

Analysis of the Application of PSAK No.16 to Fixed Asset Accounting at PT. PLN Nusantara Power

PSAK No.16 to Fixed Asset Accounting at PT. PLN Nusantara Power

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Submitted:
1 OCTOBER 2023

Accepted:
21 NOVEMBER 2023

ABSTRACT

Fixed assets are one of the main aspects of the company's wealth with a large value which plays a role in providing and smoothing the company's operations and is expected to provide economic benefits in the long term. The purpose of this research is to determine the extent to which the company has implemented fixed asset accounting treatment in accordance with Statement of Financial Accounting Standards (Pernyataan Standar Akuntansi Keuangan/PSAK) No. 16 in the sustainability of company activities. The problem that occurs is the pricing policy for the acquisition of fixed assets, depreciation of fixed assets, treatment of recognition after acquisition of fixed assets, disposal and disclosure of fixed assets in the financial statements. The method used in this research is a qualitative method. This research highlights the importance of implementing PSAK No.16 to improve entity performance and compliance in recording and depreciating assets so as to improve accounting standards, and contribute to the development of accounting standards in updating or improving PSAK No.16. Thus, entities can manage their assets efficiently. The research results concluded that the company had carried out accounting activities based on the company's accounting policies which had led to the Statement of Financial Accounting Standards.

Keywords: Fixed Assets, Application, Accounting, Finance.

ABSTRAK

Aset tetap adalah salah satu aspek utama dari kekayaan perseroan yang nilainya besar yang berperan dalam menyediakan dan melancarkan operasional perusahaan dan diharapkan memberikan manfaat ekonomi dalam jangka waktu yang panjang. Tujuan penelitian ini adalah untuk mengetahui sejauh mana perusahaan telah menerapkan Perlakuan Akuntansi Aset Tetap sesuai dengan (PSAK) No. 16 dalam keberlangsungan aktivitas perusahaan. Permasalahan yang terjadi adalah terhadap kebijakan penetapan harga Perolehan Aset Tetap, Penyusutan Aset Tetap, Perlakuan terhadap Pengakuan Setelah Perolehan Aset Tetap, Pelepasan dan Pengungkapan Aset Tetap dalam laporan keuangannya. Adapun Metode yang digunakan pada penelitian ini ialah menggunakan Metode Kualitatif. Penelitian ini menyoroti tentang pentingnya penerapan PSAK No.16 untuk meningkatkan kinerja dan kepatuhan entitas dalam pencatatan serta Penyusutan Aset sehingga memperbaiki Standar Akuntansi, dan kontribusi terhadap pengembangan Standar Akuntansi dalam memperbaharui atau meningkatkan PSAK No. 16. Dengan demikian, entitas dapat mengelola aset mereka secara efisien. Hasil penelitian menyimpulkan bahwa perusahaan telah menjalankan kegiatan akuntansi berdasarkan kebijakan akuntansi perusahaan yang telah mengarah pada Pernyataan Standar Akuntansi Keuangan.

Kata kunci: Aset Tetap, Penerapan, Akuntansi, Finance.

JIAKES

Jurnal Ilmiah Akuntansi
Kesatuan
Vol. 11 No. 3, 2023
pp. 547-558
IBI Kesatuan
ISSN 2337 – 7852
E-ISSN 2721 – 3048

INTRODUCTION

Accounting is the science of recording, analyzing and communicating transactions or economic events of a business entity, which aims to produce and report financial information that is relevant for various interested parties in decision making (Rukmana, 2021). Therefore, accounting is a recording system or reporting process that provides important information about a company's economic conditions to other parties who have an interest in the operations and conditions of a company. Financial accounting is one branch of accounting that is concerned with the recording, summarizing, and reporting of transactions arising from a company's operational activities within a specific period (Ironkwe & Nwaiwu, 2018). The information generated by financial accounting is intended to provide a comprehensive understanding of a company's financial performance to key stakeholders. Primary users of financial accounting information include parties such as shareholders, creditors, financial analysts, and internal management of the company. Financial accounting plays a crucial role in presenting a clear and accurate picture of the financial condition and operational results of a company to stakeholders (Weygandt et al., 2018; Almagtome et al., 2020). Through financial accounting, external parties can obtain accurate and detailed information regarding the financial condition of a company. Through the recording, summarizing, and reporting of financial transactions, financial accounting provides a comprehensive overview of the financial performance of a company within a specific period. External stakeholders, such as investors, creditors, and financial analysts, can use the generated financial statements to make informed and strategic decisions. Thus, financial accounting not only creates transparency but also plays a key role in providing necessary insights to external parties regarding the stability and potential growth of the company (Chandrawardhani, 2022).

Fixed assets are one of the main aspects of the company's wealth with a large value which plays a role in providing and smoothing the company's operations and is expected to provide economic benefits in the long term (Aboody, 1999; Ruan, 2020). Therefore, when presenting fixed assets on the company's balance sheet, their fairness must be assessed. Companies invest large amounts of funds to acquire fixed assets (Gosavi, 2018). Due to the large amount of funds spent, fixed assets require in-depth management and attention in use and operation as well as in accounting treatment. Fixed asset accounting is very important for the accurate presentation of fixed asset financial reports. Inaccurate assessment of fixed assets will lead to fatal errors, because the investment value invested in fixed assets is very large (Arroyo et al., 2019). Considering the importance of asset accounting in the presentation of financial reports, its application must be in accordance with financial accounting standards. The financial accounting standard that applies to fixed assets is Statement of Financial Accounting Standards (*Pernyataan Standar Akuntansi Keuangan/PSAK*) No. 16 concerning Fixed Assets (Setianingtyas, 2018). Fixed assets are tangible assets held for use in the production or provision of goods or services, for rental to other parties, or for administrative purposes and are expected to be used for more than one period. Therefore, it is necessary to calculate the total value from procurement until it is ready for use at the location determined by the company and also regarding the calculations that occur while the fixed asset is in use until the asset is depreciated (Abdillah, 2021).

Matters relating to fixed assets, namely determining the value of fixed assets that will be recorded in the financial statements, whether obtained by purchasing, building them yourself, or being donated by another party. The value of these fixed assets must be depreciated every period by the company, so that it can reflect the condition of the assets, and this will give rise to depreciation expenses as a reduction in profits (Dutta & Reichelstein, 2002; Bushman et al., 2011). Additionally, another thing that can be of concern to the company is the costs incurred during the period of use of the company's fixed assets. Costs such as maintenance costs, repair costs, additional costs, or replacement costs for certain parts of a fixed asset. All expenditure estimates must be recorded based on the correct estimated position, so that the presentation in a company's financial statements will have an impact on the presentation of the company's balance

sheet (Brilianto & Efendi, 2021). The problem in this research is the pricing policy for acquisition of fixed assets, depreciation of fixed assets, treatment of recognition after acquisition of fixed assets, disposal and disclosure of fixed assets in the financial statements. appropriate policies for fixed assets because errors in fixed asset policies have a significant impact on financial statements. Research conducted by Salainti (2013) which discusses the evaluation of the implementation of fixed asset accounting which compares four measurement indicators, namely, recognition, acquisition, disposal and disclosure of fixed assets observed in the research is not specifically explained.

Depreciation of assets is an accounting process that can occur in various situations (Zadorozhnyi & Yasyshena, 2019; Barker et al., 2022). When a fixed asset reaches the end of its useful life and is no longer utilized in the company's operations, the company typically records the decrease in value by writing it off from the reporting. This action reflects that the asset has lost significant economic value. Furthermore, if a fixed asset experiences damage or a substantial decline in value, the company needs to acknowledge the loss in the financial statements and remove it from the report. Additionally, when a company sells a fixed asset, whether due to strategic decisions or financial needs, the asset's value is removed from the books, and the difference between the sale value and book value is recognized as a gain or loss in the financial statements. Ownership of a fixed asset is transferred to another entity, the process involves removing the asset from the original company's books and recording it in the books of the entity receiving the transfer. Every asset write-off must be executed in accordance with applicable accounting principles and tax regulations to ensure the company's financial statements remain accurate and comply with prevailing accounting standards.

RESEARCH METHOD

The research method used in this scientific paper is a qualitative method, because the main aim is to search for and collect various sources of information to provide an accurate picture of the company's situation and conduct an in-depth study of a phenomenon so that it can produce a study of a phenomenon. Qualitative method is a method of collecting data in the form of words or sentences. Qualitative data can be obtained from several data collection techniques, for example interviews, documentation, discussions and observations of an object or phenomenon. The data collection technique used in this research is primary data and secondary data. This qualitative approach provides researchers with the freedom to understand the company context holistically, explore in-depth insights, and produce more nuanced analyzes related to the phenomenon being investigated. Interviews provide an opportunity for researchers to obtain direct views from respondents regarding the phenomenon under study. Meanwhile, secondary data includes information obtained from written sources, company archives, and previous research studies. With a combination of primary and secondary data collection techniques, it is hoped that this scientific paper can make a significant contribution to the understanding and analysis of the company situation that is the focus of the research. The data obtained by the author directly through interviews and survey results, while secondary data is data obtained by the author from existing sources and studies from previous research.

RESULTS

Legal compliance and regulations ensure that companies comply with accounting standards and applicable rules. The general functions of accounting include the Statement of Financial Accounting Standards (*Pernyataan Standar Akuntansi Keuangan/PSAK*) and Interpretations of Financial Accounting Standards (*Interpretasi Standar Akuntansi Keuangan/ISAK*) issued by the Standards Board of the Indonesian Accountants Association (*Dewan Standar Ikatan Akuntan Indonesia/DSAK IAI*) and the Sharia Standards Board of the Indonesian Institute of Accountants (*Dewan Standar Syariah Ikatan Akuntan Indonesia/DSAS IAI*), and regulations from the capital market regulator for

entities under its supervision (Okioga, 2013). As of January 1, 2015, Indonesia broadly converged with the International Financial Reporting Standards (IFRS). Indonesian Accountants Association (*Ikatan Akuntan Indonesia/IAI*) successfully minimized the differences between the two standards from three years on January 1, 2012, to one year on January 1, 2015. This demonstrates Indonesia's commitment through IAI in playing its role as the only the Group of Twenty (G20) member in the Southeast Asian region.

Related to the general financial accounting standards since 2012, IAI has adopted standards from the IFRS, which are accounting standards used by European countries and serve as global standards (Indonesia, 2009). These standards are developed for organizations with public accountability. The use of these standards benefits users by enhancing the comparability of financial statements, providing high-quality information in the international capital market, eliminating barriers to international capital flows by reducing differences in financial reporting requirements, and reducing financial reporting costs for multinational entities and analysis costs for analysts (Lang & Stice-Lawrence, 2015). These standards must be applied to entities with public accountability, such as issuers, public entities, banking, insurance, and state-owned enterprises, with the purpose of providing relevant information to financial statement users. Indonesia adopted these standards in two stages, with the first stage effective on January 1, 2012, and the second stage effective on January 1, 2015. Financial statements according to these standards include the statement of financial position, statement of profit or loss, and other comprehensive income, statement of changes in equity, statement of cash flows, and notes to the financial statements (Bahri, 2020).

Financial Accounting Standards for Entities Without Public Accountability (*Standar Akuntansi Keuangan untuk Entitas Tanpa Akuntabilitas Publik/SAK ETAP*) were issued on 17 July 2009 and effective application in the preparation of financial reports began on or after 1 January 2011. Entities that are included in Entities Without Public Accountability (*Entitas Tanpa Akuntabilitas Publik/ETAP*), but choose to use Financial Accounting Standards (*Standar Akuntansi Keuangan/SAK*) in 2011, must continue to use financial accounting standards consistently. in subsequent periods. Entities that do not meet the criteria for entities without public accountability are required to apply SAK consistently and are not permitted to switch to SAK ETAP. SAK ETAP is used for entities that do not have significant public accountability and is used by entities that do not publish general purpose financial reports for external users.

Business entities that are classified as entities without public accountability, namely individuals, partnerships, firms, Commanditaire Vennootschap (CV), limited liability companies that do not have significant public accountability, and cooperatives. Entities that have significant public responsibilities can also use SAK ETAP if permitted by the regulator. Financial Accounting Standards for Micro, Small and Medium Entities (*Standar Akuntansi Keuangan untuk Entitas Mikro, Kecil, dan Menengah/SAK EMKM*) increase the enforcement of transparency and accountability in entity reporting (Uno et al., 2020; Widiastawati & Hambali, 2020). SAK EMKM is a simpler accounting standard compared to SAK ETAP because it regulates transactions commonly carried out by Micro, Small and Medium Entities (*Entitas Mikro, Kecil, dan Menengah/EMKM*). The measurement basis is purely historical cost so that EMKM simply records assets and liabilities at their cost. EMKM is an entity without significant public accountability, as defined in SAK ETAP that meets the definition and criteria of micro, small and medium enterprises as regulated in the applicable laws and regulations in Indonesia for at least 2 consecutive years. SAK EMKM can be used by entities that do not meet the definitions and criteria mentioned above if the authority permits the entity to prepare financial reports based on SAK EMKM (Ayudhi, 2020).

Therefore, a sharia financial report is a financial report prepared by a sharia entity to be used as a comparison either with previous financial reports or the financial reports of other sharia entities. The components of sharia financial reports consist of a balance sheet, profit and loss report, cash flow report, report on changes in equity, report on sources and use of zakat funds, report on sources and use of benevolent funds, as well as notes to

financial reports. Government Accounting Standards (*Standar Akuntansi Pemerintahan/SAP*) make changes to the pattern of government financial management in Indonesia (Utama,2021). SAP guarantees transparency, participation and accountability in state financial management in order to realize accountable and clean government. SAP is expressed in the form of a Statement of Government Accounting Standards (*Pernyataan Standar Akuntansi Pemerintahan/PSAP*) accompanied by an introduction to SAP and prepared referring to the Government Accounting Conceptual Framework (*Kerangka Konseptual Akuntansi Pemerintahan/KKAP*). Deo (2021) states that fixed assets are long-term assets or assets that are relatively permanent, owned and used by the company and not intended to be sold as part of normal operations. According to PSAK No. 16 of 2018, fixed assets are tangible assets held for use in the production or provision of goods or services for rental to other parties or for administrative purposes and are expected to be used for more than one period. PSAK No.16 is an official standard from the IAI which is applied as a guide for accountants in recording the value of fixed assets. This standard purpose to regulate the accounting treatment of fixed assets, so that users of financial statements can understand information regarding the entity's investment in fixed assets and changes in that investment. Thus, a conceptual framework is used to assist in building a theoretical foundation for organizing research ideas or further research. The following is an overview of the conceptual framework in this research which is based on the theoretical basis contained in this research.

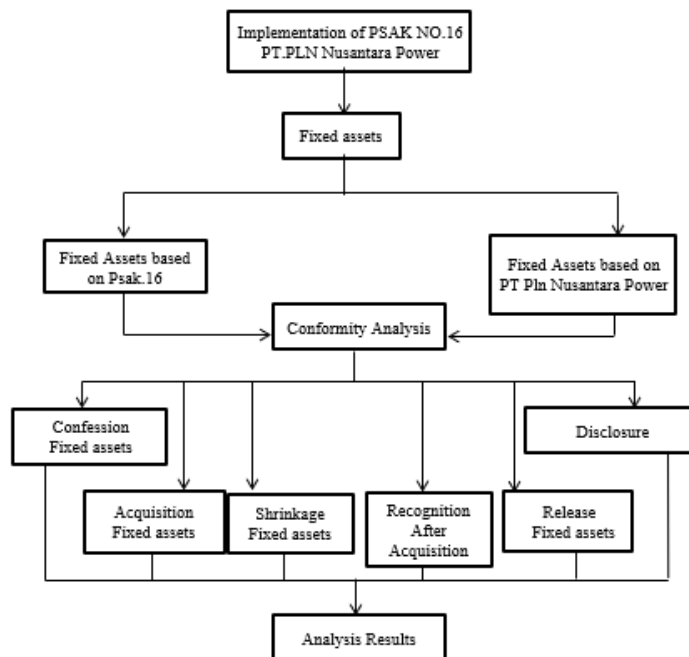


Figure 1. Conceptual Framework

Recognition of fixed assets refers to recording and recognizing the value of capital goods or assets owned by a company. In PSAK No. 16, the principle of recognizing the cost of acquiring a fixed asset is determined in two main criteria. First, the cost of acquiring a fixed asset is recognized as an asset only if there is a substantial probability that the entity will obtain future economic benefits from the utilization of the asset. Second, the cost of acquiring a fixed asset is recognized as an asset if the cost can be measured reliably (Wyatt, 2005). PT. PLN Nusantara Power provides a number code or card that is attached to each fixed asset, which aims to provide systematic recording of each fixed asset. Asset classes are stated at fair value less depreciation and impairment and if the land and land rights are substantially similar to the purchase of land, the company will apply PSAK No. 16. Fixed assets can be acquired in 4 (four) ways, namely purchasing, building it yourself, receiving donations, and exchanging assets. All methods of acquiring fixed assets are recorded at their acquisition price, except for fixed assets

obtained from donations which are recorded at their fair income value. All methods of acquiring fixed assets at PT. PLN Nusantara Power are in accordance with the statement of fixed asset financial accounting standards. Judging from the asset acquisition class, the recording is presented at fair value less depreciation and impairment. Except for land and land rights, their value does not depreciate. Fixed assets at PT. PLN Nusantara Power are depreciated to reach the estimated residual value using the straight-line method.

Table 1. Fixed Assets of PT. PLN Nusantara Power

Asset	Year
Public buildings and infrastructure	10-50 Years
Installations and generating machines.	12-40 Years
Transmission and distribution equipment	40 Years
Data processing and telecommunications equipment	10 years
General equipment	5 years
Vehicle	5 years
Main spare material	20-40 Years

The economic useful life of the residual value and the depreciation method of fixed assets are adjusted, if necessary, at least at the end of each financial year. The impact of any revision is recognized in profit or loss, when the change occurs. The carrying value of an asset is immediately reduced by the amount that can be recovered if the carrying value of the asset is greater than the estimated amount that can be recovered (Phillips et al., 2011; Corbet et al., 2019). In order for an asset to operate optimally and in accordance with the specified economic life, the asset requires repair or good maintenance so that the fixed assets owned are maintained and always in good condition. In which case there will be costs that must be incurred. These repair and maintenance costs are a burden on the budget (Deviandri et al., 2022). These costs incurred are recognized as expenses after acquiring the asset.

Repair and maintenance costs are charged to profit or loss. Other subsequent costs incurred to add, replace or repair fixed assets are recognized as costs of the asset if and only if it is probable that future economic benefits relating to the asset will flow to the entity and the cost of the asset can be measured reliably. In this case there are no deviations regarding expenditure after the acquisition of fixed assets at PT. PLN Nusantara Power because they are in accordance with the PSAK No. 16. PT. PLN Nusantara Power the acquisition value and accumulated depreciation of fixed assets will be released or written off from the balance sheet if the fixed assets have been disposed of and their use has ceased, namely by selling or auctioning, exchanging and giving away. The recorded value will be excluded from the fixed assets company. Gains or losses from the write-off of fixed assets are recognized in profit or loss. The policy for terminating and disposing of fixed assets at PT. PLN Nusantara Power is relevant to the fixed asset of PSAK No.16.

PT. PLN Nusantara Power, fixed assets that are no longer used in operations consist of fixed assets that will be written off and fixed assets that are being repaired. These fixed assets are depreciated using the straight-line method and based on the same estimated economic useful life as the fixed assets (Samara, 2010). Assets under construction are costs that are directly related to the construction of fixed assets. Assets under construction are stated at cost, including borrowing costs during the construction period from loans used for construction, depreciation costs for fixed assets used in construction work and testing costs when the assets can function after deducting electricity sales during the trial period. Assets under construction will be transferred to the respective fixed assets concerned when they are completed and ready for use. Depreciation begins when the asset is ready to be used for the purposes desired by management. The revalued asset is sold, the amount recorded in equity is transferred to retained earnings. The disclosure of fixed assets at PT. PLN Nusantara Power is in accordance with the statement of fixed asset PSAK No.16.

Table 2. Comparison of Accounting Recognition of Fixed Assets According to PSAK No. 16

PSAK No.16	PT. PLN NUSANTARA POWER	INFORMATION
According to PSAK No. 16, the cost of acquiring fixed assets can be recognized as fixed assets if and only if the entity can obtain long-term economic benefits in the future from the use of these assets.	There is sufficient certainty that the benefits from the fixed assets owned by PT. PLN Nusantara Power will flow to the entity in the future.	In accordance
Costs can be measured reliably. Therefore, the management of each company must be able to identify whether each asset owned can be recognized as a fixed asset or not.	Acquisition costs at PT. PLN Nusantara Power. All methods of acquiring fixed assets are recorded at their acquisition price, except for fixed assets obtained from donations which are recorded at their fair income value.	In accordance

The entity analyzes the facts and circumstances for each type of land and land rights in determining the accounting for each land and land rights so that it can accurately represent an underlying economic event or transaction (Panggabean, 2019). The land and rights to the land do not transfer control of the underlying asset to the entity, but rather transfer the right to use the underlying asset, the entity applies the accounting treatment of the transaction as a lease based on PSAK No. 73. Land and land rights substantially resemble land purchases. The company applies PSAK No. 16, fixed assets namely land and land rights are recognized at cost and are not depreciated.

Table 3. Comparison of Fixed Asset Acquisition according to PSAK No. 16

PSAK No.16	PT. PLN Nusantara Power	Information
The cost of acquiring a fixed asset consists of its purchase price, including import duties and non-refundable input VAT, and any costs that can be distributed directly in bringing the fixed asset to a condition that makes the asset capable of working for its intended use, any trade discounts and rebates are deducted from the purchase price.	The cost of purchasing a fixed asset recorded by PT. PLN Nusantara Power includes: Invoice price, transportation costs, installation costs, testing costs to ensure operational feasibility, other costs incurred to prepare assets so they are ready to be used according to management's intentions.	In accordance
For fixed assets obtained from installment purchases, the acquisition price may not include the interest element.	PT. PLN Nusantara Power, the interest element is excluded from the purchase price of fixed assets. Therefore, there is no interest element in the fixed asset acquisition cost component.	In accordance
The acquisition price of each fixed asset acquired jointly is based on a comparison of the fair value of each asset concerned	PT. PLN Nusantara Power will break down a purchase into several parts (one by one) so that it becomes smaller based on the fair value of each asset	In accordance

Fixed assets are initially recognized at cost which includes the acquisition price and any costs directly attributable to bringing the asset to the desired condition and location so that the asset is ready for use according to management's intentions. acquisition cost may also include the initial estimate of the costs of dismantling and moving fixed assets and restoration of the location of fixed assets, such obligations arise when the fixed assets are acquired or as a consequence of the use of fixed assets during a particular year for purposes other than to produce inventory during that year. All these costs will be recorded and accumulated as part of the cost of acquiring PT. PLN Nusantara Power's fixed assets.

Table 4. Comparison of Depreciation of Fixed Assets according to PSAK No. 16

PSAK No. 16	PT. PLN Nusantara Power	Information
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Each part of fixed assets that has an acquisition cost that is significant to the total cost of all fixed assets is depreciated separately.	Each fixed asset at PT. PLN Nusantara Power is depreciated separately based on its class.	In accordance
Depreciation expense for each period is recognized in profit or loss, unless the expense is included in the carrying amount of another asset.	Economic useful life, residual value and asset depreciation methods	In accordance
Various depreciation methods can be used to allocate the depreciable amount of an asset systematically over its useful life. These methods include the straight line method, declining balance method, and unit of production method.	Fixed assets at PT. PLN Nusantara Power are depreciated to reach the estimated residual value using the straight-line method.	In accordance

Depreciation of fixed assets at PT. PLN Nusantara Power is the process of recognizing the reduction in the value of these assets over time in the company's operational activities. PT. PLN, as a company that owns and manages electricity infrastructure, will have various fixed assets such as power plants, transmission networks, distribution facilities and other equipment used in its operations. PT. PLN Nusantara Power uses the straight-line depreciation method to deduct the value of fixed assets from their general ledger over their economic life. This depreciation is recorded in PT. PLN Nusantara Power's financial statements to reflect the reduction in the value of these assets over time. Fixed asset depreciation recording is carried out in accordance with applicable PSAK No. 16.

Table 5. Comparison of Recognition After Acquisition of Fixed Assets according to PSAK No. 16

PSAK No. 16	PT. PLN Nusantara Power	Information
Expenditures after the initial acquisition of a fixed asset that increase the operational efficiency and productive capacity of the fixed asset, and extend the useful life of the fixed asset are charged directly to the profit or loss statement.	Repair and maintenance expenses at PT. PLN Nusantara Power will experience a burden on the budget. These costs are recognized as expenses after acquisition. Maintenance and repair expenses are charged to profit or loss when incurred.	In accordance
Fixed assets need to be inspected and checked regularly to see if there are components that need to be replaced or repaired so that the fixed assets can operate sustainably. These maintenance costs are recognized in the carrying amount of fixed assets as a replacement if they meet the recognition criteria.	PT. PLN Nusantara Power carries out maintenance for each of its fixed assets on a regular basis so that the fixed assets can operate optimally and according to their economic useful life. Other subsequent costs incurred to add, replace or repair fixed assets are recognized as the cost of the asset if and only if it is probable that future economic benefits from the asset will flow to the entity and the cost of the asset can be measured reliably.	In accordance

Recognition after acquisition of fixed assets at PT. PLN Nusantara Power can cover various things, depending on the type of fixed assets owned and operational needs. After acquisition, there are costs associated with maintenance, repairs, replacement parts, technology updates, and routine maintenance, to maintain optimal performance of the power plants or other infrastructure they own. This expenditure is important to ensure fixed assets continue to function properly and provide the expected results throughout their economic life.

Table 6. Comparison of Fixed Asset Disposal According to PSAK No. 16

PSAK No.16	PT. PLN Nusantara Power	Information
PSAK 16 states, fixed assets that are discontinued upon disposal and when it is assessed that there are no longer any economic benefits that can be utilized from their use or disposal. When fixed assets are retired, they are included in profit or loss.	PT. PLN Nusantara Power the acquisition value and accumulated depreciation of fixed assets will be written off from the balance sheet if the fixed assets have been released and their use has ceased. Then the recorded value will be removed from the fixed assets company. Gains or losses from the write-off of fixed assets are recognized in profit or loss.	In accordance

Disposal of fixed assets can be done in many ways, such as the company selling the assets, renting them out, or donating them to other agencies.	The fixed assets have been released and their use has ceased, the company will dispose of the fixed assets, namely by selling or auctioning them off, exchanging them and giving them away.	In accordance
After being discontinued as an asset, the gain or loss resulting from the derecognition of the asset is determined at the income between the net disposal proceeds and the carrying amount of the related asset.	When a fixed asset is released from its useful life, the basis for the valuation is the lowest figure between the recorded amount and the net realizable value (settlement), namely the valuation of the asset in the amount of cash that can be obtained now by selling the asset in normal termination.	In accordance

PT. PLN Nusantara Power engages in the disposal of its fixed assets for three primary reasons. Physical reasons may prompt disposal, such as when assets become defective or damaged before reaching the end of their useful life, possibly due to events like fire, technical malfunctions, or accidents. Technological considerations may drive disposal, where although physical assets remain usable, the company opts for more cost-effective alternatives due to increased service and usage costs. Assets may be withdrawn from the fixed assets list because their economic useful life has expired. When disposing of an asset without cash receipts, the company recognizes a loss equal to the book value of the fixed asset. In cases where there is a residual value, the resulting profit or loss is determined by the difference between the acquisition price and the accumulated depreciation. This strategic approach to disposing of fixed assets aligns with effective cost management and ensures the company's operational efficiency and financial prudence.

Table 7. Comparison of Fixed Asset Disclosures According to PSAK No. 16

PSAK No.16	PT. PLN Nusantara Power	Information
The measurement basis used in determining the gross carrying amount.	Disclosed the basis of valuation used to determine the gross carrying amount and net value restated at the revalued value of fixed assets.	In accordance
Depreciation method used.	Listed in the fixed assets list. Fixed assets at PT. PLN Nusantara Power are depreciated using the straight-line method	In accordance
Useful life or depreciation rate used.	Economic benefits, residual value and depreciation methods are reviewed, if necessary, at least adjusted at the end of each financial year.	In accordance
Gross carrying amount and accumulated depreciation (summed with accumulated impairment losses) at the beginning and end of the period.	Assets that do not experience significant changes in fair value must be revalued at least every 3 (three) years.	In accordance
Reconcile the carrying amount at the beginning of the period.	The carrying value of an asset is immediately reduced by the amount that can be recovered if the carrying value of the asset is greater than the estimated amount that can be recovered.	In accordance

The results of research by Salainti (2013) at PT. PLN (Persero) Suluttenggo Area Manado, showed that the fixed asset accounting treatment applied was in accordance with PSAK No. 16. Companies apply historical cost as the basis for measuring their fixed assets (Maisaroh, 2020). The depreciation method used is the straight-line method for fixed assets for buildings and for other fixed assets the double declining balance method is used, except for land and land rights. There are differences in the results of research by Salainti (2013) shows that companies depreciate fixed assets using two methods, namely the straight-line method for fixed assets on buildings and for other fixed assets using the double declining balance method. Meanwhile, this research shows that the company shrank all classes of fixed assets using the straight-line method, except that land and land rights do not experience depreciation.

CONCLUSION

From the results of the research that has been carried out, the accounting treatment of fixed assets at PT. PLN Nusantara Power is in accordance with the Statement of Financial Accounting Standards (*Pernyataan Standar Akuntansi Keuangan/PSAK*) No. 16 for fixed assets in which the entity applies the acquisition price of fixed assets as a basic guide for measuring its fixed assets. The acquisition costs and accumulated depreciation of fixed assets at PT. PLN Nusantara Power will be written off from the balance sheet if the fixed assets have been disposed of and their use has ceased, namely by selling or auctioning, exchanging and giving away. The recorded value will be excluded from the fixed assets company. Gains or losses from the write-off of fixed assets are recognized in profit or loss. As for Depreciation of fixed assets, all fixed assets in the company have met the requirements for depreciation. Post-acquisition expenses are charged to profit or loss when incurred. Other subsequent costs incurred to add, replace or repair fixed assets are recognized as the cost of the asset if and only if it is probable that future economic benefits relating to the asset will flow to the entity and the cost of the asset can be measured reliably. In this case there are no deviations from PSAK No.16. The depreciation method used by PT. PLN Nusantara Power in principle has implemented all types of fixed assets consistently and does not deviate from the applicable financial accounting standards. The entity depreciates all types of fixed assets except land and land rights. In its implementation, PT. PLN Nusantara Power uses a uniform depreciation method for each type of fixed asset, namely using the Straight-Line method.

Fixed assets that are no longer used in operations consist of fixed assets that will be written off and fixed assets that are being repaired. These fixed assets are depreciated using the straight-line method and based on the same estimated economic useful life as the fixed assets. Assets under construction are costs that are directly related to the construction of fixed assets. Assets under construction are stated at cost, including borrowing costs during the construction period from loans used for construction, depreciation costs for fixed assets used in construction work and testing costs when the assets can function after deducting electricity sales during the trial period. The disclosure of fixed assets at PT. PLN Nusantara Power is in accordance with the statement of financial accounting standards. The implementation of fixed asset accounting treatment at PT. PLN Nusantara Power is quite effective in accordance with the criteria of PSAK No. 16. Supervision must continue to be maintained and enhanced. The implementation of fixed assets at PT. PLN Nusantara Power must also be carried out comprehensively and continuously to ensure optimal operational continuity and efficient asset management. This can also help companies in making strategic decisions related to their fixed assets.

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