LEMBAGA PENELITIAN DAN PENGABDIAN KEPADA MASYARAKAT
UNIVERSITAS BINA SARANA INFORMATIKA
Alamat : Jl. Kramat Raya No. 98, Senen. Jakarta Pusat 10450
Telp. (021) 23231170 Fax (021) 21236158 Ext. 704, 705 e-mail: lppm@bsi.ac.id

SURAT TUGAS

1466/B.01/LPPM-UBSI/VII/2026

Tentang

PENELITIAN YANG DIPUBLIKASIKAN DALAM JURNAL ILMIAH
Periode Maret - Agustus 2026

Menulis Pada Jurnal Akrab Juara : Jurnal Ilmu-ilmu Sosial
Volume 11 No. 3 Agustus 2026 (p-ISSN : 2528-5130 | e-ISSN : 2620-9861)

Judul :

DEVELOPING A LEAD MAPPING-BASED HARMONIZATION METHODOLOGY FOR FIRST-TIME CONSOLIDATED FINANCIAL REPORTING IN NONPROFIT ORGANIZATIONS

Menimbang :
1. Bahwa perlu diadakan pelaksanaan Tridharma Perguruan Tinggi dalam bentuk Penelitian.
2. Untuk Keperluan pada butir 1 (satu) diatas, maka perlu dibentuk tugas yang berkaitan dengan penelitian yang dipublikasikan dalam Jurnal Ilmiah.

MEMUTUSKAN

Pertama : Menugaskan kepada saudara

1. 202303011 Satria Chandra
2. 202109220 Caroline Felicia Christine

Sebagai Penulis yang mempublikasikan Penelitianya pada Jurnal Ilmiah.

Kedua : Mempunyai tugas sbb:
Melaksanakan Tugas yang diberikan dengan penuh rasa tanggung jawab.

Ketiga : Keputusan ini berlaku sejak tanggal ditetapkan, dengan ketentuan apabila dikemudian hari terdapat kekeliruan akan diubah dan diperbaiki sebagaimana mestinya.

Jakarta, 1 Juli 2026
LPPM Universitas Bina Sarana Informatika
Ketua

Agus Junaidi, M. Kom

Tembusan

- Ka. LPPM Universitas Bina Sarana Informatika
- Arsip
- Ybs

YAYASAN AKRAB PEKANBARU
Akrab Juara : Jurnal Ilmu-ilmu Sosial
Volume 11 Nomor 3 Edisi Agustus 2026 (592-614)
https://doi.org/10.58487/akrabjuara.v10i1.0000

54

DEVELOPING A LEAD MAPPING-BASED HARMONIZATION METHODOLOGY FOR FIRST-TIME CONSOLIDATED FINANCIAL REPORTING IN NONPROFIT ORGANIZATIONS

Satria Chandra, Caroline Felicia Christine Lawalata
Universitas Bina Sarana Informatika
(Naskah diterima: 1 Juni 2026, disetujui 31 Juni 2026)

Abstract

Preparing consolidated financial statements for the first time is challenging for nonprofit organizations because parent entities and subsidiaries often apply different financial reporting structures and presentation formats. This study aims to develop a Lead Mapping-Based Harmonization Methodology to support first-time consolidated financial reporting under the Indonesian Financial Accounting Standards for Private Entities (SAK EP). A qualitative case study was conducted using document analysis, interviews, and observation of the consolidation process within a nonprofit group. The findings propose an integrated methodology consisting of four components: (1) a Lead Mapping Framework and Harmonized Group Trial Balance to standardize heterogeneous financial statement presentations; (2) a Matrix Reconciliation to identify and validate reciprocal intra-group transactions before elimination; (3) a Consolidation Reporting Package integrating financial statements and disclosure schedules; and (4) a standardized consolidation workflow. The proposed methodology harmonizes heterogeneous financial reporting structures at the reporting level without requiring changes to entity-specific accounting systems. This study contributes to the literature by providing a practical and replicable harmonization methodology for organizations preparing consolidated financial statements for the first time.
Keywords: *Consolidated financial statements; Financial statement harmonization; Lead mapping; Nonprofit organizations; SAK EP.*

Abstrak

Penyusunan laporan keuangan konsolidasian untuk pertama kali merupakan tantangan bagi organisasi nirlaba karena entitas induk dan entitas anak sering kali menerapkan struktur pelaporan keuangan dan format penyajian yang berbeda. Penelitian ini bertujuan mengembangkan Lead Mapping-Based Harmonization Methodology untuk mendukung penyusunan laporan keuangan konsolidasian pertama kali berdasarkan Standar Akuntansi Keuangan Entitas Privat (SAK EP). Penelitian ini menggunakan pendekatan studi kasus kualitatif melalui analisis dokumen, wawancara, dan observasi terhadap proses konsolidasi pada suatu kelompok organisasi nirlaba. Hasil penelitian mengusulkan suatu metodologi terintegrasi yang terdiri atas empat komponen, yaitu: (1) Lead Mapping Framework dan Harmonized Group Trial Balance untuk menyeragamkan penyajian laporan keuangan yang heterogen; (2) Matrix Reconciliation untuk mengidentifikasi dan memvalidasi transaksi resiprokal intra-grup sebelum proses eliminasi; (3) Consolidation Reporting Package yang mengintegrasikan laporan keuangan dan detail pengungkapan; serta (4) standardized consolidation workflow. Metodologi yang diusulkan memungkinkan mengharmonisasikan berbagai struktur pelaporan keuangan yang berbeda pada tingkat pelaporan tanpa memerlukan perubahan pada sistem akuntansi masing-masing entitas. Penelitian ini memberikan kontribusi terhadap pengembangan literatur melalui penyediaan metodologi harmonisasi yang praktis dan dapat direplikasi bagi organisasi yang menyusun laporan keuangan konsolidasian untuk pertama kali.
Kata kunci: laporan keuangan konsolidasian; harmonisasi laporan keuangan; lead mapping; organisasi nirlaba; SAK EP.

Volume 11 Nomor 3 Edisi Agustus 2026 (592-614)
https://doi.org/10.58487/akrabjuara.v10i1.0000

I. INTRODUCTION

The increasing complexity of organizational structures has transformed financial reporting practices in both profit-oriented and nonprofit organizations. Many nonprofit foundations have expanded their operations by establishing subsidiary companies to support sustainability, diversify funding sources, and improve operational effectiveness. As these organizations operate as integrated economic groups, stakeholders require financial information that reflects the financial position and performance of the entire group rather than separate legal entities. Consequently, consolidated financial statements have become an essential reporting mechanism because they present the parent entity and its subsidiaries as a single economic entity, thereby improving transparency, accountability, and decision usefulness (IFRS Foundation, 2011; Titi, 2023).

The issuance of the Indonesian Financial Accounting Standards for Private Entities (*Standar Akuntansi Keuangan Entitas Privat*—SAK EP), effective from 1 January 2025, introduced significant changes to financial reporting requirements for private entities in Indonesia. Unlike the previous SAK ETAP, SAK EP explicitly requires entities that control one or more subsidiaries to prepare consolidated financial statements. This requirement aligns Indonesian accounting standards with IFRS 10, which emphasizes that financial statements should faithfully represent the financial position and performance of the economic entity rather than individual legal entities (IFRS Foundation, 2011; Ikatan Akuntan Indonesia, 2022). Furthermore, the implementation of SAK EP has increased the need for standardized consolidation procedures, particularly for organizations preparing consolidated financial statements for the first time.

Although consolidation principles are conceptually well established, their practical implementation in nonprofit organizations remains challenging. Parent foundations generally prepare financial statements in accordance with ISAK 335, while subsidiary entities commonly adopt reporting structures designed for profit-oriented companies. Consequently, differences in financial statement presentation, account classifications, chart of accounts, and reporting objectives frequently arise between parent and subsidiary entities. Before financial information can be consolidated, these differences must first be harmonized to ensure consistency in financial statement presentation and facilitate the elimination process (IFRS Foundation, 2011; Ikatan Akuntan Indonesia, 2022).

Previous studies have primarily examined the implementation of SAK EP and ISAK 335 from the perspective of individual financial reporting. Ningsih et al. (2025) demonstrated that implementing SAK EP and ISAK 335 improves the quality and completeness of financial statements prepared by nonprofit organizations. Similarly, Chantika et al. (2025) found that applying these standards enhances accountability and transparency by producing financial statements that comply with applicable accounting standards. Fitriyani & Muttaqin (2025) further emphasized that the implementation of ISAK 335 supports better financial performance reporting and strengthens accountability in nonprofit entities. However, these studies focus on individual nonprofit entities and do not discuss the preparation of consolidated financial statements or the harmonization process required when nonprofit organizations control subsidiary companies.

Research concerning consolidated financial statements has generally concentrated on accounting standards, audit quality, and corporate governance rather than operational consolidation practices. Titi (2023) explains that consolidated financial statements provide users with financial information that reflects the economic substance of a corporate group rather than separate legal entities. Likewise,

Shanshan and Nurgaliyeva (2025) highlight the importance of consolidated financial statements in improving accounting quality, audit effectiveness, and management decision-making. Nevertheless, these studies do not explain how organizations should harmonize financial reporting structures before consolidation, particularly when the parent entity and subsidiaries apply fundamentally different reporting frameworks.

Our previous study (Chandra & Wibowo, 2026) examined the transition from SAK ETAP to SAK EP and the preparation of first-time consolidated financial statements within a nonprofit group structure. The study demonstrated that implementing SAK EP required significant accounting policy adjustments, harmonization of accounting policies, and reconciliation of financial reporting across group entities. However, the research primarily focused on the accounting consequences of first-time adoption and did not develop a standardized methodology that could systematically guide organizations in harmonizing financial statements before consolidation.

Based on the existing literature, a significant research gap remains. Current studies provide substantial discussion regarding accounting standards, nonprofit financial reporting, and consolidation requirements, yet limited attention has been given to financial statement harmonization as a prerequisite for preparing consolidated financial statements. In practice, nonprofit organizations frequently experience difficulties in aligning financial statement presentations, mapping account classifications, standardizing reporting packages, and developing consolidation working papers that satisfy both financial reporting and audit requirements. Consequently, many organizations rely on entity-specific practices without a structured methodology that can be consistently replicated.

To address this gap, this study develops a Lead Mapping-Based Harmonization Methodology for first-time consolidated financial reporting in nonprofit organizations through a qualitative case study of Yayasan ABC. The proposed methodology consists of four integrated components: (1) development of a standardized Reporting Package, (2) Lead Mapping based on financial statement presentation rather than chart-of-accounts matching, (3) harmonization of financial statement classifications between nonprofit and profit-oriented entities, and (4) audit-oriented consolidation working papers that support efficient consolidation and external audit processes.

The contribution of this research extends beyond compliance with accounting standards. Theoretically, it enriches the limited literature on nonprofit financial reporting by introducing financial statement harmonization as a distinct stage preceding consolidation. Practically, it provides a structured and replicable methodology that may improve the consistency, efficiency, transparency, and auditability of first-time consolidated financial reporting for nonprofit organizations with subsidiary structures.

II. THEORITICAL REVIEW

Consolidated Financial Statements

Consolidated financial statements are prepared to present the financial position, financial performance, and cash flows of a parent entity and its subsidiaries as if they were a single economic entity. The objective of consolidation is to provide users with comprehensive financial information that reflects the economic substance of the group rather than the legal boundaries of individual entities. IFRS 10 requires a parent entity that controls one or more subsidiaries to prepare consolidated financial statements by combining financial information, eliminating intra-group transactions and balances, and applying uniform accounting policies across the group (IFRS Foundation, 2011).

The consolidation process becomes increasingly complex when entities within the group operate under different organizational characteristics and financial reporting structures.

Differences in accounting systems, account classifications, and financial statement presentation require a harmonization process before consolidation can be performed effectively. Shanshan & Nurgaliyeva (2025) also emphasize that consolidated financial statements provide comprehensive information, improve decision-making, enhance transparency, and optimize resource allocation, while highlighting that organizational structure and standardized audit processes significantly influence consolidation quality.

Chart of Accounts and Financial Reporting Harmonization

A Chart of Accounts (CoA) is a systematic classification of accounts used to record, classify, and report financial transactions consistently within an accounting system. Beyond serving as a bookkeeping tool, a well-designed CoA establishes a common accounting language that supports consistency, comparability, and reliability of financial information. According to Jorge et al. (2019), a standardized Chart of Accounts is fundamental for supporting standardized accounting records, improving comparability, facilitating financial statement preparation, and enabling the consolidation of accounts. The authors further explain that a CoA provides the foundation for accounting information systems by organizing financial data into structured classifications suitable for reporting and decision-making.

Similarly, Jorge et al. (2022) argue that standardized CoAs improve accounting accuracy, increase comparability among entities, enhance information reliability, and facilitate consolidated financial reporting. They emphasize that harmonized account structures enable consistent bookkeeping practices, standardized reporting, and better identification of transactions that must be eliminated during the consolidation process. The literature also recognizes that harmonization is not limited to creating identical account codes. Instead, it requires consistent classification, mapping, aggregation, and reporting structures across entities. The harmonization process becomes increasingly challenging when organizations consist of numerous entities using heterogeneous accounting systems and reporting practices.

Reporting Package in Group Financial Reporting

A Reporting Package is a standardized reporting template used by subsidiary entities to submit financial information to the parent entity for consolidation purposes. Reporting packages ensure that financial information is prepared using consistent classifications, reporting periods, disclosure requirements, and accounting policies before consolidation procedures are performed.

Previous studies concerning nonprofit financial reporting primarily focus on preparing financial statements in accordance with SAK EP and ISAK 335 at the individual entity level.

Chantika et al. (2025) developed a financial reporting module for a mosque using standardized financial statement formats based on SAK EP and ISAK 335, while Ningsih et al. (2025) designed a complete accounting cycle and chart of accounts for a nonprofit foundation using Microsoft Excel. These studies demonstrate the importance of standardized reporting formats but remain limited to single-entity financial reporting without addressing consolidation across multiple entities. Consequently, although reporting standardization has been discussed extensively for individual organizations, limited literature explains how standardized reporting packages can be utilized to harmonize financial information among nonprofit parent entities and subsidiaries before consolidation.

Lead Mapping as a Financial Statement Harmonization Mechanism

Existing literature generally acknowledges that standardized Charts of Accounts facilitate consolidation but provides limited guidance regarding the operational procedures required to harmonize financial information when entities maintain different account structures and financial statement presentations.

Building upon the standardized CoA concept proposed by Jorge et al. (2019, 2022), this study conceptualizes Lead Mapping as a financial statement harmonization mechanism rather than merely an account mapping exercise. Lead Mapping is defined as a systematic process that translates financial statement elements from heterogeneous reporting structures into a standardized group reporting framework prior to consolidation.

Unlike traditional account-to-account mapping, Lead Mapping operates at the financial statement presentation level. Individual entities first prepare standardized Reporting Packages, after which financial statement components are mapped into common group reporting categories. This approach enables nonprofit parent entities applying ISAK 335 and profit-oriented subsidiaries using different Charts of Accounts to produce a harmonized Group Trial Balance before elimination entries and consolidated financial statements are prepared.

Accordingly, Lead Mapping extends previous literature on standardized Charts of Accounts by providing an operational methodology for financial statement harmonization within nonprofit groups that consist of multiple legal entities with diverse accounting systems and reporting structures.

III. RESEARCH METHOD

This study employed a qualitative case study approach to develop a Lead Mapping-Based Harmonization Methodology for first-time consolidated financial reporting in nonprofit organizations. A qualitative approach was selected because it enables an in-depth understanding of organizational processes, financial reporting practices, and accounting challenges within their real-world context (Creswell & Creswell, 2017). The case study design was adopted because it allows comprehensive exploration of complex organizational phenomena and facilitates the development of practical solutions based on empirical evidence (Yin, 2018).

The unit of analysis is a nonprofit foundation with several controlled subsidiaries that prepared consolidated financial statements for the first time following the implementation of SAK EP. To preserve confidentiality, the identity of the organization and its subsidiaries is anonymized throughout this study. The research focuses on the harmonization of financial reporting structures among entities within the group, particularly the development of standardized reporting packages, financial statement classification, Lead Mapping procedures, and consolidation working papers required to produce consolidated financial statements.

Data were collected through semi-structured interviews, document analysis, and limited observation of the financial reporting process. Semi-structured interviews were conducted with individuals directly involved in financial reporting and consolidation activities to obtain an understanding of the reporting process, professional judgments, and practical challenges encountered during the preparation of consolidated financial statements. Document analysis covered audited financial statements, reporting packages, charts of accounts, consolidation worksheets, Lead Mapping schedules, internal working papers, and supporting accounting documents used throughout the consolidation process. Observations were conducted to understand the operational workflow of financial statement preparation and harmonization before consolidation.

The data analysis employed the interactive qualitative analysis model proposed by Miles et al. (2014) consisting of data condensation, data display, and conclusion drawing. Initially, financial reporting documents and interview results were reviewed to identify differences in financial statement presentation, chart of accounts, account classifications, and reporting requirements between the parent entity and its subsidiaries. These findings were subsequently categorized according to the stages of financial statement preparation and consolidation. Finally, recurring patterns identified from the analysis were synthesized into a structured Lead Mapping-Based Harmonization Methodology that could be systematically applied in the preparation of first-time consolidated financial statements.

The methodology was developed through four sequential stages. The first stage involved designing a standardized Reporting Package to establish a uniform reporting format across all entities within the group. The second stage consisted of developing a Lead Mapping framework that translated financial statement elements from different reporting structures into standardized group reporting classifications. Unlike conventional account-to-account mapping, Lead Mapping was performed at the financial statement presentation level to accommodate differences between nonprofit and profit-oriented reporting frameworks. The third stage produced a harmonized Group Trial Balance that served as the basis for consolidation. Finally, consolidation working papers and elimination entries were prepared to generate consolidated financial statements supported by complete and traceable audit documentation.

The credibility of the findings was enhanced through triangulation of interview results, documentary evidence, and observations. Confirmation of interpretations was performed by comparing information obtained from different sources to ensure consistency of findings (Creswell & Poth, 2016). Furthermore, the research maintained a comprehensive audit trail documenting each stage of methodology development, including the preparation of reporting packages, Lead Mapping matrices, harmonized financial statement classifications, and consolidation working papers.

Ethical considerations were addressed by anonymizing the identity of the organization and limiting the disclosure of sensitive financial information. Information presented in this study has been generalized and anonymized to protect organizational confidentiality while preserving the integrity and validity of the research findings (Creswell & Poth, 2016). This approach is consistent with the ethical treatment described in your previous study.

IV. RESEARCH RESULTS

Organizational Background and Reporting Environment

The case examined in this study is a nonprofit foundation that serves as the parent entity of a group comprising five subsidiaries and two second-tier subsidiaries. To preserve organizational confidentiality, the identities of the foundation and its affiliated entities are anonymized throughout this paper. The group operates across diverse business sectors, resulting in heterogeneous operational activities, accounting practices, and financial reporting environments (Research Data, 2026).

Document analysis and interviews indicate that each entity independently developed its accounting system according to its operational requirements prior to the implementation of consolidated financial reporting. Consequently, the entities adopted different Charts of Accounts (CoAs), account coding structures, financial statement formats, and supporting schedules. In addition, different accounting software applications were implemented across the group, reflecting individual operational needs rather than standardized group reporting objectives. Although these systems adequately supported entity-level financial reporting, they produced financial information that was not directly comparable or readily consolidated at the group level (Research Data, 2026).

Prior to the adoption of the Indonesian Financial Accounting Standards for Private Entities (SAK EP), the group prepared financial statements separately for each legal entity. Consolidated financial statements had never been prepared because the previous reporting framework did not require consolidation for the organization. Consequently, no standardized reporting package, harmonized reporting structure, or consolidation working procedures had been established. Financial reporting was therefore performed independently by each entity using its own accounting policies, reporting formats, and internal reporting practices (Research Data, 2026).

The implementation of SAK EP significantly changed the group's financial reporting environment by introducing the requirement to prepare consolidated financial statements for entities exercising control over subsidiaries. Within the case organization, this requirement introduced additional complexity because the parent entity prepares its financial statements in accordance with ISAK 335 for nonprofit entities, whereas the subsidiaries prepare financial statements as profit-oriented entities. As a result, differences existed not only in account structures but also in financial statement presentation, terminology, and classification principles applied across the group (IFRS Foundation, 2011; Ikatan Akuntan Indonesia, 2022).

The research findings demonstrate that the principal challenge was not the preparation of consolidation entries themselves, but the absence of a standardized reporting mechanism capable of integrating heterogeneous financial reporting structures into a common reporting framework. Before aggregation and elimination procedures could be performed, financial information first needed to be harmonized into a uniform reporting structure applicable to all entities within the group. This organizational context became the basis for developing the Lead Mapping-Based Financial Statement Harmonization Methodology proposed in this study.

Identification of Financial Reporting Differences

Following the assessment of the organizational reporting environment, an in-depth analysis was conducted to identify the financial reporting differences that prevented the direct preparation of consolidated financial statements. The analysis was based on audited financial statements, charts of accounts, reporting packages, supporting schedules, consolidation worksheets, and interviews with personnel responsible for financial reporting across the parent foundation and its subsidiaries (Research Data, 2026).

The analysis revealed that the challenges extended beyond differences in chart of accounts. Although each entity had implemented an accounting system capable of supporting entity-level financial reporting, none of the systems had been designed to facilitate group reporting. Each subsidiary independently developed its chart of accounts, reporting formats, account hierarchies, and supporting schedules according to its own operational requirements and industry characteristics. Consequently, financial information produced by individual entities was internally reliable but lacked comparability at the group level, preventing direct aggregation into consolidated financial statements (Research Data, 2026).

The most fundamental difference arose from the coexistence of two distinct financial reporting frameworks within the same economic group. The parent entity, as a nonprofit foundation, prepared its financial statements in accordance with ISAK 335 under SAK EP, emphasizing net assets, resource restrictions, and nonprofit reporting objectives. Conversely, the subsidiaries prepared financial statements using the reporting structure commonly applied by profit-oriented entities under SAK EP. While both frameworks complied with the applicable accounting standards, they differed substantially in terminology, classification principles, and financial statement presentation. These structural differences resulted in economically similar transactions being reported under different captions, thereby limiting the comparability required for consolidation (IFRS Foundation, 2011; Ikatan Akuntan Indonesia, 2022; Research Data, 2026).

Document analysis further indicated considerable variation in chart of accounts structures across subsidiaries. Equivalent economic transactions were frequently recorded using different account codes, coding hierarchies, and account groupings because each entity had independently customized its accounting information system. Although previous studies emphasize that standardized charts of accounts enhance comparability and facilitate consolidated reporting (Jorge et al., 2019, 2022), implementing a single standardized chart of accounts across the group was considered impractical in this case. Each subsidiary operated different business models and accounting systems that had evolved over many years, making complete account restructuring operationally costly and potentially disruptive (Research Data, 2026).Another significant finding concerned the absence of standardized reporting packages. Each entity prepared supporting schedules according to internal management requirements without reference to a common reporting template. Consequently, information required for consolidation, including account breakdowns, intercompany balances, investment schedules, and disclosure support, was presented in inconsistent formats. Before consolidation entries could be prepared, the consolidation team had to manually interpret, reorganize, and reconcile financial information from each reporting package, significantly increasing preparation time and the risk of classification errors (Research Data, 2026).

The analysis also identified inconsistencies in financial reporting terminology. The parent foundation employed terminology specific to nonprofit financial reporting, including net assets, statement of activities, and statement of changes in net assets, whereas the subsidiaries adopted conventional corporate terminology such as equity, retained earnings, and statement of profit or loss. Although these reporting elements represented comparable economic phenomena, differences in terminology and presentation complicated the identification of equivalent financial statement components during the harmonization process (Research Data, 2026).

These findings are summarized in Table 1.

Table 1
Principal Financial Reporting Differences Identified Prior to Consolidation

Financial Reporting Aspect	Parent Entity	Subsidiaries	Operational Impact
Financial reporting framework	ISAK 335 under SAK EP	SAK EP for profit-oriented entities	Different reporting framework
Chart of Accounts	Foundation-specific CoA	Entity-specific CoAs	Different account structures
Financial statement presentation	Nonprofit financial statements	Corporate financial statements	Financial statement harmonization required
Supporting schedules	Independently developed	Entity-specific	Standardized Reporting Package required
Reporting terminology	Nonprofit terminology	Corporate terminology	Consistent reporting language required
Consolidation readiness	No standardized reporting package	No standardized reporting package	Lead Mapping required before consolidation

Source: Research Data (2026).

Overall, the evidence demonstrates that the principal obstacle to first-time consolidated financial reporting was not the preparation of elimination entries but the absence of a standardized financial reporting architecture capable of integrating heterogeneous reporting structures into a common group reporting framework. This finding supports previous literature emphasizing the importance of standardized reporting structures in improving consistency and comparability (Jorge et al., 2019, 2022). However, unlike prior studies that primarily advocate standardized charts of accounts, the present case demonstrates that harmonization can be achieved without replacing entity-specific accounting systems. Instead, an intermediate reporting-level harmonization mechanism is required to translate diverse financial statement structures into a common reporting framework before consolidation activities begin.

Accordingly, the identification of these reporting differences became the empirical foundation for developing the Lead Mapping-Based Harmonization Methodology proposed in this study. Rather than attempting to standardize accounting systems across entities, the methodology focuses on harmonizing financial statement presentation through standardized reporting packages, financial statement-based lead mapping, and the preparation of a unified Group Trial Balance prior to consolidation.

Development of the Lead Mapping Framework and Harmonized Group Trial Balance

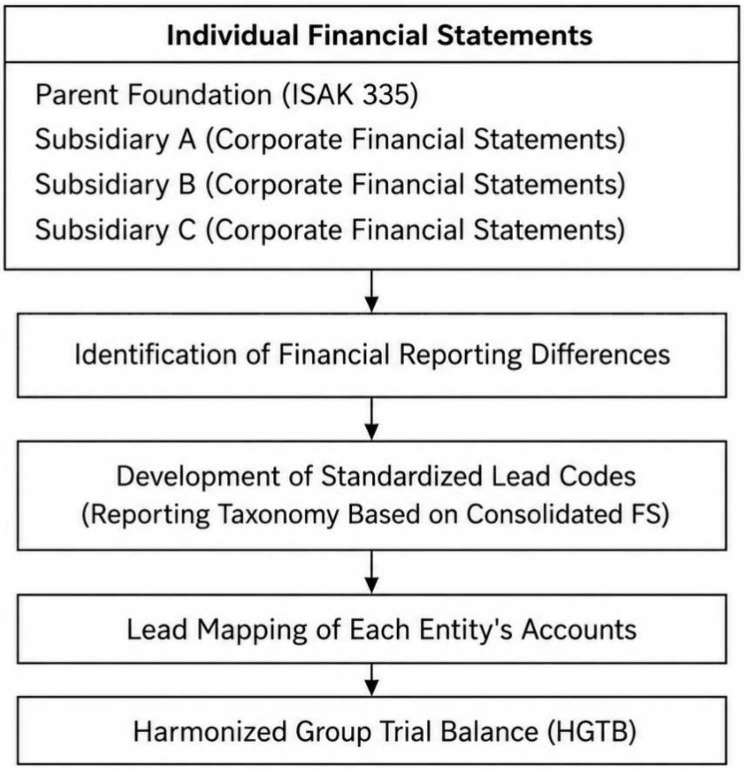
The identification of financial reporting differences demonstrated that direct consolidation was not feasible because each entity employed different financial statement structures, account classifications, and presentation formats. Rather than attempting to standardize the Charts of Accounts (CoAs) maintained by individual entities, this study developed a Lead Mapping Framework that harmonizes financial reporting at the financial statement level. The objective of this framework was to establish a standardized reporting structure that could accommodate heterogeneous accounting systems while preserving the entity-specific accounting records used by each subsidiary (Research Data, 2026).

The Lead Mapping Framework was developed by first defining the reporting structure of the future consolidated financial statements. Since the parent entity prepares its financial statements as a nonprofit organization in accordance with ISAK 335 under SAK EP, the consolidated financial statements were designed to follow the same reporting model. Consequently, all financial statement components including assets, liabilities, net assets, revenues, and expenses were standardized based on the reporting format adopted by the parent entity. This standardized reporting structure subsequently became the reference framework for harmonizing financial information reported by all subsidiaries (Research Data, 2026).

Unlike conventional account mapping, which focuses on matching individual account codes between entities, the proposed Lead Mapping Framework operates at the financial statement presentation level. Each reporting line presented in the consolidated financial statements was assigned a unique Lead Code, creating a standardized reporting taxonomy for the group. These Lead Codes function as reporting identifiers rather than accounting transaction codes. Therefore, they do not replace the entity-specific Charts of Accounts but instead provide a common reporting language that enables financial information from different accounting systems to be translated into a unified reporting structure (Research Data, 2026).

Figure 1 illustrates the conceptual development of the Lead Mapping Framework adopted in this study.

Figure 1. Development of the Lead Mapping Framework



Source: Developed by the authors (2026).

After establishing the reporting structure, every financial statement line item was assigned a unique Lead Code according to its reporting classification. For example, financial statement components within Current Assets excluding Investments were sequentially assigned Lead Codes beginning with A001 for Cash and Cash Equivalents, A002 for Investment Receivables, A003 for Trade Receivables, and subsequent codes for other reporting items. Similar coding structures were developed for investments, non-current assets, liabilities, net assets, revenues, and expenses. Because the Lead Codes represented standardized reporting items rather than accounting accounts, they could accommodate heterogeneous Charts of Accounts across subsidiaries without requiring modifications to existing accounting systems (Research Data, 2026).

An illustrative example of the Lead Mapping structure is presented in table 2.

Table 2
Illustrative Lead Mapping Structure

Lead Code	Financial Statement Category	Standardized Reporting Item
A001	Current Assets (excluding Investments)	Cash and Cash Equivalents
A002	Current Assets (excluding Investments)	Investment Receivables
A003	Current Assets (excluding Investments)	Trade Receivables
A004	Current Assets (excluding Investments)	Prepaid Expenses
I001	Investments	Time Deposits
I002	Investments	Shares
I003	Investments	Mutual Funds
L001	Current Liabilities	Trade Payables
NA001	Net Assets	Without Restrictions
R001	Revenue	Without Restrictions
E001	Expenses	Without Restrictions

Source: Developed by the authors (2026).

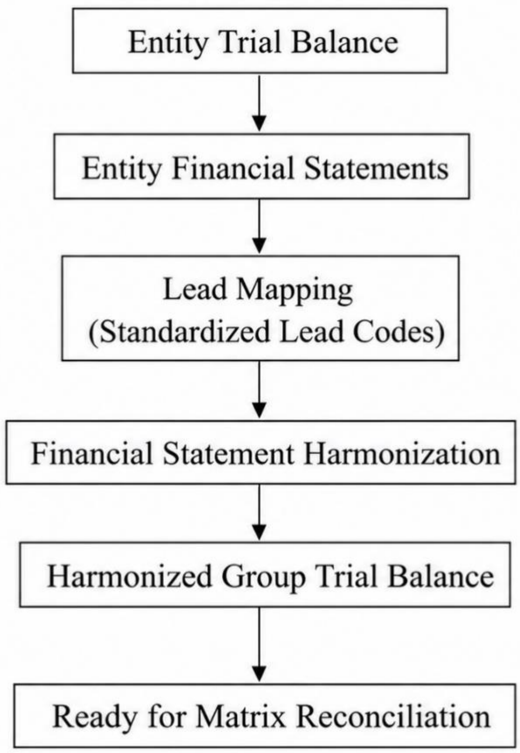
Following the establishment of standardized Lead Codes, financial statement balances from each subsidiary were mapped into the corresponding reporting categories. The mapping process emphasized the economic substance and financial statement presentation of each account rather than similarities in account names or account numbers. Consequently, accounts representing comparable economic resources but presented differently across entities could be classified into a common reporting category within the consolidated financial statements (Research Data, 2026).

A practical example illustrates the necessity of this harmonization process. Several subsidiaries presented time deposits as part of Cash and Cash Equivalents, consistent with their corporate financial reporting practices. However, under the nonprofit financial statement format adopted by the parent foundation, time deposits were presented separately within the Investment category. During the Lead Mapping process, these balances were therefore reclassified into the standardized Investment reporting category before consolidation. This harmonization ensured that equivalent financial statement elements were presented consistently across all entities despite differences in their original reporting practices (Research Data, 2026).

A similar harmonization process was applied to the statement of activities. Subsidiaries prepared conventional statements of profit or loss, whereas the parent foundation reported financial performance through a nonprofit statement of activities in accordance with ISAK 335. Consequently, operating revenues and expenses generated by subsidiaries were mapped into the Without Restrictions from Resource Providers section of the consolidated statement of activities. This approach preserved the economic substance of the underlying transactions while ensuring consistency with the nonprofit reporting model adopted by the parent entity (Research Data, 2026).

The output of the Lead Mapping process was a Harmonized Group Trial Balance (HGTB), representing the first standardized financial dataset prepared using the common reporting taxonomy. Unlike the original trial balances generated by individual entities, the Harmonized Group Trial Balance no longer reflected entity-specific financial statement structures. Instead, all financial information had been reorganized according to the standardized Lead Codes, thereby establishing a consistent reporting basis for identifying intra-group transactions, preparing elimination entries, and producing consolidated financial statements.

The overall harmonization process is illustrated in Figure 2.



Source: Developed by the authors (2026).

Figure 2 demonstrates that Lead Mapping functions as the intermediary layer between entity-level financial statements and the Harmonized Group Trial Balance. Unlike conventional account mapping, the framework reorganizes financial statement elements into standardized reporting categories before reconciliation and consolidation activities commence.

The findings extend previous studies that emphasize the role of standardized Charts of Accounts in improving consistency and comparability of financial reporting (Jorge et al., 2019, 2022). Rather than requiring organizations to redesign existing accounting systems, the proposed methodology demonstrates that harmonization can be achieved through a standardized reporting taxonomy operating at the financial statement level. This approach enables organizations with heterogeneous accounting systems to prepare consolidated financial statements without disrupting entity-level accounting practices.

Accordingly, the proposed Lead Mapping Framework functions as an intermediate harmonization layer between entity-specific financial reporting and consolidated financial reporting. By transforming heterogeneous financial statement structures into a Harmonized Group Trial Balance, the framework provides a standardized and auditable foundation for subsequent matrix reconciliation, consolidation adjustments, and the preparation of first-time consolidated financial statements under SAK EP.

Development of the Matrix Reconciliation for Identifying Intra-group Transactions

The harmonization process developed through the Lead Mapping Framework successfully standardized the presentation of financial statement elements across the parent foundation and its subsidiaries. However, harmonized financial statement classifications alone were insufficient to support the preparation of consolidated financial statements. The next challenge involved identifying reciprocal balances and transactions among entities before elimination entries could be prepared. This stage became particularly important because intercompany transactions were recorded independently by each reporting entity using different operational accounting systems and reporting structures (Research Data, 2026).

Previous consolidation literature consistently recognizes the elimination of intercompany balances and transactions as one of the fundamental procedures in consolidated financial reporting. IFRS 10 requires all intragroup balances, transactions, income, and expenses to be eliminated in full so that the consolidated financial statements present the group as a single economic entity (IFRS Foundation, 2011). Nevertheless, the practical implementation of this requirement depends on the entity's ability to accurately identify reciprocal transactions before elimination adjustments are recorded. As emphasized by **Sekerez & Spasić (2023)** identifying intercompany transactions is often more challenging than recording the elimination entries themselves because transactions may differ according to their direction, timing, nature, and accounting treatment.

To address this challenge, this study introduces a Matrix Reconciliation as an intermediate methodological stage between financial statement harmonization and consolidation adjustments. Unlike conventional reconciliation approaches that review each entity separately, the proposed matrix simultaneously compares reciprocal balances among all reporting entities within the group. The matrix therefore functions as a structured analytical framework that systematically identifies corresponding balances before elimination journals are prepared (Research Data, 2026).

Unlike conventional elimination working papers, which primarily focus on preparing journal entries, the Matrix Reconciliation functions as an analytical tool that validates reciprocal balances before consolidation adjustments are recorded. The concept is consistent with the broader application of matrix structures in accounting, where matrices provide a systematic representation of relationships among multiple entities and facilitate the analysis of complex consolidation processes (Degos, 2015). Figure 3 illustrates the conceptual structure of the Matrix Reconciliation.

The matrix is completed by comparing reciprocal reporting positions between two entities. For balance sheet accounts, intercompany payables reported by one entity should correspond to intercompany receivables reported by the related entity. Likewise, for the statement of activities, intercompany expenses recognized by one entity should correspond to intercompany revenues recognized by the counterparty. Any unmatched balances identified within the matrix indicate transactions requiring further investigation before elimination entries are prepared (Research Data, 2026). For example, the parent entity recorded an intercompany payable of Rp1,000 to Subsidiary 1, whereas Subsidiary 1 reported an intercompany receivable of only Rp900. The resulting difference of Rp100 prompted further investigation using supporting documents, including invoices and transaction listings. The investigation concluded that Subsidiary 1 had not recognized revenue amounting to Rp100 for an intercompany transaction dated 30 December 2025. Similar procedures were performed for intercompany revenues and expenses.

Figure 3
Conceptual Matrix Reconciliation Framework

			Subsidiary 1				
			Receivables	Payables	Revenue	Expenses	
			1	2	3	4	Columns (by Subsidiary 1 Accounts)
Parent	Receivables	1					
	Payables	2	Rp(1.000) Rp900 ----------- Rp(100)				
	Revenue	3					
	Expenses	4 Rows				Rp10.000 Rp(9.900) ----------- Rp100	
Rows (by Parent Accounts)							

Source: Developed by the authors (2026).

The Matrix Reconciliation provides three methodological advantages within the proposed harmonization methodology. First, it separates the identification of reciprocal transactions from the preparation of elimination journals, thereby improving the accuracy of consolidation adjustments. Second, it establishes a transparent audit trail linking the Harmonized Group Trial Balance to subsequent elimination working papers. Third, it provides a standardized reconciliation procedure that can be consistently applied regardless of differences in accounting systems or financial statement presentation across reporting entities.

Accordingly, the Matrix Reconciliation serves as a critical bridge between financial statement harmonization and consolidation adjustments. By systematically validating reciprocal intercompany balances before elimination entries are prepared, the proposed methodology enhances the reliability, transparency, and auditability of first-time consolidated financial reporting in nonprofit organizations. The validated reconciliation results subsequently become an integral component of the standardized consolidation reporting package presented in the following section.

Development of the Consolidation Reporting Package

Following the completion of the Consolidation Worksheet, the final stage of the proposed methodology focused on developing the Consolidation Reporting Package (CRP). The CRP represents the operational implementation of the proposed Lead Mapping-Based Harmonization Methodology by integrating all outputs generated during the harmonization and consolidation process into a single standardized reporting environment. Unlike the analytical working papers developed in the previous stages, the CRP functions as the reporting platform from which the complete set of consolidated financial statements and supporting disclosures are prepared (Research Data, 2026).

The development of the CRP was based on the principle that every financial statement line item should have a standardized reporting structure supported by complete underlying documentation. Accordingly, each Lead Account established during the Lead Mapping stage was transformed into an individual reporting schedule within the CRP. Rather than functioning solely as a reporting identifier, every Lead Account became a standardized reporting index that links entity-level accounting information with the corresponding line item presented in the consolidated financial statements (Research Data, 2026).

The preparation of the CRP begins after the Harmonized Group Trial Balance has been validated through the Matrix Reconciliation process and all consolidation adjustments have been recorded in the Consolidation Worksheet. At this stage, the balances presented in the Statement of Financial Position, Statement of Activities, Statement of Cash Flows, and Statement of Changes in Net Assets are generated directly from the finalized Consolidation Worksheet. Consequently, all primary financial statements originate from a single consolidated dataset, ensuring consistency throughout the reporting process (Research Data, 2026).

Unlike the primary financial statements, however, the preparation of the Notes to the Consolidated Financial Statements requires detailed supporting information that cannot be generated directly from summarized account balances. To address this requirement, the CRP incorporates a dedicated Lead Account Detail Schedule for every Lead Account included in the standardized reporting structure. Each Lead Account Detail Schedule is maintained as an independent worksheet within the same Excel workbook and is completed collaboratively by the parent entity and all subsidiaries using a standardized reporting format. This approach ensures that detailed disclosures are prepared consistently while preserving entity-level information required for note preparation (Research Data, 2026).

Each Lead Account Detail Schedule follows an identical reporting structure. The worksheet is organized by reporting entity, allowing the parent entity and each subsidiary to report detailed balances for the corresponding Lead Account within a single standardized schedule. In addition to entity-level balances, the worksheet incorporates total group balances, consolidation elimination adjustments, and the resulting consolidated balance. Consequently, every reported balance appearing in the consolidated financial statements can be traced directly to its underlying entity-level detail. Figure 4 presents an illustrative structure of a Lead Account detail schedule.

Figure 4
Example of a Lead Account Detail Schedule

Lead account details A001	Parent	Sub 1	Sub 2	Sub 3	Sub 4	Sub 5	Total	Elim	Consolidation report
Cash	Rp xxx	Rp xxx	Rp xxx	Rp xxx	Rp xxx	Rp xxx	Rp xxx	--	Rp xxx
Bank									
PT Bank mandiri persero Tbk	Rp xxx	Rp xxx	Rp xxx	Rp xxx	Rp xxx	Rp xxx	Rp xxx	--	Rp xxx
PT Bank Rakyat Indonesia (Persero) Tbk	Rp xxx	Rp xxx	Rp xxx	Rp xxx	Rp xxx	Rp xxx	Rp xxx	--	Rp xxx
Bank name ...	Rp xxx	Rp xxx	Rp xxx	Rp xxx	Rp xxx	Rp xxx	Rp xxx	--	Rp xxx
Bank name ...	Rp xxx	Rp xxx	Rp xxx	Rp xxx	Rp xxx	Rp xxx	Rp xxx	--	Rp xxx
Total bank	**Rp xxx**	**Rp xxx**	**Rp xxx**	**Rp xxx**	**Rp xxx**	**Rp xxx**	**Rp xxx**	--	**Rp xxx**
Total cash and bank	**Rp xxx**	**Rp xxx**	**Rp xxx**	**Rp xxx**	**Rp xxx**	**Rp xxx**	**Rp xxx**	--	**Rp xxx**

Source: Developed by the authors (2026).

The standardized Lead Account Detail Schedules perform two complementary functions. First, they provide detailed supporting information for preparing the Notes to the Consolidated Financial Statements. Second, they establish a complete audit trail linking the balances presented in the consolidated financial statements to the underlying accounting information reported by each entity. Unlike conventional disclosure preparation, where supporting schedules are frequently maintained separately from the consolidation working papers, the proposed methodology integrates both financial statement preparation and disclosure preparation within a single reporting environment (Research Data, 2026).

An important methodological contribution of the proposed CRP is that the Lead Account serves a dual function. During the harmonization stage, the Lead Account operates as a standardized reporting taxonomy that translates heterogeneous financial statement presentations into a common group reporting structure. During the reporting stage, the same Lead Account becomes the organizational index for preparing detailed supporting schedules and notes to the consolidated financial statements. Consequently, the Lead Account creates a continuous linkage between financial statement harmonization, consolidation adjustments, and disclosure preparation. This integrated structure significantly improves the traceability and consistency of consolidated financial reporting.

The proposed Consolidation Reporting Package extends previous studies on reporting harmonization by demonstrating that standardization should not end at the preparation of consolidated financial statements. Existing literature primarily emphasizes standardized charts of accounts and harmonized reporting structures to improve comparability (Jorge et al., 2019, 2022). However, limited attention has been given to the integration of financial statement preparation, supporting schedules, and disclosure documentation within a unified consolidation framework. The methodology proposed in this study addresses this gap by introducing a Lead Account-based reporting architecture that connects harmonization, reconciliation, consolidation, and disclosure preparation into a single reporting system.

Accordingly, the Consolidation Reporting Package constitutes the final operational component of the proposed Lead Mapping-Based Harmonization Methodology. By integrating the Consolidation Worksheet, standardized Lead Account Detail Schedules, consolidated financial statements, and supporting disclosures within one structured reporting environment, the methodology provides a transparent, auditable, and replicable framework for preparing first-time consolidated financial statements in nonprofit organizations.

Proposed Consolidation Workflow

The proposed methodology integrates the Lead Mapping Framework, Harmonized Group Trial Balance, Matrix Reconciliation, Consolidation Worksheet, and Consolidation Reporting Package into a standardized consolidation workflow. Rather than treating harmonization, reconciliation, and consolidation as separate activities, the methodology organizes them into a sequential process that transforms heterogeneous financial statements into a complete set of consolidated financial statements (Research Data, 2026).

The workflow begins with identifying differences in financial reporting among reporting entities, followed by the development of the Lead Mapping Framework to standardize financial statement presentation. The harmonized balances are then compiled into a Harmonized Group Trial Balance, which serves as the basis for the Matrix Reconciliation to validate reciprocal intercompany balances and transactions. After reconciliation, consolidation adjustments are recorded in the Consolidation Worksheet, and the finalized balances are transferred into the Consolidation Reporting Package. The reporting package subsequently generates the Statement of Financial Position, Statement of Activities, Statement of Cash Flows, Statement of Changes in Net Assets, and the Notes to the Consolidated Financial Statements.

The proposed workflow provides a structured and auditable methodology for preparing first-time consolidated financial statements in organizations with heterogeneous financial reporting structures. By integrating financial statement harmonization, reciprocal transaction validation, consolidation adjustments, and standardized reporting within a single workflow, the methodology enhances consistency, traceability, and transparency throughout the consolidation process.

V. CONCLUSION

This study developed a Lead Mapping-Based Harmonization Methodology to support the preparation of first-time consolidated financial statements in nonprofit organizations with heterogeneous financial reporting structures. Using a qualitative case study, the research demonstrates that the principal challenge in first-time consolidation is not the preparation of elimination entries, but the harmonization of financial reporting structures among entities operating under different reporting frameworks. The proposed methodology addresses this challenge through an integrated process comprising the development of a Lead Mapping Framework, a Harmonized Group Trial Balance, a Matrix Reconciliation for identifying reciprocal transactions, and a Consolidation Reporting Package that integrates financial statements and supporting disclosures. Together, these components provide a structured and auditable workflow for preparing consolidated financial statements.

The findings contribute to the literature by extending existing studies on standardized Charts of Accounts and financial reporting harmonization. Rather than emphasizing the standardization of entity-level accounting systems, this study introduces Lead Mapping as a reporting-level harmonization mechanism that accommodates heterogeneous financial reporting structures while preserving existing accounting practices. The proposed methodology therefore offers a practical framework that can be replicated by nonprofit organizations and other groups preparing consolidated financial statements for the first time.

This study has several limitations. The methodology was developed from a single qualitative case study involving one nonprofit group and was implemented using spreadsheet-based consolidation working papers. Consequently, the findings may not fully represent organizations with different governance structures, accounting information systems, or reporting environments. Future research may examine the application of the methodology in different organizational settings, evaluate its implementation within enterprise resource planning (ERP) systems or consolidation software, and compare its effectiveness with alternative harmonization approaches in larger and more complex organizational groups.

REFERENCE

Chantika, S., Gurendrawati, E., & Purwohedi, U. (2025). Preparation of Financial Reports at Al-Ishlah Mosque Based on SAK EP and ISAK No. 335. *International Journal of Current Economics & Business Ventures*, *5*(2).

Creswell, J. W., & Creswell, J. D. (2017). *Research design: Qualitative, quantitative, and mixed methods approaches*. Sage publications.

Creswell, J. W., & Poth, C. N. (2016). *Qualitative inquiry and research design: Choosing among five approaches*. Sage publications.

Degos, J.-G. (2015). Brief History of Matrices, As a Tool of Consolidated Financial Statements. *Accounting and Financial History Research Journal*, (8), 51–78.

Fitriyani, Z., & Muttaqin, H. (2025). Implementation of Financial Performance of Non-Profit Entities Through ISAK 335 Case Study of the Al Mumtaza Kindergarten Foundation Bengkalis. *Majapahit Journal of Islamic Finance and Management*, *5*(4), 4633–4646.

IFRS Foundation. (2011). *IFRS 10: Consolidated Financial Statements*.

Ikatan Akuntan Indonesia. (2022). *Standar Akuntansi Keuangan Entitas Privat (SAK EP)*.

Jorge, S., Dabbicco, G., Aggestam-Pontoppidan, C., & Vaz de Lima, D. (2022). New development: The development of standardized charts of accounts in public sector accounting. *Public Money & Management*, *42*(7), 530–533.

Jorge, S., de Lima, D. V., Pontoppidan, C. A., & Dabbicco, G. (2019). *The role of charts of account in public sector accounting*.

Miles, M. B., Huberman, A. M., & Saldana, J. (2014). Qualitative data analysis: A methods sourcebook. *(No Title)*.

Ningsih, Y. F., Eliyanora, E., & Ferdawati, F. (2025). PENYUSUNAN LAPORAN KEUANGAN PADA YAYASAN WAKAF ROYATUL ISLAM. *Accounting Information System, Taxes and Auditing Journal (AISTA Journal)*, *4*(2), 43–61.

Research Data. (2026). *Interviews, observations, internal financial statements, reporting packages, charts of accounts, consolidation working papers, and supporting documents collected during the case study (Unpublished research data)*.

Sekerez, V., & Spasić, D. (2023). Some challenges in the consolidation of unrealized intra-group profits and losses. *Facta Universitatis, Series: Economics and Organization*, 221–233.

Shanshan, W., & Nurgaliyeva, A. (2025). Research The Structure And Improvement Of Accounting And Auditing Methods Based On Analyzing The Company's Consolidated Financial Statements. *Norwegian Journal of Development of the International Science No*, *154*, 53.

Titi, M. (2023). Consolidated Financial Statements. *Available at SSRN 4345889*.

Yin, R. K. (2018). *Case study research and applications* (Vol. 6). Sage Thousand Oaks, CA.