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ANALYSIS OF THE BASIC FRAMEWORK FOR THE PREPARATION AND PRESENTATION OF SHARIA ENTITY FINANCIAL STATEMENTS (KDPPLKS): A LITERATURE REVIEW

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ABSTRACT

The emergence of a relatively new sharia entity poses a big challenge. Islamic sharia and accounting experts must find a basis for applying accounting standards that are different from conventional entity accounting standards as they have been known so far. These accounting standards are the key to success for Islamic entities in serving the surrounding community so that, as usual, they must be able to present sufficient, reliable and relevant information for their users, but still in the context of Islamic sharia. The purpose of this study is to analyze in depth the Basic Framework for the Preparation and Presentation of Islamic Financial Statements (KDPPLKS) and the Guidelines for Islamic Financial Accounting Standards (PSAK). This research method is qualitative with a literature approach. The data source is secondary data derived from library sources such as books, journals and articles. The analytical method uses descriptive analysis. The findings illustrate that in general the Basic Framework for the Preparation and Presentation of Islamic Financial Statements has a scope that discusses the purpose of financial statements, the characteristics that determine the usefulness of information in financial statements and the third is recognition and the elements that make up financial statements.

Keywords: KDPPLKS; Sharia PSAK; Sharia Entity; Financial statements

ABSTRAK

Kemunculan entitas syariah yang relatif baru menimbulkan tantangan besar. Para pakar syariah Islam dan akuntansi harus mencari dasar bagi penerapan standar akuntansi yang berbeda dengan standar akuntansi entitas konvensional seperti telah dikenal selama ini. Standar akuntansi tersebut menjadi kunci sukses bagi entitas Islami dalam melayani masyarakat di sekitarnya sehingga seperti lazimnya, harus dapat menyajikan informasi yang cukup, dan dapat dipercaya, serta relevan bagi para penggunanya, namun tetap dalam konteks syariah Islam. Tujuan penelitian ini untuk menganalisis mendalam tentang Kerangka Dasar Penyusunan dan Penyajian Laporan Keuangan Syariah (KDPPLKS) dan Pedoman Standar Akuntansi Keuangan (PSAK) Syariah. metode penelitian ini kualitatif dengan pendekatan kepustakaan. Sumber datanya merupakan data sekunder yang berasal dari sumber kepustakaan seperti buku, jurnal, dan artikel. Motode analisisnya menggunakan analisis deskriptif. Hasil temuan menggambarkan bahwa secara garis besar Kerangka Dasar Penyusunan dan Penyajian Laporan Keuangan Syariah memiliki ruang lingkup yang membahas tentang tujuan laporan keuangan, karakteristik yang menentukan manfaat informasi dalam laporan keuangan dan yang ketiga pengakuan serta unsur-unsur yang membentuk laporan keuangan

Kata Kunci: KDPPLKS; PSAK Syariah; Entitas Syariah; Laporan keuangan

INTRODUCTION

Rapid developments have taken place in sharia-based business activities and financial institutions (banks, insurance, capital markets, pension funds, etc.). In the last three decades, financial institutions have increased the volume and value of sharia-based transactions which has certainly increased the need for sharia accounting. Furthermore, the development of thinking about sharia accounting is also growing, this is indicated by the increasing acceptance of the principles of sharia transactions in the international world.

The phenomenal emergence of sharia entities in Indonesia has sparked further serious discussions, starting from the products or services offered, institutional management patterns, to accounting patterns. The accounting aspects of business entities are always interesting for study and discussion, especially if the body has its own characteristics, as is the case with Islamic entities. Interesting accounting to be discussed, due to several reasons. First, accounting has so far been known as a communication tool, or often termed it as a business language. Second, accounting is often debated whether it is neutral or not. Third, accounting is strongly influenced by the environment (politics, economy, culture) in which it is developed; and fourth, accounting has a very important role, because what it produces can be a source or basis for the legitimacy of an important and decisive decision.

It cannot be denied that the motor of implementing sharia transactions begins with the sharia banking system and then continues with other sectors. The Islamic banking system itself has a long track record. It began with Mit Ghamr Local Saving Bank in Egypt in 1963, which was later taken over and restructured by the Egyptian Government to become the Nasser Social Bank in 1972. Developments in Islamic banking continued, not only in the Middle East, including the establishment of the Islamic Development Bank (1975), but also in European countries such as Luxembourg (1978), Switzerland (1981), and Denmark (1983). Similar developments also occurred in Southeast Asian countries where the majority of the population is Muslim. In

Malaysia, the first Islamic bank was established in 1982 while in Indonesia it only happened 9 (nine) years later, through the establishment of Bank Muamalat Indonesia in 1991.

The accounting rules that apply in one country will be different from the accounting rules in other countries. This is due to different environmental, legal, social, political and economic conditions. This difference raises the problem of comparability (comparability) of financial statements. This is understandable, because the process of setting accounting standards in a country will never be separated from the influence of local factors in a country. Wolk et al. (2001) in Narsa (2007) says, "Economic conditions have an impact upon both political factors and accounting theory". Which means that Accounting Theory will be influenced by political factors and economic conditions.

Indonesia already has its own generally accepted accounting standards in Indonesia. Accounting principles or standards that are generally used in Indonesia are compiled and issued by the Indonesian Institute of Accountants. The Indonesian Institute of Accountants is a professional accountant organization in Indonesia. IAI, which was founded in 1957 apart from accommodating accountants, also has a bigger role in the world of accounting in Indonesia. This role as previously mentioned is the role in the framework of setting accounting standards. These accounting standards are a set of standards governing the implementation of accounting in the business world in Indonesia.

The accounting process that starts from the identification of events and transactions to the presentation in the financial statements, requires a basic framework for the preparation and presentation of financial statements. The basic framework or conceptual framework of accounting is a system that is attached to the objectives and basic characteristics that lead to consistent standards and consist of the nature, functions and limits of accounting and financial reports.

Islamic banking is part of a sharia entity that functions as a financial intermediary institution that is expected to perform well compared to other banking systems. An overview of the good and bad of an Islamic banking can be identified through its performance which is reflected in the financial statements (Dwi: 2010).

There have been many researchers in the field of accounting, both Muslims and non-Muslims who have examined theory and research on the objectives and basic framework of Islamic financial reports. For example, AAOIFI (Accounting and Auditing Organization for Islamic Financial Institutions), the Indonesian Accounting Standards Board (DSAK) compiled PSAK Syariah regarding the basic framework for preparing and presenting financial statements.

The presentation of Islamic bank accounting reports has been regulated by guidelines for Islamic financial accounting standards (PSAK) and Indonesian Islamic banking accounting guidelines (PAPSI). Therefore, financial reports must be able to facilitate all parties related to Islamic banks. PSAK and PAPSI's lack of attention to sharia matters also exists in terms of the financial reporting function of facilitating DPS to examine non-halal funds received by banks. Non-halal funds based on PSAK no. 59 and PAPSI merged with the Qardh fund. Mergers can cause sharia problems in the form of mixing right and wrong. The absence of separation will cause a lack of attention to seek elimination and non-halal in the future (Muhammad: 2014).

Why do we learn about the basic framework of Islamic financial reports, namely so that we are able to know what the basic framework of Islamic financial reports looks like. After knowing the basic framework of Islamic financial reports, it will be easier for us to make Islamic financial reports. Financial reports are periodic reports prepared according to generally accepted accounting principles regarding the financial status of individuals, associations, or business organizations consisting of balance sheets, income statements, and reports on changes in owner's equity (Rahmat: 2016).

The bank's financial statements are the same as the company's financial statements. The bank balance sheet shows a picture of the financial position of a bank at a certain time. The income statement shows the results of a bank's activities or operations during a certain period. The report on changes in financial position shows where the bank's funding sources come from and where funds are channeled. This report is prepared from balance sheets for the two periods and income statements for the period under review. Apart from the three main components of the financial statements above, notes and other reports and explanatory material must also be included which are an integral part of the financial statements (Veithzal, et al: 2010).

Islamic financial reports are financial reports that record in accordance with Islamic provisions all financial events in the past, meaning events that have passed based on certain assumptions and accurate supporting evidence, which can be justified by the principles of Islamic financial reporting.

Financial Accounting Standards (SAK) for financial reports that are general in nature, and for Islamic finance use the Indonesian Accounting Standards Principles PSAK (2007) and in the USA based on the Financial Accounting Standards Board (FASB) that financial reports must be general purpose, that is, general according to the needs of all parties including: Owner; creditor; Investors; Suppliers; Buyers; Employee; Government agencies include the Tax Service, the Industry Service, the Trade Service, and the General Public.

By reading the financial statements correctly, a person can take economic action regarding the reported corporate institution and it is hoped that it will generate profits for him. The users of financial reports and their uses are required by parties such as: shareholders, investors, capital market analysts, managers, employees and unions, tax agencies, funders (creditors), suppliers, government and official regulatory agencies, customers or consumer institutions. , non-governmental organizations, researchers/ academics/ rating agencies (Syafri: 2010).

Sharia entities in addition to applying the Basic Framework for the Preparation and Presentation of Islamic Financial Statements (KDPPLKS) and the Sharia Financial Accounting Standards Guidelines (PSAK), these entities must also apply general PSAK that do not conflict with sharia if in its operational activities there are transactions that are not specifically regulated in the Sayriah PSAK.

Our efforts to find the format of economic theory and practice (Islamic accounting) must be based on Islam as something that is integral. Then it is reduced to a more operational part, such as how to regulate zakat, how to deal with usury, and so on. These things are the characteristics of the development of the field, the Islamic aspects of life, in accordance with Islamic sharia. The economic decisions produced by sharia accounting are characterized as follows: (1) using ethical values as the basis for building accounting; (2) provide direction to, or stimulate the emergence of ethical behavior; (3) being fair to all parties; (4) balancing egoistic and altruistic traits; and (5) have concern for the environment. Based on the foundation and characteristics mentioned above, it is expected that sharia accounting will have a more perfect form when compared to conventional accounting. Because through these characteristics something is reflected that requires accountability, social values and is clear. Why should it? Because it is realized that in a more technical order, namely in the form of financial reports, sharia accounting is still looking for forms.

Through this article, the authors will describe five main points, namely: 1) Basic Framework for the Preparation and Presentation of Islamic Financial Statements, 2) Principles of the Basic Framework for the Preparation and Presentation of Islamic Financial Statements, 3) Elements of Financial Reporting, 4) Characteristics of financial reports sharia entities, and 5) Structure and Content of Financial Statements of sharia entities.

RESEARCH METHOD

This research is a type of literature qualitative research. The data source is secondary data derived from library sources such as books, journals and articles. The analytical method uses simple descriptive analysis to elaborate in depth on the Basic Framework for the Preparation and Presentation of Islamic Financial Statements (KDPPLK Syariah).

DISCUSSION

A. Basic Framework for Preparation and Presentation of Islamic Financial Statements

The Basic Framework for the Preparation and Presentation of Islamic Financial Statements (KDPPLK Syariah) is an accounting arrangement that provides the concept underlying the preparation and presentation of financial statements on Islamic transactions. Unlike the Conceptual Framework for Financial Reporting (KKPK) in general SAK which refers to conventional transactions, KDPPLK Syariah provides the basic concept of paradigm, principles of sharia transactions, and characteristics of sharia transactions.

This basic framework presents the concepts that underlie the preparation and presentation of financial statements to its users. This framework applies to all types of sharia transactions reported by sharia entities and conventional entities in both the public and private sectors.

KDPPLK Syariah as a reference for: (a) preparing Islamic financial accounting standards in carrying out their duties; (b) preparation of financial reports to address sharia accounting issues that have not been regulated in standards; (c) the auditor in giving an opinion whether the financial statements prepared are in accordance with the GASAP; (d) users of financial statements in interpreting the information presented in the financial statements.

Sharia is a provision of Islamic law that regulates human activities which contain orders and prohibitions, both concerning vertical interactions with God and horizontal interactions with fellow creatures. Generally accepted sharia principles in muamalah activities (sharia transactions) are legally binding for all actors and entity stakeholders who carry out sharia transactions. Morals are norms and ethics that contain moral values in the interaction of fellow beings so that the relationship becomes mutually beneficial, synergistic and harmonious.

B. Principles of the Basic Framework for the Preparation and Presentation of Islamic Financial Statements

Sharia transactions are based on the principles of: (1) Brotherhood (ukhuwah); (2) Justice ('is); (3) Benefit; (4) Balance (tawazun); and (5) Universalism (syumuliyah).

1. The principle of brotherhood (ukhuwah) is essentially a universal value that organizes social interaction and harmonization of the interests of the parties for general benefit with enthusiasm. helping each other. Sharia transactions uphold the value of togetherness in obtaining benefits (sharing economics) so that one person may not gain at the expense of another person. Ukhuwah in sharia transactions is based on the principles of knowing each other (ta'aruf), mutual understanding (tafahum), mutual assistance (ta'awun), mutual guarantees (takaful), mutual synergy and alliances (tahaluf).
2. The principle of justice is the essence of placing things only in their place and giving things only to those who are entitled and treating things according to their position. The implementation of justice in business activities is in the form of muamalah principle rules which prohibit the elements of: (1) Riba (elements of interest in all its forms and types, both usury nasiah and fadhl); (2) Tyranny (an element that harms oneself, others and the environment); (3) Masyir (gambling and speculative attitude); (4) Gharar (element of obscurity); (4) Haram (unlawful elements in both goods and services and related operational activities.
   a) The essence of usury is any addition to the principal receivable required in lending and borrowing transactions and its derivatives and other non-cash transactions, and any additions required in exchange transactions between usury goods including money exchange) of the same type in cash or deferred and which not in kind in cash.
   b) The essence of tyranny (dzulm) is placing something out of place, giving something out of proportion, quality and tempo. taking something that is not rightfully his and treating something not according to his position. Tyranny can cause harm to society as a whole, not just part of it; or bring harm to one of the parties or parties conducting the transaction.

c) The essence of maysir is any transaction that is speculative in nature and is not related to productivity and is gambling in nature. The essence of gharar is any transaction that has the potential to harm one of the parties because it contains elements of ambiguity, manipulation and exploitation of information and there is no certainty about the implementation of the contract. The essence of haram is all elements that are expressly prohibited in the Al-Quran and as-Sunnah.

3. The principle of benefit is essentially all forms of goodness and benefits with worldly and spiritual dimensions, material and spiritual, as well as individual and collective. The benefits that are recognized must fulfill two elements, namely compliance with shari'ah (halal) and being useful and bringing good (thayib) in all aspects as a whole. which does not cause harm. Shari'ah transactions that are considered beneficial must fulfill as a whole the elements that are the goal of shari'ah provisions (maqashid shari'ah), namely in the form of maintenance of Aqidah, intellect, safety, and property (mall).
4. The principle of balance (tawazun) essentially covers the balance of material and spiritual aspects, private and public aspects, the financial sector and the real sector, business and social, and the balance of utilization and preservation aspects. Shari'ah transactions do not only emphasize maximizing company profits solely for the benefit of the owner (shareholders). So that the benefits obtained are not only focused on shareholders, but on all parties who can feel the benefits of an economic activity.
5. The principle of universalism (syumuliyah) can essentially be carried out by, with, and for all interested parties (stakeholders). regardless of ethnicity, religion, race and class, in accordance with the spirit of universal mercy (rahmatan lil alamin) (IAI: 2007).

C. Elements of financial statements

Financial reporting is an accounting structure and process that describes how financial information is provided and reported to achieve the country's economic and social goals. The scope of financial reporting includes the structure and mechanism of the system in a country (Jefri, et al: 2011).

Elements of sharia entity financial statements are divided into: (a) components of financial statements that reflect commercial activities; (b) components of financial reports that reflect social activities; (c) other financial statement components that reflect the specific activities and responsibilities of sharia entities.

Accounting standards as a reference for the preparation of financial reports that apply in one country will differ from accounting standards in other countries. This difference is influenced by environmental, legal, social, political and economic conditions in each country. The problem of comparability of financial statements, the level of reliability and opportunities for uncertainty is a consequence of these differences in accounting standards (Aris: 2011).

Accounting functions as a provider of data for the preparation of financial reports with the condition that the data must be objective and informative for the interests of various parties related to the company. In order to fulfill its function, a set of accounting principles and concepts is needed in recording data and preparing company financial reports.

Accounting principles and concepts include: (1) The concept of a business unit (this concept states that the recording of the company's activities must be separated from the activities of the owner or the owner's household); (2) The concept of survival (the company is not established temporarily, but is expected to continue over time. The principle that life at all times will affect the valuation method); (3) The concept of cost of goods (accounting data will be recorded at cost (at cash) at the time the event occurred and remains so in the accounting records or reports because this is the most objective approach); (4) The concept of a unit of measurement (the accounting data is recorded using a unit of measurement of money (rupiah). Fluctuations in the value of money are considered to have no effect on the amounts shown in the company's financial statements); (5) The concept of time period (Because the company's activities run all the time, the process of presenting the company's financial condition and operating results needs to be broken down into certain periods); (6) The concept of objectivity (For the purposes of accounting records, it is necessary to support evidence of transactions that are objective and verifiable); (7) The concept of transparency (all facts need to be disclosed openly so that the report on the financial condition and operating results of the company is as informative and meaningful (not misleading) to interested parties as possible); (8) The concept of consistency (In accounting there are several methods that can be used, for example in terms of valuing inventories, determining the amount of depreciation, estimating losses on uncollectible accounts. Accounting must choose the one method that best suits needs. Once one method has been selected , then it must be consistently maintained from period to period); (9) The concept of conservatism (Generally conservatism is defined as recording assets at a lower price than their acquisition price or recording debt at a higher value. In addition, conservatism is also given the meaning that accountants follow the principle of recognizing possible losses that will occur, but not anticipating unrealized profit) (Dwi: 2020).

Islamic accounting is a theory that explains how to allocate existing resources fairly, not a lesson about how accounting exists. In connection with this the existence of Islamic accounting as Postulates, Standards, explanations and accounting principles that describe all things, therefore theoretically accounting has Islamic concepts, principles and goals and all of these things simultaneously go hand in hand with the economic, social, political, ideological, ethical fields of Islam. , Islamic life and justice, and Islamic law. And Islam is a program that has economic, social, political, ideological, management, accounting, and others. All these things are one package that cannot be separated. Islamic accounting is an instrument used to provide useful accounting information for interested parties in making economic decisions. For this reason, standard and permanent accounting principles and shari'ah concepts are needed, which are inferred from sources of Islamic shari'a and are used as rules by an accountant in his work, both in bookkeeping, analysis, measurement, presentation, and explanation, and become the basis for describe an incident or events. Sharia accounting information is in the form of financial reports, which have components which include balance sheets, income statements, cash flow reports, changes in equity reports, reports on changes in restricted investment funds, reports on sources and uses of zakat funds, reports on sources and uses of qardh funds and notes on reports finance. While the components of conventional financial reports do not present reports on changes in restricted investment funds, reports on sources and use of zakat funds and reports on sources and use of qardh funds.

Accountant conservatism states that if there are several accounting alternatives, the alternative that should be chosen is the alternative that is least likely to report greater assets or income than it should. Conservatism arises because there is a tendency on the part of management to increase the value of a company's assets and income (Mamduh, et al: 2007).

In PSAK 101 it is stated that financial statements are a structured presentation of the financial position and financial performance of a sharia entity. The purpose of financial reports is to provide information about the financial position, financial performance and cash flows of Islamic entities that is useful to the majority of users of financial statements in making economic decisions. The financial statements also show the results of management's accountability for the use of the resources entrusted to them. In order to achieve these objectives, a financial report presents information about sharia entities which include: (1) Assets; (2) Obligations; (3) temporary syirkah funds; (4) Equity; (5) income and expenses including gains and losses; (6) Cash flow; (7) zakat funds; (8) Virtue funds (IAI: 2014).

It can be explained here, that Islamic entities present their financial information slightly differently from conventional entities, namely in reporting information about temporary syirkah funds, where this post does not include liabilities and also equity. This post has its own classification, because this post is based on a Mudharabah contract or unrestricted investment. In the Mudharabah contract, profit sharing provisions apply if the fund manager earns a profit, whereas if the fund manager suffers a loss, the loss is borne by the owner of the capital, so the fund manager has no obligation to return the mudharabah funds.

The financial statements prepared by management have the objective of providing information on the financial position and periodic changes in financial position made by the company's management. Financial statements are historical because they are an accumulation of transactions that have occurred within a company during the period in question, and are comprehensive because they are an accumulation of all business activities that can be measured or expressed in money.

With the inherent characteristics, several limitations of financial reports can be identified, namely: (1) Periodic financial reports are basically interim reports (reports made between certain times are temporary in nature and are not final reports); (2) The financial report shows figures in rupiah that appear to be certain and precise, but in fact the basis for their preparation is based on a standard value that may be different or changeable; (3) The financial statements are prepared based on the results of recording financial transactions or the value of the rupiah from various past times or dates, where the purchasing power of the money has decreased compared to previous years, so that an increase in sales volume expressed in rupiah may not necessarily indicate or reflect the units sold are getting bigger, maybe the increase is due to the increase in the selling price of the goods which may also be followed by the level of price increase; (4) Financial reports cannot reflect various factors that can affect the company's financial position or condition because these factors cannot be expressed in units of money (Suhardi, et al: 2009).

D. Characteristics of Islamic entity financial reports

According to the characteristics, the financial statements of sharia entities include: (1) Components of financial statements that reflect commercial activities: statements of financial position, statements of profit and loss, reports of cash flows, reports of changes in equity; (2) components of financial reports that reflect social activities: reports on sources and uses of zakat funds, reports on sources and uses of benevolent funds; (3) other financial statement components that reflect the specific activities and responsibilities of the sharia entity.

Elements that are directly related to the measurement of financial position are assets, liabilities, temporary syirkah funds and equity. These items are defined as follows: (1) Assets are resources controlled by the Islamic entity as a result of past events and from which future economic benefits are expected to flow to the Islamic entity; (2) The liability represents a present debt of the Islamic entity arising from past events, the settlement of which is expected to result in an outflow from the Islamic entity of resources embodying economic benefits; (3) Temporary syirkah funds are funds received as an investment for a certain period of time from individuals and other parties where the sharia entity has the right to manage and invest the funds with the distribution of investment returns based on an agreement; (4) Equity is the residual interest in the assets of an Islamic entity after deducting all liabilities and temporary syirkah funds.

Overall considerations that must be carried out by Islamic entities in preparing and presenting Islamic financial reports include: fair presentation, accounting policies, business continuity, accrual basis, materiality and aggregation, offsetting, and comparative information.

Berikut ini PSAK No.101(2007) yang mengatur hal – hal tersebut yaitu:

1. Fair presentation, financial reports must present fairly the financial position, financial performance and cash flows of sharia entities by applying accounting standard statements correctly accompanied by disclosures required by statements of financial accounting standards in the notes to financial reports. Other information is still disclosed to produce a fair presentation even though disclosure is not required by the statement of financial accounting standards (paragraph 16, PSAK No.101, 2007). If the statement of financial accounting standards does not yet regulate the issue of recognition, measurement, presentation

and disclosure of a transaction or event, then fair presentation can be achieved through selection and accounting policies in accordance with paragraph 20 of PSAK No. 101, and presenting the resulting amount in such a way as to provide information relevant, reliable, comparable and understandable (paragraph 17 < PSAK No. 101, 2007).

2. Accounting policies, in the preparation and presentation of sharia financial reports, certain accounting policies related to financial statement transactions and items are required in order to produce reliable and relevant information for the economic decision making of the users of the financial statements. Accounting policies are specific principles, bases, conventions, regulations and practices established by Islamic entities in preparing and presenting financial statements (paragraph 21, PSAK No. 101, 2007).
3. Business continuity, in the preparation of financial reports, management must assess (assessment) the ability to continue the business of sharia entities. The financial statements should be prepared on the going concern basis, unless management intends to liquidate or sell, or has no alternative but to do so. In assessing business continuity, material uncertainties related to events or conditions that may cast doubt on business continuity must be disclosed. If the financial statements are not prepared based on the going concern assumption, then this fact must be disclosed together with other bases used in preparing the financial statements as well as the reasons why the going concern assumption of sharia entities is not used (paragraph 23, PSAK No. 101, 2007).
4. Actual basis, sharia entities must prepare financial statements on an accrual basis, except for cash flow reports and income calculations for the purpose of sharing business results. In calculating the distribution of operating results based on income that has been realized into cash (cash basis), (paragraph 25, PSAK No.101, 2007). It can be explained here, that financial statements other than cash flow statements and profit sharing calculations, PSAK requires presenting them on an accrual basis. Revenue is recognized when the transaction occurs, not when the revenue is converted into cash. As for the calculation of profit sharing, PSAK regulates it on a cash basis. For this purpose, PSAK No.101, 2007, regulates it with a separate financial report called the income and profit sharing reconciliation report. Some sharia entity practitioners are of the opinion that revenue recognition should also use a cash basis with consideration of performance certainty after cash can be converted into cash. So that the recognition of income / profit is postponed until the cash is received. In this way, the gaps in accrual basis misappropriation for the interests of the entity which tend to benefit the entity but are detrimental to the reader of financial statements can be minimized. In practice, the accrual basis can be used for earnings management, such as income smoothing. If you use the cash basis in recognizing revenue, technically it is possible that there will be a shift in revenue recognition in the following year, but in the current year there will also be cash inflows from receipt of settlement of

revenue receivables from the previous year. If we give an example of how to recognize revenue according to the accrual and cash basis, then technically there will be no difficulty in the journal.

5. Consistency in the presentation, presentation and classification of items in the financial statements between periods must be consistent, unless: There is a significant change in the nature of the operation of a sharia entity for a change in presentation will result in a more appropriate presentation of a transaction or event or the change is permitted by a statement financial accounting standards or interpretation of statements of financial accounting standards (paragraph 26, PSAK No.101, 2007).
6. Materiality and aggregation, items that are material are presented separately in the financial statements while those that are immaterial are combined in amounts that have a similar nature or function (paragraph 28, PSAK No. 101, 2007), for example: cashier the difference is Rp. 100,- from a transaction of Rp. 100,000,000, the value of the difference is immaterial, and does not affect decision making, so that materiality requires quantitative comparisons and benchmarks.
7. Offsetting, assets, liabilities, temporary syirkah funds, income and expenses are presented separately, unless the offsetting is permitted in a statement or interpretation of financial accounting standards (paragraph 30, PSAK No. 101, 2007).
8. Comparative information, must be disclosed comparatively with the previous period, unless stated otherwise by the statement of financial accounting standards. Comparative information that is narrative and descriptive in nature from the financial statements of the previous period is disclosed if it is relevant for an understanding of the current period's financial statements (paragraph 33 of PSAK No. 101, 2007).

E. Structure and Content of Islamic Entity Financial Statements

Structure and Content of Financial Reports of sharia entities include;

1) Information presented in the balance sheet, the balance sheet of sharia entities is presented in such a way as to highlight the various elements of financial position required for fair presentation. The minimal balance sheet includes the following items: cash, financial assets, trade receivables and other receivables, fixed assets, intangible assets, trade payables and other payables, taxes payable, temporary syirkah funds, minority interests, share capital. Temporary syirkah funds are not liabilities and are not equity. Temporary syirkah funds are third party funds that are handed over to Sharia entities to be managed without ties from the depositor of funds or managed freely according to Sharia.
2) The profit and loss report, based on PSAK No.101, 2007, presentation in the Profit and Loss report of a Sharia entity is presented in such a way as follows: based on PSAK No.101, 2007, the presentation in the Profit and Loss report of a Sharia entity is presented in such a way as includes: Operating income, for results for fund owners, operating expenses, operating profit or loss, non-operating income and expenses,

profit or loss from normal activities, tax expense, net profit or loss for the current period.

3) Statement of Cash Flows, can be seen based on PSAK No.2, 2002 regarding reports of cash flows and PSAK No.31.
4) Report on Changes in Equity, Sharia entities must present a report on changes in equity as the main component of financial statements, showing: Net profit or loss for the period in question, Each income and expense item, gain or loss and the amount based on the statement of related financial accounting standards is directly recognized in equity, the cumulative effect of changes in accounting policies and corrections to fundamental errors as stipulated in the related accounting standard statements, capital transactions with owners and distributions to owners, balances of accumulated gains or losses at the beginning and end of the period and their changes, and reconciliations between the carrying amounts of each type of model of shares, premiums and reserves at the beginning and end of the period which separately disclose each change (paragraph 67, PSAK No.101, 2007).
5) Report on Changes in Bound Investment Funds, regarding reports on changes in restricted investment funds, (attachment to PSAK No. 101, 2007) stipulates as follows: Reports on changes in restricted investment funds separating restricted investment funds by source of funds separating investments by type, Sharia Banks present a report on changes Bonded investment funds as the main component of the report, which shows that: Initial balance of restricted investment funds, Number of investment statement units for each type of investment and value per unit of participation at the beginning of the period, Investment funds received and investment participation units issued by Islamic banks during the reporting period , Withdrawals or buybacks of investment units during the reporting period, Gains or losses of restricted investment funds, Sharia bank fees as investment agents, Administrative expenses and other indirect expenses allocated by Islamic banks to restricted investment funds, Final balance of anchovies investment funds kat, the number of units of investment participation in each type of investment and the value per unit of participation at the end of the period.
6) Report on the Sources and Use of Zakat Funds, based on PSAK No.101, 2007, as the main component of financial statements, which shows: Zakat funds come from the obligatory zakat (muzakki), Use of zakat funds through amil zakat institutions for: (fakir, poor, riqob, gharim, converts, ibnusabil, and amil), increase or decrease in zakat funds, initial balance of zakat funds, final balance of zakat funds.
7) Report on the Sources and Use of Benevolent Funds, PSAK No.101, 2007, the entity presents a report on the sources and use of benevolent funds as the main component of financial reports, which shows: Sources of benevolent funds come from receipts, Use of benevolent funds, Increase or decrease in benevolent funds, Initial balance of benevolence funds, Ending balance of benevolence funds.

8) Reconciliation Report of Income and Profit Sharing, particularly for Islamic banks, presents: Income from bank fund management as mudharib, Adjustment of: Income from fund management by bank as mudharib for the current period for which cash or cash equivalent has not been received, Income from fund management by bank as mudharib for the current period previously received cash or cash equivalents in the current period, Income available for profit sharing, Sharia bank's share of income available for profit sharing, Fund owner's share of income available for profit sharing.

PABU (Generally Accepted Accounting Principles) as a criterion for determining whether financial statements as financial reporting media have presented financial information properly, correctly and honestly which is technically called present fairly. Accounting standards are only one of the criteria (albeit the main one) for determining fairness, the reasons are: (1) Not all accounting treatment provisions can or have been set forth in the form of accounting standards; (2) If accounting standards are explicitly used as criteria and stated in the auditor's report, it is feared that fairness is only formal (technical) not substantive in nature. This means that accounting standards will be used as minimum standards and there is a possibility that evaluators or auditors will only meet these minimum standards to determine fairness; (3) In order to achieve a high standard of information quality, the measure of fairness must be a framework of guidelines that is quite comprehensive covering technical and conceptual (substantive and ideal) aspects.

Presentation (presentation) determines how to report elements or items in a set of financial statements so that these elements or items are quite informative. Disclosure relates to the method of disclosing or explaining normative matters that are considered important and beneficial to users other than what can be stated through the main financial statements. Accounting standards usually contain provisions regarding whether an information or object must be presented separately from a main statement, whether information must be combined with other statement items, whether an item needs to be detailed, or whether information is sufficiently presented in the form of footnotes. Included in the meaning of this disclosure is the issue of determining whether or not qualitative information is included in a set of financial statements. Accounting standards regulate the ways of disclosing this information. One example of the presentation regulated by the PABU is for example that debt is presented in the financial statement by sorting it on the basis of the repayment period, namely the shortest is placed at the top (Jefri, et al: 2011).

CONCLUSION

Broadly speaking, the Basic Framework for the Preparation and Presentation of Islamic Financial Statements has a scope that discusses the purpose of financial statements, the characteristics that determine the benefits of information in financial statements and the third is recognition and the elements that make up financial statements. So that with this framework it is hoped that it can become a reference in the presentation of Islamic banking financial reports.

Sharia transactions are based on the basic paradigm that the universe was created by God as a trust (God's trust) and a means of happiness in life for all mankind to achieve true material and spiritual well-being (alfalah). This basic paradigm emphasizes that every human activity has accountability and divine values that place sharia and moral principles as parameters of good and bad, right and wrong in business activities. This paradigm will form integrity which helps to form the character of good governance and good market discipline.

Financial reports which include products with the Sharia system need to be used in our daily business practices in measuring business performance, and it is appropriate for us to make it known, it is hoped that all of our lives will always try to get used to practicing thoroughly all the governance of our lives, both mahdoh worship and his muamalat.

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