Strengthening Financial Accountability and Tax Compliance Through the Preparation of Consolidated Financial Statements under Private Entity Accounting Standards: A Case Study of a Leading Cooperative in Gianyar

I Nyoman Darmayasa[1]*, I Putu Andika Pratama[1],
I Made Bagiada[1], Dewa Ayu Eny Wulandari[1], and I Made Arjawa Paramartha[1]

[1] Accounting Department, Politeknik Negeri Bali, Bali, Indonesia
nyomandarmayasa@pnb.ac.id

Abstract. This Community Service Program, conducted by the Department of Accounting, Politeknik Negeri Bali, aims to enhance the competence of financial statement preparation and financial management within leading cooperatives. This program is motivated by the development of accounting standards and regulatory requirements that demand cooperatives prepare financial statements that are accountable, transparent, and in compliance with applicable regulations. The method used in this program is an integrated mentoring approach that combines the improvement of technical accounting skills with the preparation of financial statements based on the Financial Accounting Standards for Private Entities. This activity involved at least 15 members of leading cooperatives who actively participated in cooperative member schools coordinated by Koperasi Jujur Utama Mandiri. The program also involved students as a form of technology and knowledge transfer to the community, as well as the implementation of an impact-oriented curriculum that encouraged the active involvement of higher-education institutions in strengthening cooperative institutional capacity. The results of the mentoring program revealed three main findings: First, the implementation of accounting standards applicable in 2025 presents challenges for cooperatives in determining the recognition of effective interest revenue and appropriate calculation of post-employment benefits liability. Second, the issuance of Government Regulation No. 20 Year 2026 requires leading cooperatives to make various adjustments in governance and financial reporting practices. Third, the mentoring activities successfully improved the participants' understanding of financial statement preparation in accordance with applicable standards and enhanced their readiness to respond to regulatory changes.

Keywords: Financial Accountability, Financial Accounting Standards for Private Entities, Financial Statements, Leading Cooperatives, Mentoring

1 Introduction

Cooperatives constitute one of the main pillars of Indonesia's national economic development, serving not only as economic institutions but also as vehicles for community empowerment, improving members' welfare, and strengthening community-based economic development. In recent years, the government has

© The Author(s) 2026
W. G. S. Parwita et al. (eds.), *Proceedings of the International Conference on Sustainable Green Tourism Applied Science - Social Applied Science 2026 (ICoSTAS-SAS 2026)*, Advances in Social Science, Education and Humanities Research 1041,
https://doi.org/10.2991/978-94-6239-809-2_42

promoted the development of *driving cooperatives* as an institutional model expected to exemplify good governance, transparent financial management, and sustainable business development (Darmayasa et al., 2024; Utthavi et al., 2024).

Therefore, strengthening the institutional capacity of cooperatives has become a crucial priority to enable them to adapt to the evolving accounting standards and regulatory changes (Setyastrini, et al 2023). One of the key indicators of good cooperative governance is the implementation of an accountable and transparent financial reporting system. Financial statements not only serve as a form of accountability to cooperative members but also provide an essential basis for managerial decision-making, performance evaluation, and business development planning. Reliable financial information enhances the confidence of various stakeholders, including members, creditors, government institutions, and the public

The development of accounting standards in Indonesia has brought significant changes to financial reporting practices, including those applied by cooperatives. The implementation of the Financial Accounting Standards for Private Entities (Standar Akuntansi Keuangan Entitas Privat-SAK EP) requires every entity to prepare financial statements that possess the qualitative characteristics of relevance, reliability, comparability, and understandability (Lasmini et al., 2025). The standard also emphasizes the importance of presenting financial statements that faithfully reflect the economic substance of each transaction, thereby providing higher-quality information for users of financial statements (Sukarta et al., 2024). Nevertheless, the implementation of SAK EP remains a major challenge for many cooperatives, particularly those with limited human resources in the field of accounting. (Darmayasa, 2019) Many cooperative managers continue to experience difficulties in understanding the recognition, measurement, recording, and presentation of financial transactions in accordance with the applicable accounting standards. In practice, financial statements are often prepared based on administrative routines rather than accounting principles, resulting in reports that do not fully comply with the prescribed accounting standards (Setyastrini et al., 2024).

In addition to the development of accounting standards, cooperatives must also respond to the dynamic regulatory environment governing institutional governance, financial reporting, and taxation. These regulatory changes require cooperatives to continuously adjust their administrative systems and reporting mechanisms to remain compliant with prevailing regulations (Suardita et al., 2024). A sound understanding of regulatory requirements is therefore essential to promote legal compliance while enhancing the institutional credibility of cooperatives (Suardita et al., 2023). Taxation also represents an integral component of cooperative financial management (Suprapto et al., 2025). Although cooperatives primarily aim to improve members' welfare, their business activities remain subject to tax obligations under applicable laws and regulations. Consequently, improving competencies in financial statement preparation should be accompanied by a thorough understanding of tax administration to ensure that cooperatives are able to fulfill their tax obligations accurately, systematically, and accountably (Utthavi et al., 2024).

Higher education institutions play a strategic role in strengthening the institutional capacity of cooperatives through Community Service programs as part of the implementation of the *Tri Dharma* of Higher Education (Pratama et al., 2025). Through mentoring activities, universities not only transfer academic knowledge to the community but also assist in addressing the practical challenges encountered by their community partners. The involvement of students in these activities also provides

valuable practice-based learning experiences while strengthening the synergy between academia and the wider community.

Based on these circumstances, the Department of Accounting at Politeknik Negeri Bali implemented a Community Service program in the form of an integrated mentoring initiative for driving cooperatives coordinated by the Honest Main Independent Savings and Loan Cooperative (Koperasi Simpan Pinjam Jujur Utama Mandiri) in Gianyar Regency. The program focused on enhancing participants' competencies in preparing financial statements in accordance with SAK-EP, strengthening financial administration, improving understanding of recent regulatory developments, and increasing awareness of taxation aspects related to cooperative business activities. The mentoring approach combined lectures with hands-on practice and interactive discussions based on the actual challenges encountered by the participants.

This article aims to describe the implementation of the mentoring program, identify the various challenges encountered by driving cooperatives in implementing SAK-EP and adapting to regulatory developments, and explain the contribution of higher education institutions in strengthening cooperative financial governance. The findings of this community service program are expected to serve as a reference for the implementation of similar community engagement initiatives and to support continuous efforts to strengthen the institutional capacity of cooperatives.

2 Methodology

This community service program employed an integrated mentoring approach to strengthen the financial reporting competence and financial management capacity of driving cooperatives. The program was conducted through a collaborative partnership between the Department of Accounting, Politeknik Negeri Bali, and Koperasi Simpan Pinjam Jujur Utama Mandiri, Gianyar, Bali. The participants consisted of at least fifteen representatives of driving cooperatives who were actively involved in financial administration and reporting. Lecturers served as facilitators and mentors, while accounting students participated as assistants in delivering technical guidance and supporting knowledge transfer as part of an impact-oriented higher education curriculum.

The mentoring program was implemented in four stages. The first stage involved a preliminary assessment to identify participants' understanding of financial reporting practices and challenges in implementing the Financial Accounting Standards for Private Entities (SAK-EP) and complying with current cooperative regulations (Darmayasa & Aneswari, 2015). The second stage consisted of technical training covering the preparation of financial statements based on SAK-EP, accounting treatment for cooperative financial transactions, and taxation aspects relevant to cooperative operations. During the third stage, participants engaged in guided practice and interactive discussions using representative cooperative cases to improve their practical understanding of financial statement preparation and regulatory compliance. The final stage focused on evaluation through observations, discussions, and participant feedback to assess improvements in understanding and readiness to apply the knowledge in their respective cooperatives.

The mentoring activities adopted a participatory approach that encouraged active collaboration between facilitators and participants throughout the learning process. This approach enabled participants to discuss practical challenges, receive immediate technical assistance, and develop appropriate solutions for improving financial

reporting practices. The overall implementation emphasized sustainable capacity building by integrating academic expertise, practical application, and institutional collaboration to support transparent, accountable, and standardized financial governance within driving cooperatives.

3 Result and Discussion

3.1 Result

The Community Service program was carried out through a collaboration between the Department of Accounting, Politeknik Negeri Bali, and Koperasi Simpan Pinjam Jujur Utama Mandiri, which coordinated the participation of 30 (thirty)driving cooperatives in Gianyar Regency. The program involved cooperative board members, managers, treasurers, and administrative staff who were responsible for financial management and the preparation of financial statements at their respective cooperatives. The activities began with training on the preparation of financial statements in accordance with the Financial Accounting Standards for Private Entities (Standar Akuntansi Keuangan Entitas Privat/SAK EP), financial administration, and recent regulatory developments related to cooperative governance. The program was subsequently followed by interactive discussions and technical mentoring sessions designed to identify and address the practical challenges encountered by participants in financial management and the preparation of cooperative financial statements.

The mentoring activities revealed that the implementation of SAK-EP remains a significant challenge for many driving cooperatives. Although participants understood the importance of preparing financial statements in accordance with the applicable standards, they continued to encounter difficulties in the recognition of effective interest, the measurement of financing transactions, the allocation of interest expenses, and the classification of accounts. In addition, several cooperatives still prepared their financial statements based on long-established administrative practices rather than fully complying with the requirements of SAK-EP. Differences in the educational background and professional experience of cooperative managers also influenced their level of understanding, indicating that the implementation of the accounting standards requires continuous mentoring and capacity building.

The mentoring program also highlighted the need to strengthen participants' understanding of recent regulatory developments related to cooperative governance. Through discussions and consultations, participants gained a better understanding of the importance of aligning administrative systems, documentation, and financial reporting practices with the prevailing regulations to ensure legal compliance and enhance the institutional credibility of cooperatives. Overall, the program successfully improved participants' understanding of SAK-EP based financial reporting, financial administration, and regulatory compliance. Participants demonstrated greater ability to identify appropriate accounting treatments, increased confidence in preparing financial statements, and a better understanding of the relationship between financial reporting, regulatory compliance, and good cooperative governance. Furthermore, the program strengthened the partnership between Politeknik Negeri Bali and Koperasi Simpan Pinjam Jujur Utama Mandiri in supporting the sustainable development of cooperative institutional capacity.

3.2 Discussion

The mentoring program demonstrated that enhancing human resource competencies is a key factor in improving the quality of cooperative financial management. Although most participants had prior experience in financial administration, the implementation of the Financial Accounting Standards for Private Entities (Standar Akuntansi Keuangan Entitas Privat (SAK-EP)) remained challenging due to changes in the recognition, measurement, and presentation of financial transactions. This finding indicates that the preparation of financial statements requires not only administrative knowledge but also technical competence in applying the applicable accounting standards. The integrated mentoring approach provided participants with opportunities to understand the materials through hands-on practice and discussions of practical issues encountered in their respective cooperatives. This approach proved to be more effective than conventional one-way lectures, as participants were able to obtain solutions tailored to their actual circumstances. The interactions throughout the program also encouraged the exchange of experiences among participants, making the learning process more contextual and practice-oriented.

In addition to improving technical competencies, the program strengthened participants' understanding of the importance of transparent, accountable, and regulation-compliant financial governance. Financial statements prepared in accordance with accounting standards serve not only as a means of accountability to cooperative members but also as an essential basis for decision-making, performance evaluation, and business development planning. Therefore, the implementation of SAK-EP should be viewed as a strategic effort to improve the overall quality of cooperative governance. The findings also revealed that ongoing regulatory developments in the cooperative sector require cooperatives to continuously adjust their administrative systems and financial reporting practices. The ability of cooperatives to adapt to regulatory changes represents an important indicator of their institutional readiness to respond to the evolving business environment. In this context, the mentoring program served as a medium for enhancing participants' understanding of regulatory changes affecting cooperative governance, thereby enabling them to implement the necessary adjustments more effectively.

The involvement of lecturers and students added significant value to the mentoring process. This collaboration not only supported the implementation of the "Tri Dharma Perguruan Tinggi" but also strengthened the relationship between higher education institutions and the community through knowledge transfer and the practical application of academic expertise. For students, the program provided valuable opportunities to develop professional competencies and communication skills, while for cooperatives, it offered continuous access to academic guidance and technical assistance. Overall, the mentoring program demonstrated that strengthening cooperative capacity cannot be achieved through short-term training alone but requires continuous capacity-building efforts. Synergy among higher education institutions, cooperatives, and other stakeholders is essential for promoting more professional financial management, improving compliance with accounting standards and regulations, and strengthening the long-term sustainability of cooperative institutions.

The program also has important practical implications for driving cooperatives by improving the quality of financial management through the implementation of SAK-EP, strengthening financial administration, and enhancing preparedness for regulatory developments. For higher education institutions, the program represents an implementation of the "Tri Dharma Perguruan Tinggi" that strengthens collaboration

with the community through knowledge transfer and continuous mentoring. Furthermore, the integrated mentoring model can be replicated by other cooperatives facing similar challenges in financial reporting and institutional governance.

One of the primary outcomes of this Community Service program was the improved understanding of participants regarding the preparation of financial statements in accordance with SAK-EP, cooperative financial administration, and the importance of complying with current regulations. Through the mentoring process, participants acquired knowledge and practical skills that can be directly applied to cooperative financial management, thereby contributing to the preparation of higher-quality financial statements. In addition to enhancing human resource capacity, the program strengthened the partnership between the Department of Accounting, Politeknik Negeri Bali, and Koperasi Simpan Pinjam Jujur Utama Mandiri as the implementing partner. This collaboration creates opportunities for continuous mentoring through technical consultations, advanced training, and evaluations of the implementation of financial reporting in accordance with the applicable accounting standards.

Program sustainability is essential to ensure that the knowledge acquired by participants can be consistently implemented in cooperative operations. Therefore, a shared commitment among higher education institutions, cooperatives, and other stakeholders is required to continue institutional capacity development. Continuous mentoring is expected to support the establishment of more professional, transparent, accountable, and adaptive cooperative governance in response to evolving accounting standards and regulatory developments. Based on the program outcomes, similar mentoring initiatives should be implemented on a continuous basis to further improve the competencies of cooperative managers in preparing financial statements in accordance with SAK-EP. Future mentoring should not only focus on financial reporting but also cover the strengthening of administrative systems, the utilization of technology in financial management, enhancement of taxation knowledge, and adaptation to regulatory developments in the cooperative sector. Moreover, collaboration among higher education institutions, cooperatives, and relevant government agencies should be further strengthened to establish a sustainable capacity-building system that enables cooperatives to implement more professional, transparent, and accountable governance.

As a key output of the mentoring program, consolidated financial statements were prepared based on the financial data of the participating cooperatives. The process included data collection, account classification, transaction recording, and financial statement preparation in accordance with SAK EP. The mentoring team provided technical guidance to ensure the accuracy and consistency of the financial data. The resulting consolidated financial statements served as a tangible output of the program and can support cooperative financial evaluation and decision-making.

The implementation of the mentoring program had a positive impact on improving the capacity of cooperative managers to understand financial statement preparation in accordance with SAK-EP and the importance of sound financial governance. In addition to acquiring technical accounting knowledge, participants developed a better understanding of the relationship between financial reporting quality, regulatory compliance, and the long-term sustainability of cooperative institutions. The program also strengthened the partnership between the Department of Accounting, Politeknik Negeri Bali, and Koperasi Simpan Pinjam Jujur Utama Mandiri, providing a strong foundation for the continuation of similar mentoring initiatives in the future.

This Community Service program has several limitations that should be considered when interpreting its outcomes. First, the program involved 30 driving cooperatives in

Gianyar Regency, and therefore the findings may not fully represent the conditions of all cooperatives in Bali or other regions. Second, the duration of the training and technical mentoring was relatively limited, which restricted the opportunity for participants to receive more intensive and continuous assistance in implementing the Financial Accounting Standards for Private Entities (SAK EP). Third, the level of understanding and accounting competence among participants varied, which resulted in differences in their ability to apply the materials provided during the program. Finally, the evaluation primarily focused on the participants' understanding and ability during the training and mentoring activities; therefore, the long-term impact of the program on the quality and consistency of cooperative financial reporting could not be fully assessed. Future Community Service programs are recommended to involve a broader range of cooperatives, provide longer-term mentoring, and conduct follow-up evaluations to assess the sustainability of the improvements achieved.

4 Conclusion

The integrated mentoring program successfully enhanced the capacity of driving cooperatives in preparing financial statements based on the Financial Accounting Standards for Private Entities (SAK-EP) and strengthened their understanding of financial management and regulatory compliance. The program identified several practical challenges in implementing accounting standards, particularly in the recognition and measurement of financial transactions, highlighting the need for continuous technical assistance and capacity building.

The participatory mentoring approach, which combined technical training, practical exercises, and interactive discussions, proved effective in improving participants' understanding of standardized financial reporting and increasing their readiness to respond to regulatory developments affecting cooperative governance. Furthermore, the collaboration between Politeknik Negeri Bali, students, and Koperasi Simpan Pinjam Jujur Utama Mandiri demonstrated the important role of higher education institutions in supporting community empowerment through knowledge transfer and institutional strengthening.

To ensure the sustainability of these outcomes, similar mentoring programs should be conducted periodically and expanded to involve a broader range of cooperatives. Continuous collaboration between higher education institutions, cooperative organizations, and relevant stakeholders is expected to strengthen financial accountability, improve governance practices, and support the long-term sustainability of cooperatives in Indonesia.

Acknowledgment

The authors would like to express their sincere gratitude to the Department of Accounting, Politeknik Negeri Bali, for its support in implementing this community service program. The authors also extend their appreciation to Koperasi Simpan Pinjam Jujur Utama Mandiri, Gianyar, and all representatives of the driving cooperatives who actively participated in the mentoring activities. Special thanks are also addressed to the students who contributed to the implementation of the program through technical assistance and community engagement. Their collaboration and commitment were essential to the successful completion of this community service initiative.

References

Darmayasa, I. N. (2019). Preskriptif Ketentuan Umum Perpajakan Dalam Perspektif Akuntansi Pancasila. *Jurnal Akuntansi Multiparadigma*, *10*(1). https://doi.org/10.18202/jamal.2019.04.10002

Darmayasa, I. N., & Aneswari, Y. R. (2015). The Ethical Practice of Tax Consultant Based on Local Culture. *Procedia - Social and Behavioral Sciences*, *211*. https://doi.org/10.1016/j.sbspro.2015.11.021

Darmayasa, I. N., I Ketut Suwintana, Ni Nyoman Harini Puspita, I Made Agus Putrayasa, I Ketut Parnata, I Made Bagiada, Ni Luh Putri Setyastrini, Ketut Nurhayanti, Putu Adi Suprapto, & Ni Komang Urip Krisna Dewi. (2024). Anti-Aggressive Accounting Creative Pada Lembaga Perkreditan Desa Menuju Pembangunan Inklusif Berkelanjutan. *Jurnal Akuntansi Terapan Dan Bisnis*, *4*(1). https://doi.org/10.25047/asersi.v4i1.4939

Lasmini, N. N., Utthavi, W. H., Ayuni, N. W. D., & Wirayana, I. M. A. (2025). *Implementation of Financial Accounting Standards for Private Entities (SAK EP) at Modern Cooperative to Achieve a Green Economy*. https://doi.org/10.2991/978-94-6463-882-0_48

Ni Luh Putri Setyastrini. (2023). Koneksi Politik dan Penghindaran Pajak Perusahaan Manufaktur Indonesia. *Jurnal Ekonomi Bisnis Dan Akuntansi*, *3*(1). https://doi.org/10.55606/jebaku.v3i1.1428

Pratama, I. P. A., Padmawati, I. A. P. S. A., Darmayasa, I. N., & Wulandari, D. A. E. (2025). *Assistance in Financial Management and Risk Management for Village Credit Institutions (LPD) in Gianyar Regency*. https://doi.org/10.2991/978-94-6463-882-0_23

Setyastrini, N. L. P., Wirayana, I. M. A., Sukarta, M. A. P., & Sumiari, K. N. (2024). *Theory of Planned Behavior in Volunteer Income Tax Assistance's Career Interest*. https://doi.org/10.2991/978-94-6463-622-2_33

Suardita, I. K., S, A., & Pratama, I. P. A. (2023). Lintas Sejarah Pembangunan Perekonomian Dalam Aspek Negara Hukum. *Jurnal Yustitia*, *17*(01). https://doi.org/10.62279/yustitia.v17i01.1044

Suardita, I. K., S, A., & Pratama, I. P. A. (2024). Rekonstruksi Budaya Hukum Masyarakat Dalam Pemanfaatan Lembaga Perkreditan Desa (LPD) Sebagai Lembaga Keuangan Tradisional di Bali. *Jurnal Yustitia*, *19*(2). https://doi.org/10.62279/yustitia.v19i2.1350

Sukarta, M. A. P., Setyastrini, N. L. P., & Darmayasa, I. N. (2024). Pendampingan Transformasi Digital LPD Desa Adat Sesandan. *Madaniya*, *5*(3). https://doi.org/10.53696/27214834.835

Suprapto, P. A., Abdi, I. N., & Padmawati, I. A. P. S. A. (2025). Green Accounting Integrating the Tri Hita Karana Philosophy into Village Economic Development: Akuntansi Hijau Mengintegrasikan Filsafat Tri Hita Karana ke dalam Pengembangan Ekonomi Desa. *Academia Open*, *10*(2).

Utthavi, W. H., Sumiari, K. N., & Wirayana, I. M. A. (2024). Agresivitas Pajak dan Manajemen Laba Pada Saat Perubahan Tarif Pajak Penghasilan Badan. *E-Jurnal Ekonomi Dan Bisnis Universitas Udayana*. https://doi.org/10.24843/eeb.2024.v13.i01.p19

Open Access This chapter is licensed under the terms of the Creative Commons Attribution-NonCommercial 4.0 International License (http://creativecommons.org/licenses/by-nc/4.0/), which permits any noncommercial use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter's Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter's Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

