100.000,00	0,00	9.000.000,00	9.000.000,00	(100.000,00)
5.1.02.03.02.0405	Belanja Pemeliharaan Komputer-Komputer Unit-Personal Computer	16.060.000,00	0,00	16.060.000,00	16.060.000,00	0,00
5.1.02.03.02.0411	Belanja Pemeliharaan Komputer-Peralatan Komputer-Peralatan Komputer Lainnya	12.420.000,00	0,00	12.344.000,00	12.344.000,00	(76.000,00)
5.1.02.03.03	Belanja Pemeliharaan Gedung dan Bangunan	150.000.000,00	0,00	149.798.212,00	149.798.212,00	(201.788,00)
5.1.02.03.03.0001	Belanja Pemeliharaan Bangunan Gedung- Bangunan Gedung Tempat Kerja-Bangunan Gedung Kantor	150.000.000,00	0,00	149.798.212,00	149.798.212,00	(201.788,00)
5.1.02.04	Belanja Perjalanan Dinas	346.484.000,00	0,00	342.202.352,00	342.202.352,00	(4.281.648,00)
5.1.02.04.01	Belanja Perjalanan Dinas Dalam Negeri	346.484.000,00	0,00	342.202.352,00	342.202.352,00	(4.281.648,00)
5.1.02.04.01.0001	Belanja Perjalanan Dinas Biasa	181.814.000,00	0,00	181.502.352,00	181.502.352,00	(311.648,00)
5.1.02.04.01.0003	Belanja Perjalanan Dinas Dalam Kota	164.670.000,00	0,00	160.700.000,00	160.700.000,00	(3.970.000,00)
5.2	BELANJA MODAL	3.529.580.000,00	0,00	3.425.572.000,00	3.425.572.000,00	(104.008.000,00)
5.2.02	Belanja Modal Peralatan dan Mesin	29.620.000,00	0,00	29.385.000,00	29.385.000,00	(235.000,00)
5.2.02.10	Belanja Modal Komputer	29.620.000,00	0,00	29.385.000,00	29.385.000,00	(235.000,00)
5.2.02.10.01	Belanja Modal Komputer Unit	5.500.000,00	0,00	5.400.000,00	5.400.000,00	(100.000,00)
5.2.02.10.01.0002	Belanja Modal Personal Computer	5.500.000,00	0,00	5.400.000,00	5.400.000,00	(100.000,00)
5.2.02.10.02	Belanja Modal Peralatan Komputer	24.120.000,00	0,00	23.985.000,00	23.985.000,00	(135.000,00)
5.2.02.10.02.0001	Belanja Modal Peralatan Mainframe	24.120.000,00	0,00	23.985.000,00	23.985.000,00	(135.000,00)
5.2.03	Belanja Modal Gedung dan Bangunan	3.499.960.000,00	0,00	3.396.187.000,00	3.396.187.000,00	(103.773.000,00)
5.2.03.01	Belanja Modal Bangunan Gedung	3.499.960.000,00	0,00	3.396.187.000,00	3.396.187.000,00	(103.773.000,00)
5.2.03.01.01	Belanja Modal Bangunan Gedung Tempat Kerja	3.499.960.000,00	0,00	3.396.187.000,00	3.396.187.000,00	(103.773.000,00)
5.2.03.01.01.0032	Belanja Modal Bangunan Fasilitas Umum	3.499.960.000,00	0,00	3.396.187.000,00	3.396.187.000,00	(103.773.000,00)
	SURPLUS / DEFISIT	(11.952.311.160,00)	0,00	(11.559.469.479,00)	(11.559.469.479,00)	392.841.681,00
	SISA LEBIH / KURANG PEMBIAYAAN TAHUN BERKENAAN	(11.952.311.160,00)	0,00	(11.559.469.479,00)	(11.559.469.479,00)	392.841.681,00

Source: Manado City Tourism Office, 2022

The capital expenditure section in table 1 shows a significant amount of budget allocation earmarked for investment in long-term assets. In this period, capital expenditure includes several categories, such as equipment and machinery, computers, and buildings and structures. The total capital expenditure allocation for this period reached a substantial amount, namely 3,529,580,000.00. First of all, capital expenditure for equipment and machinery was recorded at 29,620,000.00. This includes the procurement, care and maintenance of equipment used in the operations of the Manado City Tourism Office.

On the other hand, capital expenditure for buildings and structures reached 3,499,960,000.00, which includes the allocation of funds for construction, renovation and maintenance of buildings used by the Tourism Office. This component reflects efforts to improve infrastructure and facilities to support tourism activities in Manado City. Despite a surplus at the end of the period, the substantial capital expenditure allocation indicates a focus on long-term investment, which is expected to have a positive impact on the Tourism Department's ability to provide better services and infrastructure in the future. Further evaluation of the realization of capital expenditure per category can provide deeper insight into the effectiveness and suitability of budget allocations.

In the context of implementing capital expenditure accounting based on Government Regulation Number 12 of 2019 at the Manado City Tourism Office, it is important to evaluate the implementation of capital expenditure in accordance with the provisions stipulated in this regulation. This regulation harmonizes government accounting practices, especially in terms of planning, implementation and accountability for capital expenditure. In the budget analysis and realization of capital expenditure in the table above, it can be seen that there was a surplus of 104,008,000.00 in this period. To understand the application of capital expenditure accounting, it is necessary to pay close attention to each component of capital expenditure and the procedures applied in implementing these projects. Government Regulation Number 12 of 2019 establishes guidelines for regional financial management including capital expenditure to make it more effective and efficient. Careful monitoring of each stage of capital expenditure,

from planning, budgeting, implementation, to accountability is the key to good implementation. The surplus that occurs can be used as an evaluation point to re-evaluate budget allocations, project performance, and improve financial management. Within the established regulatory framework, there needs to be transparency and accountability in implementing capital expenditure projects.

With a surplus in the capital expenditure budget, the Manado City Tourism Office has the opportunity to direct the remaining funds to strategic projects that may not have been accommodated in the initial plan. The selection of these projects can be based on tourism development priorities, such as increasing destination attractiveness, tourism promotion, or training to improve tourism services. In addition, the Tourism Office can consider allocating surplus funds to strengthen destination management, including innovation in marketing and developing local tourism potential. Transparency in the use of surplus is also important, with clear information conveyed to stakeholders and the public. As a next step, continuous monitoring and evaluation of projects funded by this surplus will be key to ensuring that the funds are used effectively and provide a sustainable positive impact on the tourism development of Manado City.

Table 4.2 Comparison of PP No. 12 of 2019 and SAP with the Manado City Tourism Office

Comparison Category	PP No. 12 of 2019 and SAP	Manado City Tourism Department	Description (suitable/not suitable)
Criteria			
Procurement of Fixed Assets	a. Has a useful life of more than twelve months; b. Used for local operations; and c. Has minimal asset capitalization.	- Assets with a useful life of > 12 months - Assets used in local government activities - Minimum asset capitalization limit is met	In accordance
Report			
Report	Various parties who have an interest in the report can use it to make decisions	Various parties can benefit from the report and have decision-making goals.	In accordance
Category Breakdown			
Shop for Equipment and Machinery	Machinery, vehicles and electronic equipment, office inventory and other equipment	Machines and motor vehicles, electronic equipment, office inventory and other equipment are part of equipment and machinery shopping.	In accordance
Recording			
Recording	Accrual-based recording is carried out when transactions occur.	Accrual-based recording records costs at the time of the transaction	In accordance
Categorization			
Category	Purchases for land, equipment and machinery, buildings and structures, roads, irrigation and networks, and other fixed assets	There are six categories: expenditure on land, equipment and machinery, buildings and structures, roads, irrigation and networks, other fixed assets and additional	In accordance

Source: Processed data, 2024

The Manado City Tourism Office has succeeded in fulfilling the criteria set out in Government Regulation (PP) No. 12 of 2019 and the Government Accounting System (SAP) related to Capital Expenditures in 2022. First of all, in procuring fixed assets, this agency has ensured that the assets obtained have a useful life of more than 12 months, in accordance with the provisions that have been determined. These assets are also proven to be used in local government activities, reflecting the agency's success in ensuring optimal use of assets to support government functions. Furthermore, the Manado City Tourism Office has understood and implemented the principles of good reporting. The reports produced not only fulfill the department's internal needs, but can also be used by various interested parties to assist in decision making. This reflects transparency and accountability in the implementation of capital expenditure activities.

In breaking down shopping categories, especially spending on equipment and machinery, the Manado City Tourism Office has understood the scope to include machinery and motor vehicles, electronic equipment, office inventory and other equipment. This grouping makes it easier to monitor and evaluate the use of capital expenditure funds, while ensuring that the budget allocation is in line with the department's actual needs. The accrual-based recording implemented by this department also deserves appreciation. Shopping is recorded at the time the transaction occurs, which effectively reflects financial conditions in real-time. In this way, the department has accurate and up-to-date data to support the decision-making process.

The Manado City Tourism Office uses six categories of expenditure, namely land, equipment and machinery, buildings and structures, roads, irrigation and networks, other fixed assets, and others. This expenditure is also carried out in accordance with applicable regulations. Good categorization provides a clear picture of the allocation of capital expenditure funds, making it easier to monitor and evaluate performance. Thus, the overall implementation of capital expenditure by the Manado City Tourism Office in 2022 can be concluded as in accordance with the provisions regulated in PP No. 12 of 2019 and SAP. This success reflects the department's commitment to implementing good, transparent and accountable financial governance in supporting the development of the tourism sector in Manado City.

CONCLUSION AND SUGGESTION

The Manado City Tourism Office has succeeded in fulfilling the criteria set out in PP No. 12 of 2019 and SAP regarding Capital Expenditures in 2022. Procurement of fixed assets has been carried out according to standards, with assets that have a useful life of more than 12 months, are used in local government activities, and meet the minimum asset capitalization limits. The reporting process has proven to be transparent and informative, enabling various parties to make decisions based on accurate information. The breakdown of equipment and machinery spending categories is carried out carefully, including machinery, motor vehicles, electronic equipment, office inventory and other equipment. Accrual-based recording provides a real-time financial picture, while the categorization of expenditure into six categories provides clarity in the allocation of capital expenditure funds. With good implementation in all aspects, the Manado City Tourism Office shows a commitment to good, transparent and accountable financial governance. This success not only reflects a good understanding of applicable regulations, but also supports the sustainable development of the tourism sector in Manado City.

To increase the effectiveness of the use of capital expenditure, the Department is advised to improve the monitoring and evaluation system to ensure the efficiency and effectiveness of

capital expenditure management, as well as to identify potential deficiencies that may arise. In addition, providing regular training to relevant staff on the latest regulations and procedures in managing capital expenditure is also necessary to ensure in-depth understanding and proper implementation. In an effort to improve capital expenditure management, the Department is expected to build closer collaboration with related agencies. This collaboration will enable the exchange of information and experience regarding the implementation of capital expenditure, so that we can obtain best practices and a better understanding in financial management and capital expenditure. Apart from that, it is important for the Department to increase transparency in financial reporting and information related to capital expenditure to the public. By increasing transparency, the Department can build public trust and ensure accountability in public financial management. By implementing these suggestions, it is hoped that the Department can improve efficiency, accountability and quality of capital expenditure management and support sustainable development.

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