

# Accounting for heritage assets: why and how? (Literature study on cultural heritage in Indonesia)

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## Abstract

**Purpose:** This study aims to provide an overview related to research on heritage assets in Indonesia. This study classifies and reviews articles based on research methods and focused results regarding accounting treatment, is it in accordance with Government Accounting Standards (SAP)?

**Research Methodology:** This research is a literature study which contains theories that are relevant to the research problem. The data collection is taken from secondary data sources, SAP and various scientific articles.

**Results:** The results demonstrate that the treatment in several heritage assets in Indonesia has referred to the prevailing SAP, historical assets are recorded as fixed assets, without valuation using cost or revaluation, the majority has been presented in the financial report based on accounting principles, this means the government accountability requirements for disclosure of heritage assets have been quite achieved.

**Limitations:** Secondary data sources using several articles that are not all published in accredited journals.

**Contribution:** This research has implications for the government to evaluate the function of financial reporting as an accounting tool that facilitates the realization of transparency and accountability.

**Keywords:** *Heritage assets, Recognition, Assessment, Measurement, Presentation and disclosure, PSAP No. 07 of 2010 concerning Accounting for Fixed Assets*

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## 1. Introduction

Indonesia is an archipelago which is not only famous for its abundant natural wealth, but also for its long historical journey. Through the process of research, humans have discovered a wide variety of ancestral remains. These relics have great benefits for science in the form of arts, customs, languages, sites, architecture and historical areas of cultural value that fill the spaces in various regions of this country. As a country that is rich in cultural and artistic works, almost every region has had an influence on the creation of various works of art and historical objects. [Sullivan \(2016\)](#) states that cultural wealth is an object that looks physical which is part of a cultural heritage of a particular group or society. The physical items include historical buildings, works of art, archaeological sites, libraries and museums. Material cultural heritage has a tangible character, that is, the cultural heritage is concrete, can be seen with the eye and touched using human senses. Examples of culture that have real dimensions are inscriptions, temples, tombs, museum buildings and fortresses.

Based on the cultural statistical following data, we can see that in the last five years the determination of cultural heritage has increased both in the categories of objects, buildings, sites, regions and sites throughout Indonesia. If categorized by province, the ranking of cultural heritage is mostly owned by DKI Jakarta (34), Central Java (22), West Sumatra (21), West Java (18), East Java (16), Yogyakarta (10), Maluku (8) and the rest are several other areas scattered throughout Indonesia such as South Sulawesi and North Sumatra which have 3 cultural heritages.

**Table 1. List of National Rank Cultural Heritage**

No.	Category	2013	2014	2015	2016	2017	2018	Total
1	Object	6	9	4	5	1	23	48
2	Building	4	4	16	6	16	1	47
3	Structure		1		1	3	3	8
4	Site		2	19	7	6	6	32
5	Area	2	3	2		4	4	15
	<b>Indonesia</b>	<b>12</b>	<b>19</b>	<b>33</b>	<b>10</b>	<b>30</b>	<b>37</b>	<b>150</b>

Source: [Kemdikbud \(2019\)](#)

The erosion of existing cultural values has caused many problems faced by the state in maintaining all form of existing historical heritage. One manifestation of the government's commitment is the reform of state finances in which the central government has made a strong commitment to building good governance principles through more transparent and accountable became a milestone in the reform of the management of state assets, both from the legal, administrative to institutional aspects. This matter, then materialized by the issuance of Government Regulation Number 24 of 2005 as amended by [Government Regulation Number 71 of 2010](#) concerning Government Accounting Standards as a form of a new paradigm in the management of more accountable state financial reporting by prioritizing professionalism, transparency and accountability which is expected to increase the trust of stakeholders. This transition is seen as a step towards sound government financial reporting.

Financial reporting, which is the final product of accounting, is considered as a medium for carrying out government accountability obligations to interested parties. Accountability plays an important role in the public sector management control system, where the accounting system is the main essence in the management of public sector financial reports. Financial reports as an accounting tool exist to facilitate transparency and accountability of government financial reporting. The use of the accrual basis of accounting in government financial reporting has required both central and local governments to recognize all assets, liabilities and equity that meet the definition criteria and recognition criteria in the balance sheet. In other words, the accrual basis for the balance sheet means that the asset, Liabilities and equity must be recognized and recorded at the time the transaction occurs or when the event and environmental conditions affect government finances regardless of when cash or cash equivalents are received or paid. One of the issues that is still the main problem in fixed assets is the debate related to asset classification and the special treatment of assets.

The accounting treatment for government fixed assets such as land, equipment, machinery and buildings does not appear to have much debate going on around the accounting treatment. One of the issues that is still the main problem in fixed assets is the debate related to asset classification and the special treatment of assets. The accounting treatment for government fixed assets such as land, equipment, machinery and buildings does not appear to have much debate going on around the accounting treatment. One of the issues that is still the main problem in fixed assets is the debate related to asset classification and the special treatment of assets. The accounting treatment for government fixed assets such as land, equipment, machinery and buildings does not appear to have much debate going on with the accounting treatment.

However, for fixed assets with "certain" criteria such as historical assets, military assets ([Barton, 2000](#)) and biological assets there are still many unresolved questions and debates in the domain of financial reporting ([Christiaens et al. 2008](#)). This is in accordance with the opinion expressed by [Hines \(1988\)](#) in) that accounting for assets in some ways appears to have shortcomings compared to accounting for

other aspects, given the nature of each of these assets. One of the government assets that get special treatment is historical assets. Heritage assets are important assets for the culture and history of the nation as well as the country's identity. Heritage Assets are defined as an asset with historical, artistic ([Ellwood and Greenwood, 2016](#))

Meanwhile, according to [PSAP 07/2010](#) historical assets are assets that provide public interest from cultural, environmental and historical aspects that are preserved and maintained for an indefinite period of time. Included in historical assets are historical buildings, monuments, ancient sites such as temples. In 2019, the Ministry of Education and Culture noted that there were around 1,492 movable and non-moving cultural heritages that had been registered and identified. Cultural heritage is a cultural heritage that is material in the form of Cultural Conservation Objects, Cultural Conservation Buildings, Cultural Conservation Structures, Cultural Conservation Sites, and Cultural Conservation Areas on land and / or in water which need to be preserved because of its important value for history, science, education and religion,

Common problems related to historical assets are poor inventory both in physical and juridical aspects, the use of historical assets that is owned does not provide maximum results, and accounting for historical assets themselves. These accounting issues concern the recognition, valuation and disclosure of historical assets. Regarding the recognition of historical assets, some experts still argue that it is recognized as an asset or a liability. Valuation of historical assets can be difficult and finding generally accepted methods of valuing historical assets. The impossibility of selling historical assets on the open market and the social objectives that are in the historical assets makes it difficult for accountants to obtain relevant valuations or demonstrate the potential service value that exists in these assets. With the problem of recognizing and valuing historical assets, there will automatically be problems with the disclosure of these assets. According to [PSAP No. 07 of 2010](#) Paragraph 65 "This statement does not require the government to present (heritage assets) on the balance sheet but these assets must be disclosed in the Notes to Financial Statements (CaLK)".

Based on the problems described above, researchers are interested in conducting research with the following problem formulations: then automatically there is a problem with the disclosure of these assets. According to [PSAP No. 71 07 of 2010](#) Paragraph 65 "This statement does not require the government to present (heritage assets) on the balance sheet but these assets must be disclosed in the Notes to Financial Statements (CaLK)". Based on the problems described above, researchers are interested in conducting research with the following problem formulations: then automatically there is a problem with the disclosure of these assets. According to [PSAP No. 71 07 of 2010](#) Paragraph 65 "This statement does not require the government to present (heritage assets) on the balance sheet but these assets must be disclosed in the Notes to Financial Statements (CaLK)". Based on the problems described above, researchers are interested in conducting research with the following problem formulations:

1. How is the accounting treatment for historical assets (Cagar Budaya) in Indonesia?
2. Why is there a need for Recognition, Assessment, Measurement, Presentation, and Disclosure Historical Assets (Cagar Budaya) in Indonesia in accordance with Government Accounting Standards?

## **2. Literature review and hypothesis development**

### *2.1. Accounting*

The notion of accounting theory is very dependent on the definition or definition of accounting as a field of knowledge. That is, the position of accounting in a knowledge taxonomy will also determine the definition and scope of accounting theory. The clarity of accounting status has implications for the direction of accounting studies and practices. ([Suwardjono, 2016](#)) The accounting system that is designed and implemented must still refer to a generally agreed measure, namely government accounting standards. Accounting standards regulate, among others: (1) definition); (2) recognition; (3) measurement; and (4) disclosure.

### *2.2. Stakeholder theory*

The term stakeholder was first introduced by the Stanford Research Institute (RSI) in 1963, and then theoretically developed by [Freeman in 1984](#) in his work entitled Strategic Management: A Stakeholder Approach defines stakeholders as groups and individuals who can influence and be influenced by the

process of achieving an organization's goals. These stakeholder groups include: DPRD (Regional Representative Council), Financial Supervisory Agency (BPK), Investors, Creditors, Donors, Regional Government Observers, Economic Analysts, Business Associations, Employees, Central Government and the People. This theory generally explains how the role of management is in meeting or managing stakeholder expectations by emphasizing organizational accountability. Stakeholders have the right to receive and obtain relevant information including existing information related to historical assets. In addition, the main users of government financial reporting are not investors who are interested in receiving income, but taxpayers who are interested in assessing whether the public government has managed its public resources efficiently and effectively ([Aversano and Ferrone, 2012](#)). In addition, providing information on historical assets and required resources will increase government accountability for the preservation and conservation of public heritage to stakeholders.

### 2.3. Fiat measurement theory

Measurement theory generally focuses on developing a measuring instrument or instrument with the help of an analyst who can measure the attributes possessed by an object, phenomenon or system under study. [Suwardjono \(2016\)](#) defines measurement as determining the size of the measuring unit (amount of rupiah) that will be attached to an object (element or post) involved in a transaction, event or situation to represent the meaning of the object's attribute (attribute). Attribute is something that is attached to an object that describes the properties or characteristics contained by the object. The term measurement is often restricted in its use to determine the amount of rupiah at the time an object is acquired or the occurrence ([Suwardjono, 2016](#)).

Fiat Measurement Theory or fiat measurement theory was first introduced by [Torgerson \(1958\)](#). Fiat (fiat means edict) measurement is typical in the social sciences and in accounting to use arbitrary (random) constructed definitions to relate certain observed properties to a particular concept ([Godfrey et al., 2010](#)). Fiat measurements do not base their measurements on existing theories so they can be used as a reference for carrying out various ways in which scales can be created. [Torgerson \(1958\)](#) also adds that in accounting for example, various accounting standard boards determine the accounting scale by fiat, not by reference to previously confirmed measurement theories. Measurement of historical assets is very important because by measuring an asset we can find out the value of the object. In making it easier to take a measurement so as to get an accurate and reliable result, we can choose the type of measurement that matches the characteristics of the object being measured. However, it needs to be emphasized that this should not be done simply to increase the value of assets based on expectations and forecasts. So, there must be a strong reason or a special condition to be able to take measurements ([Suwardjono, 2016](#)). Fixed assets are resources that have four characteristics, namely: (1) tangible or having a form (certain shape or size); (2) used in company operations; (3) has a long-term useful life; and (4) not intended for sale. These kinds of assets usually have a long service life and are expected to provide benefits to the company for years.

### 2.4. State property (*Barang Milik Negara*)

BMN has a variety of types, both in terms of form, purpose for obtaining it and expected useful life. [PP No. 71 of 2010](#) concerning Government Accounting Standards divides BMN into current assets, fixed assets, intangible assets, other assets, and historical assets

#### 2.4.1 Historical Assets: Cultural Heritage

International Public Sector Accounting Standards (IPSAS) 17 –Property, Plans, and Equipment states that, "some assets are declared as heritage assets because of their culture, environment, or historical significance." Governmental Accounting Standard Statement No. 07 based on [Government Regulation No. 71/2010](#), historic assets are assets that provide public interest from cultural, environmental, and historical aspects that are preserved and maintained for an indefinite period of time. Historical assets include, among others, historical buildings, monuments, archaeological sites such as temples, works of art, and others.

According to [PP No. 71 of 2010](#) paragraph 69, historic assets (heritage assets) must be presented in the form of units, for example the number of collection units owned or the number of monument units, in the Notes to Financial Statements without value, except for some historical assets that provide other potential benefits to the government besides historical value. These assets will be applied the same principles as other fixed assets and these assets can be presented in the balance sheet. It says Cultural

Conservation Object. Based on Article 3, [Law No. 11/2010](#), the preservation of Cultural Heritage itself aims to preserve the nation's cultural heritage and human heritage, remind the nation's dignity through Cultural Heritage, strengthen national personality, improve people's welfare, promote national cultural heritage to the international community. In Article 95 paragraph (2) of [Law Number 11 Year 2010](#), inside to protect, develop, and utilize Cultural Conservation.

#### 2.4.2 Characteristics of historical assets

[Government Accounting Standard No. 7 based on Government Regulation No. 71/2010](#) explains that some fixed assets are described as historical assets due to cultural, environmental and historical interests. Examples of historical assets include: historical buildings, monuments, ruins, temples, museums, archaeological sites, conservation areas to works of art.

#### 2.4.3. PSAP Number 07 of 2010

Definition of Governmental Accounting Standard Statement (PSAP) The treatment of historical assets in Indonesia has been regulated in a standard, namely the [Government Accounting Standard Statement \(PSAP\) No. 07](#) which describes government assets. Each central government and local government reporting entity is required to implement SAP. In addition, it is hoped that there will be efforts to harmonize various regulations both in the central and local governments with SAP. SAP is applied in the scope of government, namely the central government, local government, and organizational units within the central / local government, if according to the laws and regulations the said organizational unit is required to present financial reports.

#### 2.4.4. Historical asset accounting treatment

Accounting treatment is a policy or steps taken in the accounting process which includes recognition, measurement, recording and presentation of financial information in the financial statements of an entity. The treatment of historical assets is the activity of recognizing, assessing, presenting, and disclosing historical assets in accordance with the applicable provisions, namely the [Government Accounting Standard Statement No. 07/2010](#), so as to produce reliable financial information on historical assets.

##### a. Historical Asset Recognition

Assets are recognized when the government receives the potential future economic benefits and has a value or expense that can be measured reliably. The recognition of assets is based on the fulfillment of the definition of assets, the economic benefits that flow to the entity and have values and costs that can be measured reliably. Although historical assets are assets that are classified as fixed assets, in the statement some historical assets cannot be measured reliably.

##### b. Historical Asset Valuation

Property, plant and equipment is valued at cost, in principle, if the cost of an asset is valueless or cannot be identified, the value of the fixed asset is based on fair value at the time of acquisition. But in reality, some historical assets are difficult to assess, apart from being assets that are specifically linked to their historical value, assets are also generally acquired in various ways, either by means of donations, grants, booty, confiscation and development that has occurred over several periods ago. However, especially for historical assets that provide other potential benefits to the government besides their historical value, for example a historic building is used for office space, in that case the asset will be applied the same valuation principles as fixed assets in general. The use of fair value in valuing historical assets is the method most commonly used. According to the [Government Accounting Standards Statement \(PSAP\) 07/2010](#), revaluation is not allowed because SAP adheres to asset valuation based on cost or exchange price. If there is a significant change in price, the government can carry out a revaluation of the assets it owns so that the current government fixed assets reflect their current fair value.

##### c. Historical Asset Measurement

The criterion of an object is recognized as an asset recognition because it can be measured in value. Measurement is the process of determining the amount of rupiah at the time of acquisition and is recognized and included in the financial statements either in the balance sheet or profit or loss. According to [PSAP 07/2010](#), it states that fixed assets are valued at cost, if the valuation of fixed assets at cost is not possible, the value of fixed assets is based on fair value. If the measurement of historical assets has the same characteristics, then the assets are required to be the same as fixed assets. The

measurement of historical assets can use certain methods, such as historical cost or fair value at initial recognition.

d. Presentation of historical assets

[Government Accounting Standard Statement No. 07 of 2010](#) states that historical assets must be presented in the form of units, for example the number of collection units owned or the number of monument units, in Notes to Financial Statements.

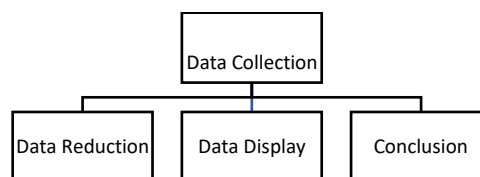
e. Disclosure of historical assets

[Government Accounting Standards No. 07/2010](#) states that there are several principles of accounting and financial reporting, one of which is full disclosure. Complete disclosure means that the financial statements provide complete information required by users. Can be presented on the face sheet (on the face) financial statements or notes to financial statements. According to [PSAP No. 07/2010](#), historical assets are disclosed in the Notes to Financial Statements (CaLK) alone with no value, except for some historical assets that provide other potential benefits to the government besides their value historically, for example a building for office space, these assets will be applied the same principles as other fixed assets. So, historical assets can be disclosed in two (2) ways: first, included in CaLK only a number of units are written and information about these assets, second, are included in the balance sheet only that provide potential benefits to the government other than their historical value.

### 3. Research methodology

This study uses a qualitative approach, data collection techniques which are defined as the most important step in research to obtain data in this study are literature studies According to [Zed \(2004\)](#) library research has special characteristics such as: dealing directly with text, researchers dealing directly with existing sources in the library, researchers obtaining data from secondary sources and not from primary field data, the last is the condition of the data in the library study is not limited by space and time.

**Figure 1. The Research Design**



The primary data source is in the form of Statement of [Government Accounting Standards \(PSAP\) 07 of 2010](#), while the secondary source is in the form of articles, theses and theses that discuss the recognition, measurement, assessment and presentation of historical assets in the financial statements of local government entities. The research steps are 1) collecting relevant and needed data through the web which is accessed using the internet network, 2) analyzing data obtained online from various academic sites so that the researcher understands the content and the problems that occur, 3) concludes the problem being studied based on practical and theoretical considerations that have been compared. Data interpretation techniques used by researchers are content analysis and matching concept. Existing data is studied.

### 4. Results and discussions

The following is a table showing the differences of opinion according to experts regarding the meaning of historical assets and how accounting practices right for historical assets. Based on this table, most of the experts are of the opinion that an asset historic is actually classified as an asset not as a liability. From various data above, the researcher can conclude that historical assets are fixed assets with age which cannot be determined, which is protected or controlled by the government, that visit contains the values of art, culture, education, history, knowledge another unique characteristics that deserve to be preserved and maintained sustainability.

**Table 2. Difference in opinion on historical assets**

Researcher	Opinion on heritage assets
<a href="#">Barton (2000)</a>	Historical assets should be presented in the budget as “service assets”
<a href="#">Carnegie and Wolnizer (1995)</a>	Historical assets are not assets and would be more correctly classified as a liability, or alternatively referred to as a facility and presented them separately
<a href="#">Christiaens (2004)</a>	Historical assets should be included in the balance sheet even if they do not meet the official definition
<a href="#">Mautz (1988)</a>	Historical assets should be presented under a separate category from assets as “facilities”
<a href="#">Micallef and Peirson (1997)</a>	Historical assets are classified as assets and can be included in the balance sheet
<a href="#">Nasi et al. (2001); Christiaens 2004)</a>	Historical assets do not have to be presented on the balance sheet
<a href="#">Pallot (1990), Pallot (1992)</a>	Historical assets should be presented in a separate category from assets as “regional assets”

Source: [Aversano dan Christiaens, 2014](#)

According to [Agustini \(2011\)](#) Recognition of historical assets for each country is different, guidelines in the practice of recognizing historical assets are adjusted to the standards held so that it has an impact on the terms or definitions of these assets, some of which mention property, plant and equipment (PPE), non-current assets, capital Assets, fixed assets and so on. However, in essence all States agree that historical assets that have a reliable measurement must be recognized as fixed assets.

**Table 3. Recognition of heritage assets in Indonesia**

Type of Asset	Recognition	The current one	Monetary exchange	Non-monetary exchange
Operational	Admittedly	Fair value	Cost	Fair value
Non operational	Not recognized	Not applicable	Not applicable	Not applicable
Building land				
Collection	Not recognized	Not applicable	Not applicable	Not applicable
Site	Not recognized	Not applicable	Not applicable	Not applicable

Source: [Agustini \(2011\)](#)

The table above represents that historical assets for operational activities must be recognized as assets in government financial statements. This concurs with [PSAP No. 7-](#) paragraph 70 which states that some historical assets also provide other potential benefits to the government besides their historical value, for example historical buildings are used for office space. The results of his research by [Agustini \(2011\)](#) also suggest that the Indonesian government should provide the same treatment between non-operational heritage assets and operational heritage assets. [Hassan et al. \(2016\)](#) found the same problem in their study of foreign museums also faced difficulties in conveying proper accounting practices for historical assets, cases faced by museums in Malaysia, accounting problems for historical assets can be resolved through the existence of certain legal provisions, benchmarking and standard operating procedures to improve reporting practices for historical assets to be equivalent to reporting historical assets at leading museums abroad. Based on the review of articles and theses that carry out direct studies on several cultural heritage in Indonesia, the summary is as follows:

**Table 4. Summary of Research Results in Literature Study**

No.	Article author	Cultural heritage	Research result

1	<a href="#">Soleiman &amp; Bandur. 2019</a>	Bung Karno's site, Ende	Measurement and assessment are not in accordance with PSAP No. 07/2010
2	<a href="#">Widodo, et al. 2020</a>	Candi Pari, East Java	In accordance with the current accounting standards for historical assets, namely PSAP No. 07/2010.
3	<a href="#">Utami, Lila Retnani. 2019</a>	Sambisari Temple, Yogyakarta	In accordance with the current accounting standards for historical assets, namely PSAP No. 07/2010.
4	<a href="#">Maulida, Devi. 2019</a>	Mpu Tantular Museum	Accounting practices in financial statements as capital cost at time of purchase or by entering by name collectibles.
5	<a href="#">Setiyowati, Aulia Novi. 2018</a>	Malang City Hall	In accordance with PSAP No. 07 of 2010.
6	<a href="#">Daryanti, Ampe. 2018</a>	Fort Rotterdam	The financial reports prepared by the South Sulawesi Cultural Heritage Conservation Center have not fully implemented Government Regulation 71/2010 concerning Government Accounting Standards
7	<a href="#">Sholikhah, Mar'atus and Bety Nur Achadiyah. 2017</a>	Rimbi Temple, Jombang, East Java	East Java BPCB did not disclose its historical assets or Rimbi Temple.
8	<a href="#">Safitri, Mia Rizky and Mirna Indriani. 2017.</a>	Aceh Museum	As per PSAP 07-10
9	<a href="#">Riska. 2017</a>	Yogyakarta Cultural Heritage	Has not implemented PSAP 71 of 2010
10	<a href="#">Wulandari and Utama. 2016.</a>	Anjuk Ladang Museum	Anjuk Landang Museum still associates the notion of heritage assets with nature reserves
11	<a href="#">Masitta, Retha Maya. 2015</a>	Ronggowarsito Museum, Central Java	Historical asset accounting practices by the management of the Ronggowarsito Museum in Central Java are in accordance with accounting standards where assets are disclosed in CaLK with no value.
12	<a href="#">Alfasyiri, Mohamad Ridwan. 2015</a>	Penataran Temple, Blitar, East Java	In accordance with PSAP number 07 of 2010 article 69 where historical assets must be recorded in the number of units without value
13	<a href="#">Anggraini, FG and A. Chariri. 2014</a>	Borobudur temple Central Java	Reporting on the Borobudur temple is in accordance with applicable regulations, where the temple is disclosed in the CaLK with no value.

Source: Literature review (2020)

Based on the results of the literature study above, it can be concluded that there are still difficulties in identifying book values based on market prices that fully reflect artistic, cultural, environmental, educational or historical values. The results of the research by [Safitri et al \(2017\)](#) describe that for the recognition of historical assets at the Aceh Museum, the costs and all expenses incurred for each purchase of a museum collection object are borne by the budget, the agency's annual compliance with



the applicable standards in [PSAP No. 07-10](#) and is based on Estimated Own Price (HPS), besides that the research results also explain that the museum has its own way of determining the acquisition price of an asset obtained by combining applied science by experienced philologists and reliable procurement staff, in terms of handling the sale and purchase of museum collections. In accordance with [PSAP 07-10](#) which also explains that an appropriate method has not been found to assess a historical asset, the things done by the Aceh Museum are considered in accordance with applicable accounting practices.

The results of this study are supported by [Sholikah & Achadiyah \(2017\)](#) who concluded that the East Java BPCB did not disclose its heritage assets or Rimbi temple. The difficulties experienced by BPCB in making recognition, measurement and presentation would have an impact on the difficulty of disclosing historical assets of Candi Rimbi in the financial statements they compiled at the end of the Jombang government's accounting period. These results are supported by [Anggraini \(2014\)](#) who explains that there is no precise definition for the historical assets of the Borobudur temple even though the reporting disclosures are in accordance with applicable regulations. Still in the same province, [Masitta \(2015\)](#) research results concluded that there were still difficulties in the economic appraisal of the Ronggowarsito Museum's assets in Central Java, but its management was in accordance with accounting standards which revealed assets in the notes to financial statements as "without value".

The results of research by [Widodo et al \(2020\)](#) on the recognition and disclosure of historical assets of Pari temple are in accordance with [PSAP No. 07 of 2010](#) in line with [Utami \(2019\)](#) for accounting practices on the cultural heritage of Sambisari temple, [Alfasyiri \(2015\)](#) on accounting reporting for Penataran temple, Blitar district and [Soeliman & Bandur \(2019\)](#) who concluded that the measurement and valuation of historical assets of the Bung Karno Site in Ende district obtained from grants has been measured according to fair value but does not include the historical value contained therein.

Previous results are inversely proportional to [Daryanti \(2018\)](#) the research which states that the financial reports prepared by the South Sulawesi Cultural Heritage Conservation Center have not fully implemented [PP 71/2010](#) concerning Governmental Accounting Standards, [Wulandari & Utama \(2015\)](#) suggest that the management of the Anjuk Landang museum is still being linked with a nature reserve and not yet recognized as a cultural heritage because it has not received official approval from the East Java BPCB. This also has an impact on the accounting recording process on the financial reporting of the Nganjuk district government by not having the courage to include museums as government assets on the balance sheet.

There are several characteristics that make it difficult for experts and researchers to determine the appropriate accounting for historical assets. Historical assets cannot be completely treated the same as other fixed assets, even though historical assets are included in the line of fixed assets. Therefore, a proper valuation method is needed to value historical assets. If examined from a disclosure perspective, there are two alternatives that can be used in disclosing historical assets. First, the asset is included in CaLK only. Second, historical assets are included in the balance sheet, which are included in this category are historical assets that provide potential benefits to the government in addition to their historical value. In the balance sheet, historical assets are valued like any other fixed asset. The results of this study indicate that in Indonesia, research related to accounting for historical assets is still rarely carried out, this is due to the result of limited information resources and the taboo assumption of mixing history with economic matters for some historians and archaeologists in Indonesia. The results of the research theory study above also conclude that at the stage of recognition of historical assets, the Indonesian government should treat non-operational heritage assets equally with operational heritage assets, namely recognized as fixed assets in the financial statements.

## 5. Conclusion

Overall it can be concluded that most of the heritage assets in the form of cultural heritage are in accordance with the definitions and characteristics of historical assets that exist in [PSAP No.7 of 2010](#) and also IPSASB ([2014](#)) heritage assets are recorded using the 'no value' method and some use "fair

value" because they claim that these Indonesian heritage assets have very high intrinsic value, the government does not judge them from historical value because the longer the life of these assets, the more they will increase the value it has, is even infinite without a definite time limit. On the other side, the accounting treatment includes: recognition, valuation, measurement, presentation, and disclosure of assets in line with majority of manager and local governments that have treated them in accordance with Government Accounting Standards (SAP) so that financial reports as an accounting tool are sufficient to facilitate the realization of transparency and accountability of government financial reporting.

### **Limitations and study forward**

This research only reveals the accounting treatment of historical assets in Indonesia based on literature review with primary sources of Government Accounting Standards (SAP) and secondary sources of several scientific articles where not all of these articles are published in accredited journals. Some studies still use thesis data sources that are accessed online, it is hoped that further research will use more valid data and use other methods such as interviews and observations so that the data obtained is more reliable.

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