



Analysis of debt settlement mechanisms to third party providers of goods and services at the District Government providing goods and services

Mohammad Rizki Aditya^{1*}, Mujahid², Abdul Samad A³

^{1,2,3}Program Magister Manajemen Fakultas Pascasarjana Universitas Fajar, Makassar

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ABSTRACT

This research aims to analyze the debt settlement mechanism to third party providers of goods and services as well as the supporting and inhibiting factors of the debt settlement mechanism to third party providers of goods and services. The approach that researchers used in this research was a qualitative approach with a descriptive research strategy. This research was carried out at the North Penajam Paser Regency Government from February to March 2025. The informants in this research were 5 (five) informants. The results of this research show that the mechanism that works in resolving debts from third parties providing goods and services is the process of proposing debt recognition from Regional Work Units, reconciling debt data, and carrying out debt reviews as debt recognition which will be budgeted for in the Amendment to the Regional Revenue and Expenditure Budget. In addition, the Review Results Report becomes a reference for the Regional Financial and Asset Agency to record in the Regional Government Financial Report. Debt settlement will be carried out if the work package owed has been stated and included in the sub-activities in the Amendment to the Regional Revenue and Expenditure Budget for the following year. The supporting factor in resolving debts to third party providers of goods and services is the existence of the Minutes of Debt Reconciliation as an initial reference in the process of resolving debts to third party providers of goods and services, while the inhibiting factor is the absence of regulations in the North Penajam Paser Regency Government at the level of regional head regulations that regulate debt management and the commitment of third parties together with regional work units in terms of completing the required documents for debt settlement.

Corresponding Author:

Mohammad Rizki Aditya

Program Magister Manajemen Fakultas Pascasarjana Universitas Fajar, Makassar

* muhammadrizkiaditya@gmail.com

INTRODUCTION

Goods and services are products that result from business processes, namely production and marketing. The main difference between goods and services is that goods are tangible, while services are not. The definition of goods is a physical product that can be seen, touched, held, and felt. Goods are the products of production that are sold to consumers. Examples of goods are food, drinks, clothing, and housing. While service is an activity carried out by one party for another, which is intangible, but provides satisfaction. Services are services or facilities provided to consumers. Examples of services are insurance, banking, transportation, health, entertainment, education, and recreation. In a goods and services activity, of course, there must be a provider who can later cooperate with the recipients of goods and services. A provider of goods and services is a business entity or individual that provides goods, services, or construction work under contract. Providers of goods and services are also known as business actors or PBJ actors. The provider of goods and services is responsible for the execution of the contract, the quality of goods or services, the accuracy of the quantity or volume, the timeliness of delivery, the accuracy of the place of delivery. In the

procurement of goods and services, Ministries/Institutions/Regional Apparatus select suppliers based on established procedures and in accordance with applicable regulations. Decree of the President of the Republic of Indonesia Number 80 of 2003 concerning guidelines for the implementation of government procurement of goods and services article 11 (eleven) requirements for providers of goods and services in the implementation of procurement are to comply with the provisions of laws and regulations to carry out business/activities as providers of goods/services, have expertise, experience, and technical and managerial ability to provide goods/services, are not under court supervision, bankruptcy, or its business activities are stopped, and/or the directors acting for and on behalf of the company are not currently undergoing criminal sanctions, legally have the capacity to sign contracts, as taxpayers fulfill the tax obligations of the last year, have experience in providing goods/services in the last 4 years, have the human resources, capital, equipment, and facilities needed in the procurement of goods/services, is not blacklisted and has a fixed and clear address and can be reached by post.

Procurement of goods and services is an activity to obtain goods or services needed by an agency or company. The process of procurement of goods and services starts from the planning of needs to the completion of all activities to obtain goods or services. Some of the basic principles of procurement of goods and services are efficient, effective, transparent, open, and competitive. Procurement of goods and services can be done through self-management or supplier selection. Procurement of goods and services can be divided into two, namely procurement of goods and services in the government sector and procurement of goods and services in the private sector. Procurement of government goods and services is an activity carried out by Ministries/Institutions/Regional Apparatus to obtain goods/services financed by the State Budget/Regional Budget. This activity includes the process from identifying needs to handing over work results. The procurement of government goods and services has an important role in national development, such as improving public services, increasing the use of domestic production, increasing the role of micro, small and medium enterprises. The types of government procurement of goods and services, based on Presidential Decree No. 16 of 2018, are Procurement of goods, construction work, consulting services, and other services. The procurement of government goods and services is one of the important aspects in the implementation of the state budget which aims to support public services and national development. Efficiency in the procurement process is key in ensuring that public funds are used optimally and according to needs.

Priatmoko, Suartini, Fuad & Machmud (2024) said that the state is obliged to provide welfare and justice for the general public as mandated by the constitution, one way of implementing these obligations through the development of public infrastructure needed by the community. In order to promote the development of both goods and services and public infrastructure, the state collaborates with third parties as providers of goods and services. The government buys goods and services to meet the increasing demand for goods and services. The procurement of goods and services begins with the purchase/sale of goods in the direct market (spot), then continues to purchase with payment terms by making explanatory documents (buyers and sellers) and finally purchase through the auction process. Sutedi (2012) said that the purchase of goods and services is essentially an effort by the user to obtain or realize the goods and services he wants by using certain methods and processes to reach an agreement on price, time and other agreements.

The government's obligation to pay for the work of goods and services is regulated in several ways, including payments are made based on work performance, payments are made in rupiah or other currencies according to contract agreements, payments can be made in cash, lump sum, or term, advance payments are made according to the amount stipulated in the contract, Budget users (PA) are authorized to make payments, However, it can be delegated to other appointed officials, the payment of the self-management contract is carried out in stages. It is explained in Government Regulation Number 12 of 2019 concerning Regional Financial Management Article 2 (two) Regional Finance includes regional obligations to organize local government affairs and pay third-party bills. The government in taking care of the interests of the people and carrying out the task of realizing the general welfare (Bestuurszorg), carries out various actions or deeds. Thus, actions in infrastructure development, goods and services procurement projects are inevitable. It is also inevitable that the government has limited capabilities, so sometimes it requires cooperation with the private sector in realizing this. The implementation of a government action in a cooperative relationship with the private sector gives rise to an agreement (contract). The importance of good relations between local governments and third parties providing goods and services is a reflection of the community that local governments have succeeded in carrying out their obligations in terms of economic development and improvement of public services in a region.

Debt, a word that is very familiar to the ears of the people and without realizing that the activity of debt has become a part of their daily life that is difficult to separate. They can owe goods and/or money to anyone around them they know, such as relatives, neighbors, merchants, banks, and so on. Judging from the reasons for debt, people also experience a development of thinking, from traditional thinking, namely being in debt because they do not have money or have money but the money is not enough to meet their needs/desires at once, to modern thinking, namely debt to maximize profits from business opportunities that

are expected to provide more benefits than the interest costs of the debt they bear.

Based on the Regulation of the Regent of North Penajam Paser Regency Number 23 of 2019 concerning the Second Amendment to the Accounting Policy of the Government of North Penajam Paser Regency in Accounting Policy No.17, obligations are presented based on the classification of the payment period, namely Short-Term Obligations, where an obligation is classified as a short-term obligation if it is expected to be paid (or matured) within 12 months from the date of reporting and the second is Liability Long-Term, i.e. an obligation is classified as a long-term obligation if its maturity is more than 12 months from the date of its reporting.

RESEARCH METHODS

The type of research used by the researcher is a descriptive type with Qualitative analysis. This research has a flow of problem-solving mechanisms that are researched by explaining the data obtained from literature observations and then processed and interpreted by providing conclusions. Theoretically, qualitative research is considered to make observations through wide field angles and look for patterns of relationships between concepts that have been previously determined. Research must use itself as an instrument, following cultural assumptions while following data. In an effort to achieve imaginary insights into the social world of informants, researchers are expected to be flexible and reflective but still manage distance Brannen (1997).

Meanwhile, in carrying out this research, the researcher uses a qualitative method because it examines the phenomenon that has occurred to get a flow in the process of debt settlement to a third party provider of goods and services where the researcher discusses one specific case, which can be in the form of individuals, groups, organizations, or events to understand in detail the related phenomena and look for supporting and inhibiting factors in a flow that has been running and find solutions for the existing problems. This case study is often used in psychological research, especially those related to the human brain. For the design of this research, the research used is qualitative with a narrative research strategy, where the researcher delves deeper into the mechanism of debt settlement to third party providers of goods and services in the government of North Penajam Paser Regency which is explained orally by the research subject by conducting interviews, conversations, and discussions. The researcher needs to understand the phenomenon or problem that occurs in the settlement of Debts to Third Parties Providers of Goods and Services and to describe the circumstances to be observed in the field in a more specific, transparent and in-depth manner. In addition, the researcher is part of the problem phenomenon that will be researched so that it can be an instrument in this research.

RESULTS OF RESEARCH AND DISCUSSION

Debt Settlement Mechanism to third parties providing goods and services to the North Penajam Paser Regency Government

This research has presented data on the process of the Debt Settlement Mechanism to Third Party Providers of Goods and Services in the North Penajam Paser Regency Government. Based on the results of interviews with informants, the researcher found the stages in the process of settling debts to third parties providing goods and services. Debt Settlement to Third Parties Providers of goods and services, is the obligation of the Regional Government to settle it.

Before the researcher explains the mechanism for settling debts to third parties providers of goods and services in North Penajam Paser Regency, it is necessary to first explain the causes of debt to third parties providing goods and services in North Penajam Paser Regency. The factors that cause this to happen are (1) the non-fulfillment of regional revenue and (2) the decline in regional revenue revenue, both from PAD and transfers to the regions as well as weak budget management mechanisms. This is in line with what happened to the North Maluku Provincial Government where there are weaknesses in control in terms of policies and procedures on goods and services expenditure and capital expenditure, namely there is no policy related to the delay in completing work that has passed the fiscal year (Djae, 2018). The delay in payment is recognized as a debt of the North Penajam Paser Regency Government to a third party recorded in the Regional Government Financial Statements (LKPD). The non-fulfillment of regional revenue occurs in several factors. Imprecision in projecting revenue causes the budget to be converted into a Spending plan. The occurrence of debt can be caused by factors such as the existence of certain contracts, goals, and policies. However, some of the factors that often hinder the debt payment process include inadequate document completeness, differences in amounts that arise, insufficient bank account balances, and lack of awareness in managing bill payments (Wanda, 2024). Furthermore, there are delays in debt payments related to government bureaucratic factors that are still convoluted. There needs to be a standard rule containing effective and efficient Standard Operating Procedures which regulate the duties and functions of debt administration from the beginning of proposal to completion. This is also conveyed by the payment of business debts must be carried out in accordance with applicable rules or in accordance with the SOPs that have been set, (Wilda, Fajriah and Ikhsan, 2023). Furthermore, what was conveyed again by (Wilda, Fajriah and Ikhsan, 2023) the company's

inability to meet debt payment obligations can cause a bottleneck in payments to vendors, where bills that should be paid within the stipulated time are delayed. The payment invoice document sent by the vendor is incorrect or incomplete. If the documents submitted by the vendor are incomplete, then the document verification and validation process will be hampered and delayed.

Debt in accounting is a financial obligation that must be paid by an entity. Debt can be in the form of cash, non-cash or goods borrowed by another party. Debt can occur due to unpaid bills. Debt to a third party must meet the criteria 1) to the contract/agreement for the procurement of goods and services 2) it is recognized when part/all of the procurement of goods/services has been in accordance with the contract/agreement based on the minutes of the progress of the work/handover but the payment has not been completed until the end of the fiscal year; and 3) there is a valid claim from a third party stated in the form of a billing letter (invoice) to the local government regarding the receipt of goods and services that have not been completed by the local government.

Debts to third parties are the obligations of the local government that must be resolved. Obligations recorded on the Financial Balance consist of two types, namely Long-Term Liabilities and Short-Term Liabilities. Third-party debt is classified as a short-term liability that is expected to be settled within 12 (twelve) months after the reporting date. Short-term liabilities can be categorized in the same way as current assets. Some short-term liabilities, such as government transfer debt or debt to employees, are part of the current assets that will absorb current assets in the next reporting year. Other short-term obligations are those that are due within 12 (twelve) months after the date of reporting. For example, loan interest, short-term debt from third parties, Third Term Debt Calculation (PFK), and the current portion of long-term debt. Debt to Third Parties is debt related to procurement transactions of goods and services that have been received but have not been paid until the end of the fiscal year.

The standard statement aims to regulate the accounting treatment of liabilities including the time of recognition, determination of recorded value, amortization, and loan costs charged to the obligation. The process can be described as follows:

Confession

The balance sheet must report 18 accounts, one of which is debt. In financial statements, debt is recognized when there are obligations arising from past transactions and allow the release of economic resources to complete these obligations (Tauhid, 2024). General purpose financial reporting should present recognized liabilities if it is likely that the expenditure of economic resources will be or has been made to meet existing obligations, and changes to such liabilities have reliably measurable settlement value. The process carried out at the North Penajam Paser Regency Government in terms of debt recognition starting from a proposal for debt recognition from the Regional Apparatus Work Unit related to a letter to the Regional Finance and Assets Agency. The application letter attaches the name of the work package, the name of the third party, and the value of the debt to be proposed and to be paid. The application letter is submitted through the E-Office application and via email from the Accounting Division Regional Finance and Assets Agency. The debt recognition application letter was addressed to the Head of Accounting of the Regional Finance and Assets Agency. According to Andriyana (2020), each debt must be recorded in its amount and written when the payment is made and must keep the promise when paying it. After the debt recognition request letter from the Regional Apparatus Work Unit has been received, the next process of the Accounting Division at the Regional Finance and Assets Agency will make a reply letter to the Regional Apparatus Work Unit regarding the invitation to Reconciliation of debt proposal data that has been sent previously. Failure to pay debts usually occurs due to a lack of supervision and evaluation of debt use (Maretnowati, 2024). The Accounting Division of the Regional Finance and Asset Agency plays a very important role in maintaining stability in the debt management of the Regional Government, namely by supervising and evaluating the use of debt and debt settlement. Debt supervision and evaluation is carried out in the form of reconciliation between SKPD related to Accounting of Regional Financial and Asset Agencies.

Measurement

Obligations are recorded at nominal value. Obligations in foreign currencies are described and expressed in rupiah. The elaboration of foreign currencies uses the central bank's central exchange rate on the balance sheet date. The nominal value of the obligation reflects the value of the government's obligations at the time the transaction first takes place as stated on the government bond. Subsequent economic flows, such as payment transactions, changes in valuation due to changes in foreign exchange rates, and other changes in other than changes in market value, are taken into account by adjusting the recorded value of the liability. The use of nominal value in assessing liabilities follows the characteristics of each post. According to Tauhid (2024) Debt is measured using the present value (present value) of the amount issued in the future. Debt is also measured by the recorded value, which is the amount of cash received or the amount of cash that must be issued in the context of the repayment of these obligations in the Financial Statements. Debt is recognized in an entity's financial statements when there are current liabilities that originate from past events and are

anticipated to cause future outflows of the entity's resources. So that in measuring the value of debt to third parties, the provider of goods and services must be based on the current value which can be seen in the current work progress which will later be converted to the value of financial realization in the form of debt value.

The results of the study were carried out Debt Reconciliation Mechanism which aims to measure the value of debt to be settled. The results of the Process Research conducted in the North Penajam Paser Regency Government asked for reconfirmation to the Regional Apparatus Work Unit regarding the cause of the debt, related to the completeness of the documents and finally related to the correctness of the debt value to be proposed. It is important to carry out reconciliation which will later be outlined in the reconciliation minutes. Reconciliation aims to harmonize or equalize the differences in data from two related things. Furthermore, the Minutes of Debt Reconciliation will be signed by both parties between representatives of the Regional Finance and Assets Agency and the relevant Regional Apparatus Work Unit. Sanggau Regent Regulation Number 37 of 2019 concerning Procedures for Paying Debts of the Sanggau Regency Government to Third Parties in the general provisions of Article 3 explains that debts to third parties must meet the following criteria: 1) Against Contracts/agreements for procurement of goods/services; 2) Recognized when part/all procurement of goods/services has been in accordance with the contract/agreement based on the minutes of the progress of the work/handover but the payment has not been completed until the end of the fiscal year; and 3) There is a valid claim from a third party stated in the form of a billing letter (invoice) to the Regional Government regarding the receipt of goods/services that have not been completed by the government. After there is an agreement regarding the completeness of the debt proposal document and the value of the debt that can be accounted for, the Accounting Division will make a review request to the Inspectorate, to conduct a review of the debt proposal of the debt proposer Regional Apparatus Work Unit. In this case, the researcher has seen that the Regional Finance and Assets Agency will propose a gradual review.

The first stage is a debt proposal whose complete documents are complete and it is ensured that the value of the proposal is appropriate. The second stage is debt proposals that at the time of reconciliation are still unable to meet the requirements for the completeness of debt proposal documents. The second stage of the review request will be carried out until all document validity requirements are complete. The proposed debt review to the inspectorate is carried out in stages so that there is no protracted delay in the proposal for debt whose documents are complete, so that the proposed review does not need to wait for other debt proposals whose complete documents cannot be fulfilled completely.

The request letter for review by the Regional Finance and Assets Agency will attach a list of Regional Apparatus Work Units that are ready for review. The Regional apparatus work unit as a debt proposer that is ready to be reviewed is the Regional apparatus Work Unit that has completed the requirements for debt proposal documents and payments. After the review proposal letter is received by the inspectorate, the Inspectorate will call the Regional Apparatus Work Unit registered in the letter. The process in conducting a review that the researcher has asked the Auditor at the inspectorate is to prove the completeness of the debt proposal documents one by one, whether it has been included in the Budget Implementation Document for the year and reconfirm the value of the proposed debt.

The auditor at the inspectorate will recalculate the value of the proposed debt submitted by calculating the progress of the work that has been carried out in the field. The auditor will compare the progress of the work and the financial progress that has been carried out, so that the value of the debt that will be repaid by the Regional Finance and Asset Agency will be found. Limitations and responsibilities in the implementation of reviews of Work Implementation Documents/ Payments on Agreements/Contracts/ Other Agreements that exceed the 2024 Fiscal Year are limited to testing the completeness of the work results documents in accordance with the documents contained in the contract and other supporting documents. Presentation and Disclosure

Government debt must be disclosed in detail in the form of a debt schedule list to provide better information to users. To improve the usefulness of the analysis, the information must be presented in the Notes to the Financial Statements. Debt recognition will be carried out jointly between the Inspectorate Auditor and the Regional Apparatus Work Unit before it can be disclosed and presented, so that the value of the debt to be presented as an obligation can be recognized as true and can be measured reliably. Tauhid (2024) Debt must be presented clearly and in detail in the entity's financial statements in accordance with the requirements of PSAK. Disclosure of relevant information regarding the debt, such as maturity periods, interest rates, payment conditions and other significant information must also be done to provide transparent information to stakeholders. According to Rohendi (2020) the elements of debt are: (1) In the financial statements, the debtor's passiva or obligations are written. (2) Is a sum of money or expressed in the amount of money. The sentence "or can be expressed in the amount of money", the author says, shows that the UUKPKPU means "debt" in a very broad sense. both directly and in the future; (3) As a result of the agreement of the parties or bound by law; (4) The debtor has an obligation to repay; (5) The existence of the right to demand for the rights of the Creditor

The results of the next research where the Inspectorate Review Report is submitted to the Regional Finance and Assets Agency and to the Regional Apparatus Work Unit of the debt proposer as the basis for the recognition of the debt which will be recorded in the Balance of Regional Government Financial Statements by the Accounting Division, and as a reference for re-budgeting on the Amendment of the Regional Revenue and Expenditure Budget by the Budget Division at the Regional Finance and Asset Agency. This is in accordance with the 77-year-old Permendagri 2020 where it is stated that in the context of the implementation of work/payment of other agreements/contracts/engagements in accordance with the provisions of laws and regulations in the relevant fiscal year that exceed the fiscal year, a review must be carried out first by APIP in accordance with laws and regulations. According to Slamet and Olivia (2021), to provide a guarantee of certainty in debt payments, debtors sometimes provide debt securities or debt acknowledgments to creditors. This debt recognition sometimes arises from the creditor's initiative whose purpose is to secure, so that the debtor can return his debt. However, it can also arise on the initiative of the debtor whose purpose is nothing more than an affirmation of the debtor regarding his debt. The results of the APIP review are one of the basis for local governments to budget in the changes to the regional regulations regarding the elaboration of the APBD.

Tauhid (2024) Debt must be presented clearly and in detail in the entity's financial statements in accordance with the requirements of PSAK. Disclosure of relevant information regarding the debt, such as maturity periods, interest rates, payment conditions and other significant information must also be done to provide transparent information to stakeholders. The debt of the North Penajam Paser Regency Government to a third party is presented on the financial balance sheet after going through the stages of the debt assessment process, and debt recognition. The debt presented can be presented quickly after a review by the inspectorate, presented in the Financial Statement Balance and re-budgeted in the Regional Budget and Expenditure Revenue Adjustment. Furthermore, the Treasury Division will make debt payments for the unpaid work package in the previous year where the work package had been contained in the Amendment to the Regional Revenue and Expenditure Budget. The settlement of debts to third parties providing goods and services to the North Penajam Paser Regency Government can be resolved by the process that the researcher describes based on the answers to the questions submitted. At this stage, the debt to a third party must first be recognized as true so that it can be recorded as an obligation of the Regional Government of North Penajam Paser Regency in the Financial Balance and will be re-budgeted at the Amendment of the Regional Revenue and Expenditure Budget so that it can be settled by the Regional Finance and Asset Agency. This is in line with the theory conveyed by Andriyana (2020), namely Each debt must be recorded in amount and written when the payment time is made and must keep the promise when paying it. The process of paying business debts must be carried out with precision and efficiency to ensure smooth operations and maintain good relations with vendors, Fajriah, Wilda, and Ikhsan (2023). There are several problems that can hinder other debt payment activities. These problems come from the supplier, such as incompleteness of documents that eventually cause res-schedule for debt payments to suppliers, and obstacles experienced by the internal supplier itself, Wanda, Aulia, and Yuliati (2024)

Supporting Factors and Inhibiting Debt Settlement to Third Party Providers of Goods and Services in the North Penajam Paser Regency Government

Based on the results of the research, supporting and inhibiting factors in debt settlement to third parties providing goods and services can be analyzed. The researcher has underlined a number of supporting and inhibiting factors, both internally and externally from the informants, the following are the results of the analysis that the researcher can convey:

Supporting Factors

Supporting factors are everything that helps facilitate the course of an activity or factors that facilitate the behavior of individuals or groups including skills, this factor includes availability, affordability of resources and a strong desire to achieve mutually agreed goals.

The supporting factor in the debt settlement mechanism to third parties providing goods and services can be seen from the amount of debt to the North Penajam Paser Regency Government which is decreasing due to the payment that has been made. In addition, cooperation between sectors and entities that is well established shows that debt settlement to third parties providers of goods and services is getting better from year to year. Entities that are in the process of settling debts to third parties providing goods and services are the Regional Finance and Assets Agency and the Inspectorate and the Regional Apparatus Work Unit that propose third-party debts providing goods and services.

Another factor is that synergy and the quality of debt data management which is quite good is very helpful in the debt settlement process to third parties providing goods and services to the North Penajam Paser Regency Government. The synergy between each Field in the Regional Finance and Asset Agency is quite well established and runs in accordance with the existing duties and main functions, especially in terms of the debt settlement process to third parties providing goods and services.

Another supporting factor in the debt settlement mechanism to third-party providers of goods and services is the existence of tiered verification on all entities so that errors in debt recognition, disclosure and recording can be minimized. Personnel at the Regional Finance and Asset Agency who have high integrity, competent who are experienced and experts in the field they work on and have a commitment to be able to settle local government debts. the existence of the Minutes of Debt Reconciliation which is the basis for the process of recording and acknowledging debts to third parties providing goods and services. The Minutes of Debt Reconciliation contain the name of the work package, the nominal debt to be proposed for payment and the name of a third party provider of goods and services who have carried out work in the North Penajam Paser Regency Government.

Another supporting factor is the existence of the Regional Government Information System and the Regional Financial Management Information System which makes it easier to obtain data and information related to the debt settlement process to third parties providing goods and services. And another supporting factor is the support from the East Kalimantan representative Financial Audit Agency which always monitors and assists in the debt settlement process to third parties providing goods and services.

And another supporting factor is the support of all Regional Apparatus Work Unit Leaders in the process of settling debts to third parties in the form of a commitment so that debts to third parties can be repaid immediately. In addition, the commitment to continue to improve the time of work that is not carried out at the end of the budget year is at risk that it will not be paid because the payment process period has exceeded the applicable rules.

Inhibiting Factors

Every work done by an individual or organization will face a process called obstacles, where with these obstacles an organization or individual will be better by evaluating and correcting all shortcomings that are obstacles. Obstacles or obstacles are things that are the cause or because only the goal or desire cannot be realized.

In addition to supporting factors in the process of settling debts to third parties providing goods and services, there are inhibiting factors that the researcher will convey. An inhibiting factor is a thing, condition, or cause that hinders, withholds, or prevents something from happening. Inhibiting factors can slow down or stop an activity. An inhibiting factor is a condition that affects the slowdown of an activity to run properly, this can be seen from the target or target that cannot be met along with deep obstacles in its implementation.

The first inhibiting factor is the absence of standard and detailed regulations in the process of debt management mechanisms or management in the Regional Government of North Penajam Paser Regency. Regulations can be in the form of a Circular Letter of the Regional Secretary or up to a Regional Head Regulation that regulates debt management. Regulation is an abstract concept of managing complex systems according to a set of rules and trends. In systems theory, this type of rule

exist in various fields of biology and society, (wikipedia). Debt management is a process of planning and managing debt which regulates the process of recognition, recording and settlement of debts. The stages and division of tasks are divided equally so that the debt payment process is easier. In addition, the changes made by the company are in recording debt payments by accountants who are replaced by Account Payable directly, thus these changes can make it easier and adjust the needs of each department to carry out debt payment transactions (Wanda, 2024). Based on the theory presented by Wanda in her research, it can be concluded that appropriate and detailed regulations must include stages and division of tasks that are in line with the main tasks of each entity so as to facilitate the debt payment process.

Another inhibiting factor is the lack of commitment of the Regional Apparatus Work Unit and third parties in completing debt payment requirements documents as the basis for debt recognition. The completeness of the documents in question is the completeness of the documents prepared in the process of submitting payment for work that has been completed, including the Work Order. In accordance with the Regulation of the Minister of Home Affairs Number 77 of 2020, the general provisions of letter O Request for payment stipulate that the Expenditure Treasurer/Assistant Expenditure Treasurer prepare the Goods and Services Procurement LS by referring to the minutes and procurement documents.

Furthermore, another inhibiting factor is the value of the debt proposal from the Regional Apparatus Work Unit which is not in accordance with the progress of work in the field, or the value of the debt proposal is different from the Payment Minutes document, so that this reason is the cause of the debt settlement process to slow down and cannot run on time.

Government Accounting Standard Number 09 concerning Liability Accounting states that if a contractor builds facilities or equipment in accordance with the specifications in the contract agreement with the government, the amount recorded must be based on the physical realization of the progress of the work in accordance with the minutes of the progress of the work

CONCLUSION

The debt settlement mechanism to third parties providers of goods and services has been running and implemented quite well through the process of Recognition, Measurement, Presentation and Disclosure

Supporting factors in debt settlement to third parties providing goods and services are cooperation between entities that are well established, synergy between each field in the Regional Finance and Asset Agency that runs quite well, personal or human resources who are competent in their fields, the existence of debt reconciliation outlined in the minutes of the event, an integrated financial information system and the support of the Regional Apparatus Work Unit Leaders that are quite good. Meanwhile, the inhibiting factor is the lack of standard and detailed regulations in North Penajam Paser Regency and the lack of commitment from third parties to the completeness of documents as payment requirements.

SUGGESTION

In order to immediately make regulations equivalent to the Regent Regulation that regulate in detail the process of debt recognition, debt recording to debt settlement which regulates the requirements for the completeness of documents, duties and functions of debt management entities which will later become a reference in the debt settlement process to third party providers of goods and services.

Socialization activities related to the debt settlement process to third parties providing goods and services that invite service providers and all Financial Management Officers of the Regional Apparatus Work Unit so that third parties who provide goods and services better understand the completeness of what documents need to be prepared in the debt settlement process. And directions were given to all Regional Apparatus Work Units to establish good cooperation with goods and service providers in order to create a joint commitment related to debt settlement.

During the implementation of debt reconciliation, the Regional Finance and Assets Agency requires the Regional Apparatus Work Unit to bring all documents for the completion of debt settlement payments so that at the time of review there are no more problems related to documents that do not exist.

For the Regional Apparatus Work Unit to carefully consider the value of the debt to be proposed by conducting a physical check of the work in the field.

For the next researcher, to be able to research not only related to the debt settlement process of third-party providers of goods and services that are included in short-term liabilities, but also related to loan debts to non-bank institutions that are included in long-term liabilities.

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