

ABSTRACT

Research related to accrual accounting since government entities has been carried out in the 1980s. Several previous research results show problems in the implementation of accrual accounting in government entities, especially in developing countries. These problems, among others, state that the implementation of accrual accounting is not triggered by the need as a benefit, but rather in the form of coercion, hegemony, and/or meddling which has an impact on the low quality of reporting and the use of accrual information.

However, in the context of accounting reform in the Semarang Municipal, there is a unique phenomenon that needs to be disclosed more deeply. The uniqueness occurs because the Semarang Municipal implemented accrual accounting before some regulations or standards mandated the accrual concept in government financial reporting in Indonesia. This study seeks to reveal more deeply how actors in the Semarang Municipal come up with ideas and interpret accrual accounting. This study also seeks to reveal how actors with different goals negotiate throughout the accrual accounting reform process.

This research uses an interpretive case study paradigm. Data were obtained from in-depth interviews with 30 informants and documents related to regulations, procedures, and audit results. Data analysis using grounded theory paradigm techniques and models developed by Strauss and Corbin only reached the axial coding stage. This study uses Luder's (2002) FMR model and negotiated order theory as a theoretical lens in the abductive process of categorizing and constructing research results.

The results showed that the stimuli for the implementation of accruals in the Semarang Municipal were business logic. The actors have different meanings regarding the concept of accruals. This difference in understanding is due to each experiencing different interactions throughout the accrual accounting reform. In interaction, the actors use three negotiation patterns, namely discussion, regulation, and leadership assertiveness.

Keywords: accruals, local government, financial reform, stimuli, negotiation