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Preface

Journal of Applied Sciences in Accounting, Finance, and Tax is a forum provided for researchers, both from universities, practitioners and the industrial world. The publication is a result of research, studies or ideas on Accounting, Finance, and Tax.

JASAFINT is published with a focus and scope on issues on Accounting (Financial Accounting, Management Accounting, Public Accounting, Auditing, and Accounting Information Systems), Finance (Capital Market, Financial Statements Analysis, and Financing), and Tax (Income Tax, VAT, Tax Audit, and Tax Accounting).

Managed by the Department of Accounting and published by Politeknik Negeri Bali Research and Community Service Center (P3M-PNB), this journal is intended to disseminate scientific knowledge and the application of the Accounting, Finance and Tax and is expected to be able to broaden the readers' perspective and enrich the scientific repertoire.

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An Analysis of Contributions and Effectiveness of Government Regulation No. 23 Year 2018 in Tax Revenue: A Case Study at KPP Pratama Pekalongan

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Abstract. This study aims to determine the levels of contributions and effectiveness of Government Regulation No. 23 Year 2018 (PP No. 23/2018) on tax revenue at KPP Pratama Pekalongan. It used effectiveness and contributions formulas for data analysis. The research results showed that the effectiveness level of this regulation on tax revenue at KPP Pratama Pekalongan indicating ineffective criterion. On the one hand, the contribution level of this regulation implementation on tax revenue at KPP Pratama Pekalongan indicating very poor criterion. Based on the data collected, this regulation were unable to increase the tax revenue at KPP Pratama Pekalongan.

Keyword: *Government Regulation No. 23 Year 2018, Effectiveness, Contributions, and Tax Revenue*

1. Introduction

Taxes play an important role in a country, especially regarding the sustainable national development program in many aspects due to improving people's welfare. In order to understand an independent economy, generally, the government of a country reduces its funding from abroad, and highly optimizes financing from the tax sector. It is the greatest revenue contributor sector for center and local governments, as well as the easiest for collecting taxes. These can be conducted because taxes collection is supported by Law of Tax that has been implemented[1]. Paying taxes is a form of state compliance and obligations for taxpayers in accordance with applicable regulations. Taxes have an essential role in a country, especially related to sustainable national development programs in various sectors to improve people's welfare.

Table 1. Details of the 2019 State Budget

No	Budget	Total (IDR)
1	Tax Revenue	1.786,4 T
2	Non-tax State Revenue (PNBP)	378,3 T
3	Grant	0,4 T
Total of Budget		2.165,1 T

Source: the 2019 State Budget and Expenditure (APBN)

Table 1, in this case, shows that revenue of tax sector still becomes the greatest state budget source. In 2019, the tax revenue implementation in Indonesia was able to grow by 1.4% compared to the same period last year. With a predetermined target, there is a shortage of tax revenue (shortfall) in 2019. According to the information above, it can be concluded that even though the tax revenue scores contained in APBN showed the great amounts, the actual taxes in this country can be improved continuously.

One of tax sectors that is further increased its contribution is Micro, Small and Medium Enterprises (MSMEs). Based on a survey conducted by BPS, it recorded the amount of MSMEs in Indonesia in 2017 was 98.8% from the total of enterprise units and able to employ workers by 96.99% of the total workforce. This sector contributed 60.3% of the total Gross Domestic Product (GDP). MSMEs are embryos for generating great and tough entrepreneurs in the future. Therefore, the government's role is very essential in managing an economic system that is able to survive and continue to grow. The MSMEs that can survive and grow give advantage for the government because they contribute on economic development and one of their roles is to enable to employ great numbers of workers and for the income taxed by the government[2]. This is in a line with DJP's statement in its official website that the revenues in 2015 were 3.4 trillion, 4.4 trillion in 2016 and 5.7 trillion in 2018[3]. The government recently pays attention to a private sector that has been ensured to have a large potential for tax revenue namely MSME which has lesser turnover than big companies. Nevertheless, the existence of this sector can be found throughout the country. Moreover, MSME has provided significant contribution on Indonesian economic development.

The government attempts continuously to form independent MSMEs that can continue to grow and become a formidable business in order to create a strong national economy. Taxation which is considered complicated and inconvenient makes the government offer convenience for MSME businesses. Conveniences such as lower tariff discounts, easier calculation methods, and easy repayment and reporting are all regulated in PP No. 23/2018. It regulates PPh tariff 0.5% for MSMEs that the previous was 1%. It has been implemented since 1 July 2018. This new tariff is implemented for business revenue with turnover is lower than 4.8 billion in a year. The partiality surely shown by the government through this new regulation, hopefully, is able to further trigger the growth of new small businesses in the community. Hence, their presence can improve the level of contributions to the MSME sector for the country's economy which can be seen from the increasing ratio of taxes received by the state to Indonesia's GDP. Of course, with the government's new policy breakthrough, it expects to be able to provide convenience and simplicity to MSMEs people in carrying out their tax obligations. The previous research conducted in Malang City[4] found that this regulation set by the government had not run optimally in this city because the taxpayers did not really understand the procedure for determining the time period for this new tariff cut.

This research also stated that taxpayers whose a certain gross turnover had not clearly understood this new rule. On the one hand, another study revealed that their knowledge of this regulation had effect on their obligation itself. The previous research had elaborated more on the problem of socialization of regulations and the level of knowledge of taxpayers about this regulation because it was conducted in the early period of the regulation implementation. The regulation has implemented since 1 July 2018, thus, it is interesting to study and determine more about its effectiveness and contribution as well as for measuring them for tax revenue. This research would like to study the levels of effectiveness and contributions of this regulation on the taxes received. This study is performed at KPP Pratama Pekalongan because it does not only serve taxation in Pekalongan City, but also serves taxation in Pekalongan Regency and Pematang Regency, so that its scope is wider and heterogeneous. In addition, Pekalongan is well known as Batiks City, one of Indonesian greatest batiks center, and has many handicrafts--made from other natural materials--industries. These make it named as the World Creative City in December 2014 ago by the Director General of UNESCO, Irini Bokova. On the other hand, Pematang Regency is known as textile industry and apparel industry (confections). From the descriptions above, it can be concluded that there are many MSMEs distributions from large to small scales in Pekalongan and Pematang areas. Therefore, it is very appropriate to know the level of

effectiveness and contribution of PP No. 23/2018 which regulates the MSME tax rate on tax revenues at KPP Pratama Pekalongan. This study contributes to KPP Pratama Pekalongan in the form of consideration material and thought contribution so that it can be evaluated as a reference in the future in making policies that are useful for increasing tax revenues, especially in the MSME sector.

2. Literature Review

2.1 *Income Tax Article 4 Paragraph 2 (PPh Article 4 (2))*

PPh Article 4 (2) encompasses income in the form of interest on deposits and other savings, income from transactions of shares and other securities on the stock exchange, income from the transfer of property in the form of land and or buildings as well as certain other income, the taxation of which is regulated by Government Regulation [6]. Withholding Income Tax Article 4 (2) cannot be credited because it is final. Taxes received from the MSME sector are included in certain other income categories, namely PPH Article 4 (2) and are final.

2.2 *Government Regulation Number 23 Year 2018*

Government Regulation Number 23 Year 2018 (PP No. 23/2018) has been implemented since 1 July 2018[7]. Based on this policy, tax rate imposed for MSME actors is 0.5% of the total gross (turnover). It replaced Government Regulation Number 46 Year 2013 with the rate by 1%. There is a set time limit for utilizing this rate that is different for each tax subject. For instances, seven years for individual taxpayers, three years for corporate taxpayers in the form of PT, while for corporate taxpayers in the form of CV, firms, and cooperatives, the term is four years. The term for the old taxpayer had been implemented since the tax year of the new policy is implemented. On the contrary, the term for the new one is counted since he administered. Business people whose turnovers less than 4.8 billion in a year can take advantage of this policy.

2.3 *Effectiveness*

Effectiveness indicates either success or failure in goal achievement[8]. Effectiveness measurement is output reflection. If an organization wants to build a hospital with 250 beds, four operation units, an accident and emergency unit, an external patient unit and all of these targets are achieved then the organization's performance mechanism is considered effective. If there are only 1,150 beds built, it considers that the organization works ineffective.

2.4 *Contributions*

Contributions in the form of money or fund contributions, energy assistance, thought assistance, material assistance, and all kinds of assistance/donations that might help the success of activities in a forum, association and so on[9]. The contribution, in this case, is how tax revenues of PP No. 23/2018 contribute the amount of the tax revenues on the total of the tax revenues. It compared between the certain period of PPh final tax revenues of this regulation and total of the particular tax revenues. The greater result comparison means the greater role of the regulation on total of tax revenues, and vice versa.

3. Methodology

It used a qualitative descriptive research. Object of this study was analysis of PP No. 23/2018 on tax revenues at KPP Pratama Pekalongan. The primary data used was in the form of result of interviewing employees at KPP Pratama Pekalongan regarding to the realization of this regulation. Meanwhile, it obtained the secondary data from PPh income data article 4 (2) that the tax received from MSMEs sector at Tax Office Pekalongan in the period of 2018-2019. The data analysis technique used was to calculate the values of effectiveness an contributions according to the formulas of them.

3.1 Effectiveness [10]

$$\text{Effectiveness} = \frac{\text{Tax Revenue Realization}}{\text{Tax Revenue Target}} \times 100\%$$

Table 2. Classification of Effectiveness Measurement

Percentage (%)	Criterion
>100	Very Effective
90 - 100	Effective
80 - 90	Enough Effective
60 - 80	Less Effective
<60	Ineffective

3.2 Contributions [11]

$$\text{Contributions} = \frac{\text{PPH Revenue Total of PP 23/2018}}{\text{PPH Revenue Total of Article 4 (2)}} \times 100\%$$

Table 3. Classification of Contributions Measurement

Percentage (%)	Criterion
> 50	Excellent
40,01 - 50	Good
30,01 - 40	Moderate
20,01 - 30	Fair
10,01 - 20	Poor
< 10	Very Poor

4. Results and Discussion

4.1 Effectiveness

To determine the effectiveness level, it compared between the realization of MSMEs tax revenues and the tax revenues target in the certain period.

Table 4. The Effectiveness Level of Government Regulation Number 23 Year 2018 in Tax Revenue

Year	MSME Tax Revenue Target	MSME Tax Revenue Realization	Effectiveness	Criterion
2018	220.115.980.000,00	22.104.302.451,00	10%	Ineffective
2019	271.529.939.000,00	20.127.798.702,00	7%	Ineffective

The tax revenues target of MSMEs (PP 23/2018) had increased in 2019 from 2018. Nonetheless, the revenues realization had decreased namely IDR 22,104,302,451 in 2018 from the target by IDR 220,115,980,000. On the one hand, it was IDR 20,127,798,702 from the target by IDR 271,529,939,000 in 2019. The effectiveness of the realized tax revenue of MSMEs (PP 23/2018) at KPP Pekalongan in 2018 was IDR 22,104,302,451 from the target by IDR 220,115,980,000 with ineffective criterion by 10%. On the other one, it recorded the realized tax revenue of MSMEs (PP 23/2018) in 2019 that was IDR 20,127,798,702 from the target by IDR 271,529,939,000 with ineffective criteria by 7%. These are in line with what one of the Account Representatives at KPP Pratama Pekalongan said, that the preparation of tax revenue targets consisted of many factors. This determination refers to the national tax target and categorized into each regional office and then to the Tax Service Office. In this case, the office itself does not have full power over the target determination globally. The previous year's revenue was taken into account but had a small portion, so that the final PPh revenue for the previous year's MSMEs did not become a reference for the next year's target. This caused the target often did not reflect the actual potential that was worth to be achieved. Furthermore, the business potential of the MSME sector is quite large in Indonesia and Pekalongan is an area with potential MSMEs stretching. Hence, determination of the target was based on the Final PPh on MSMEs. Later, he said it was hard to increase the tax revenues increase with very high percentage. The most possible thing is growth and growth itself will only increase with a moderate percentage not high. It is likely to be difficult to realize for increasing taxpayer deposits simultaneously and massively even with great potential.

4.2 Contributions

Determining the contribution, it compared between final PPh tax revenue of PP 23/2018 in the certain period and total of the tax revenue of the particular period.

Table 5. Contribution Level of Government Regulation Number 23 Year 2018 in Tax Revenue

Year	Month	MSMEs Income (GR 23/2018)	PPh Income Article 4 (2)	(%)	Criterion
2018	June	1.674.455.917,00	11.201.362.046,00	15 %	poor
	July	1.917.424.600,00	14.120.179.505,00	14 %	poor
	August	1.376.401.223,00	15.595.994.084,00	9 %	Very poor
	September	1.504.570.323,00	14.531.785.528,00	10 %	Very poor
	October	1.306.667.645,00	14.669.854.693,00	9 %	Very poor
	November	1.408.554.103,00	17.334.522.718,00	8 %	Very poor
	December	1.571.763.776,00	23.960.445.636,00	7 %	Very poor
2019	January	1.474.396.223,00	14.305.124.066,00	10 %	Very poor
	February	1.519.516.518,00	12.703.013.560,00	12 %	poor
	March	2.196.069.383,00	15.076.546.026,00	15 %	poor
	April	1.917.711.061,00	13.989.174.296,00	14 %	poor
	May	1.574.328.905,00	14.242.591.916,00	11 %	poor
	June	1.273.495.280,00	11.217.681.455,00	11%	poor
	July	1.665.882.791,00	14.215.278.358,00	12%	poor
	August	1.496.368.039,00	15.412.036.574,00	10 %	Very poor
	September	1.648.166.798,00	14.739.177.751,00	11 %	poor
	October	1.802.449.225,00	15.870.623.016,00	11%	poor
	November	1.752.513.339,00	17.440.221.772,00	10 %	Very poor
	December	1.806.901.140,00	25.808.828.125,00	7 %	Very poor

The highest tax revenue of MSMEs (PP 23/2018) occurred on March 2019 that was IDR 2,196,069,383 and the lowest was IDR 1,571,763,776 on December 2018. On the other hand, the highest PPh revenue Article 4 (2) occurred on December 2019 achieving IDR 25,808,828,125 and the lowest

was IDR 11,201,362,046 on June 2018. The revenue contributions of PP No. 23/2018 on the revenue total of PPh Article 4 (2) at KPP Pratama Pekalongan are as follows: the highest was on March 2019 with poor criterion by 15% and the lowest was on December 2018 with 7% contribution and very poor criterion. The average of tax revenue contribution of MSMEs (PP No 23/2018) on the revenue total of PPh Article 4 (2) for 19 months was 10% with very poor criterion. These are in line with what one of the Account Representatives at KPP Pratama Pekalongan said, that PP No. 23/2018 had no effect on the increases of tax revenues and taxpayers total at KPP Pratama Pekalongan. The increase happened naturally and insignificant merely due to the new regulation implementation.

5. Conclusion

The effectiveness of tax revenues of MSMEs based on PP No. 23/2018 at KPP Pratama Pekalongan decreased that 10% ineffective in 2018 and 7% ineffective in 2019. On the one hand, the contribution given by this regulation at KPP Pratama Pekalongan for 19 months since it was implemented had fluctuated and categorized in very poor criterion, i.e. 10%.

Thus, it suggest KPP Pratama Pekalongan to evaluate the policies existed for supporting this regulation implementation so that service quality for taxpayers will be enhanced. It is also expected to dig the great potential of MSMEs deeper in the workplace of KPP Pratama Pekalongan and do socialization using personal approach in order to be able to touch potential taxpayers optimally.

Analysis results of effectiveness and contribution in this case are only based on written data and do not consider on the real condition. Nevertheless, they have to be considered as a reference for taking decision. The future research is expected to be able to study data deeper both written data and additional data in the field, as well as to develop the variables of this research.

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Environmental Cost Accounting Treatment and Their Effect on Financial Statements and Assessment of Sustainability Performance at PT Alove Bali

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Abstract. This research aims to find out and analyse how PT Alove Bali identifies, acknowledges, measures, discloses and presents environmental costs and to determine the effect of environmental cost accounting treatment on financial statements as well as assessment of sustainability performance. This research focuses on analysing primary data from interviews with 3 sources and observing the object of research as well as secondary data in the form of company financial statements as research supporting data. The analysis technique used is a qualitative descriptive analysis technique. This research provides results that the company has treated environmental cost accounting which consists of identification, recognition, measurement, disclosure and presentation even though the treatment is not fully in accordance with existing and supportive theories and standards. The company has recognized the cost of waste treatment even though it is still presented combined with other similar costs which are a component of production costs in the income statement. With this, the company has carried out environmental management properly so that the company has good sustainability performance for the future.

Keywords: *environmental cost accounting, environmental cost report, sustainability performance*

1. Introduction

As time goes by, environmental degradation is getting more and more marked by a decrease in the quality of the environment. This is often associated with intervention and the utilization of available resources exceeds the maximum speed of self-improvement of resources. Many companies run their business in the field of utilizing natural resources that may cause environmental problems directly or indirectly. Pollution and production waste produced must of course receive special handling in their processing as the company's efforts in environmental management and maintenance. The implementation of environmental management and maintenance will certainly raise costs. These costs are known as environmental costs. Green accounting is an accounting science in which there are activities of identifying, recognizing, measuring, disclosing and presenting costs related to company activities related to the environment [1].

Sustainability Performance is the performance of business sustainability obtained by aligning the three points of view in the form of profit, social care and environmental conservation (People-Planet-Profit) which is known as the Triple Bottom Line concept. Where the main point in this concept is being able to increase profits optimally without leaving the obligation to maintain environmental preservation and being able to create harmonious relationships with the surrounding community. One of the agricultural companies in Bali that has the potential to be directly related to the environment is PT Alove Bali.

2. Literature Review

2.1 Stakeholder Theory and Legitimacy Theory

Stakeholder theory is a theory that assumes that an entity has an obligation to provide benefits to stakeholders so that the entity does not only have a tendency towards internal interests [2]. The legitimacy of the theory states that an entity or company continuously seeks to ensure that they carry out operational activities based on the rules and norms that exist within the scope of the community within the company.

2.2 Green Accounting

Environmental accounting is a process of identifying, measuring and allocating environmental costs and incorporating cost elements into corporate decision making [3].

2.3 Purpose of Environmental Accounting Application

Basically, environmental accounting has a goal to provide information about environmental costs for business people and stakeholders [4].

2.4 Environmental Cost

Environmental costs are costs incurred by the company for waste treatment activities in an effort to improve environmental conservation and management as well as costs as a result of environmental damage due to the company's operational activities [5].

2.5. Environmental Cost Classification

Environmental costs are classified into four types [6], namely:

- a. Environmental Prevention Cost
- b. Environmental Detection Fee
- c. Environmental Internal Failure Costs
- d. Environmental External Failure Costs.

2.6. Environmental Cost Accounting Treatment

In order for data regarding environmental costs to be presented validly, correctly and accurately, it is necessary to carry out environmental cost accounting treatment in stages and systematically [7]. Environmental cost accounting treatment is as follows:

a. Identification

The identification of environmental costs will be based on Hansen and Mowen's theory.

b. Confession

In the Basic Framework for the Preparation of Financial Statements (KDPPLK), 2015 explains that recognition includes the process of establishing a pattern that will later provide economic benefits in line with a decrease in assets and an increase in liabilities that can be measured reliably, therefore the recognition process will refer to the KDPPLK.

c. Measurement

KDPPLK par. 99-100 of 2015 it is stated that measurement is a process to determine the amount (rupiah) to be recognized and accumulated in each account contained in the company's financial statements. There are several ways that can be used as a basis

for measurement, namely historical cost, current cost, realizable/settlement value, and present value [8].

d. Disclosure

In KDPPLK par. 21 explained that the financial statements also contain additional notes and schedules along with other information. The statement is intended for users of financial statements who need notes on financial statements that are relevant to the balance sheet and income statement of the company. So that the disclosure process is based on the KDPPLK [9].

e. Presentation

In PSAK 1 revision 2018 par. 14 stated that an entity can present environmental reports and value added statements, especially for entities that make the environment a significant factor. The presentation of environmental costs in financial statements can be done with four different models, namely: the normative model, the green model, the environmental intensive model and the national asset model [10].

2.7. Supporting Regulations

- a. Law of the Republic of Indonesia Number 32 of 2009 concerning Environmental Protection and Management.
- b. Law of the Republic of Indonesia Number 25 of 2009 concerning Investment.
- c. Law No. 40 of 2007 concerning Limited Liability Companies.
- d. Decision of the Capital Market and Financial Institution Supervisory Agency No: KEP-134/BL/2006 concerning the Obligation to Submit Annual Reports for Issuers or Public Companies.

2.8. Environmental Cost Report

Hansen & Mowen stated that the environmental cost report provides a breakdown of costs related to waste treatment by category containing two important results, namely the impact of environmental costs on company profitability and the amount spent for each category [11].

2.9. Sustainability Performance

The experts agreed to take the understanding agreed upon by the Brundtland Commission which states that sustainability is an activity to meet current needs without compromising future capabilities. Sustainability performance indicators consist of environmental, social and economic which have the role of helping companies, business people and stakeholders to assess how the company's operational activities contribute without interfering with sustainable development goals [12].

3. Methodology

The research model used in this research is descriptive qualitative research. This study uses primary data and secondary data. Sources of primary data used in this study were explored by conducting structured and in-depth interviews with the finance department, then with one of the staff who knew how to manage the company's environment as well as with the people living around the factory environment and direct observations about waste processing activities and documents provided. exist in the object of research. While secondary data is data that is used as a complement to primary data to be carried out by documentation studies and literature studies, such as: company documents and archives as well as from various sources of scientific work in the form of journals, presidia, and previous research that are relevant to the research to be carried out. The data analysis used in this study is an interpretive analysis method.

4. Result and Discussion

4.1 Company Environmental Management

The results of interviews conducted with Mrs. Agung as HRD staff said that the waste produced by PT Alove Bali is solid waste and liquid waste. Referring to research data that has been conducted during March to July 2021, it can be seen that PT Alove Bali has managed to the environment properly, especially in the waste treatment process as an effort to preserve the environment in accordance with the legislation.

4.2. Accounting Treatment of Corporate Environmental Costs

The research data that has been collected indicates that PT Alove Bali has treated the accounting for environmental management costs, especially waste treatment, even though there is no conformity with PSAK 1 paragraph 14 revised in 2018 or other accounting theories and standards that support this research.

a. Environmental Cost Identification

A search of the evidence that has been carried out regarding environmental costs at PT Alove Bali states that the company has not classified the costs incurred for waste processing activities as identified by Hansen and Mowen and after a search it was found that the company had recorded the expenditure transactions incurred occurs for waste treatment activities. The following is a comparison of the accounting treatment of PT Alove Bali's environmental costs with Hansen and Mowen's theory:

Table 1.
Comparison of PT Alove Bali's Environmental Costs
with Hansen & Mowen's Theory

Hansen & Mowen's Theory	PT Alove Bali
Prevention costs	Construction of waste collection tanks Daily labor salary Powder machine supply Procurement of solid waste treatment tanks Fertilizer equipment Repair of waste collection building Waste treatment machine repair Chemicals for waste treatment
Detection fee	Laboratory test Research & Development
Internal failure costs	-
External failure costs	-

Source: Processed data

b. Environmental Cost Recognition

From the results of the search that has been carried out, PT Alove Bali is in the stage of recognizing waste treatment costs using the accrual basis method and the company has recorded the costs incurred for waste processing activities into the financial statements and the company has recognized the costs of waste treatment in accordance with the KDPPK

Table 2.

Comparison of PT Alove Bali's Environmental Cost Recognition with the KDPPLK

KDPPLK	PT Alove Bali
Expenses are recognized in profit or loss if the future economic benefits associated with a decrease in an asset or an increase in a liability can be measured reliably.	The company recognizes costs for waste treatment activities in the income statement because these activities have an effect on future decreases in assets or increases in liabilities that can be measured reliably.

Source: Processed data

c. Environmental Cost Measurement

PT Alove Bali has carried out the measurement stages quite well, namely in measuring costs in waste treatment using one of the basic measurements, namely using monetary units (rupiah) based on the costs incurred, in accounting it is called the historical cost measurement method. With this method, the real value and nominal value will be obtained according to those used by the company each period.

Table 3.

Comparison of PT Alove Bali's Environmental Cost Measurement With the KDPPLK

KDPPLK	PT Alove Bali
Measurement is done by determining the value and nominal value to be presented in the financial statements based on historical cost, current cost, realizable/settlement value and present value.	The company measures costs in general using the historical cost method including costs for waste treatment which have been measured historically.

Source: Processed data

d. Environmental Cost Disclosure

Waste treatment costs by PT Alove Bali are included as a component of production costs, but the company does not disclose waste treatment costs in the Notes to Financial Statements. So that the disclosure made by PT Alove Bali on the cost of waste treatment is not in accordance with the KDPPLK.

Table 4.

Comparison of PT Alove Bali Environmental Cost Disclosures With the Basic Framework for Compiling Presentation Financial Report (KDPPLK)

KDPPLK	PT Alove Bali
Disclosure is done by providing financial information in the notes to the financial statements as additional notes and schedules.	The company has not disclosed environmental costs and the company has not disclosed environmental costs which are classified as other similar costs in the Notes to the Financial Statements.

Source: Processed data

e. Environmental Fee Presentation

PT Alove Bali applies environmental financial reporting using a normative model because the company presents the costs incurred for waste treatment activities in other similar accounts and becomes one of the components of production costs in the income statement. PT Alove Bali has not presented environmental costs in this case the cost of waste treatment in a special report in the form of an environmental report such as the statement in PSAK No.1 paragraph 14 of 2018.

Table 5.
Comparison of PT Alove Bali's Environmental Cost Presentation
With PSAK No.1 paragraph 14 of 2018

KDPPLK	PT Alove Bali
Companies can provide additional reports in the form of environmental reports and value added statements, especially for industries where environmental factors play an important role.	The company has not presented costs related to waste treatment in the environmental report, but is presented in the income statement in other similar cost accounts as a component of the company's production costs.

Source: Processed data

4. 3. Environmental Cost Reporting

From the financial report data belonging to PT Alove Bali, a report on the environmental costs of waste processing activities was prepared according to the environmental quality category.

Table 6.
PT Alove Bali
Environmental Cost Report for Period Ended December 31, 2020
(In rupiah)

Activity	Cost	% of Total Operating Cost
Prevention costs:		
Employee training costs	-	-
Daily labor salary (70%)	93.745.750	6,2 %
Fertilizer equipment cost	67.345.000	4,4 %
Electricity & water cost (35%)	30.193.407	2%
Repair of waste collection tanks	-	-
Repair of sewage treatment tanks	17.963.100	1,2 %
Chemicals for waste treatment	229.498.222	15,2 %
Detection fee		
Laboratory test	-	-
Research & development	-	-
Internal failure costs:		
External failure cost:		
Total	438.745.479	29 %

Source: Processed data

The calculation of environmental costs is obtained from the search results through the general ledger. The data in table 4.9 can indicate that environmental costs for 2020 only occur in prevention costs of 29% of total operational costs. This percentage figure has become the ideal percentage of environmental costs, which is 20% or more calculated from the company's total operating costs.

4. 4. Environmental Accounting in the Assessment of Company Sustainability Performance

The results of interviews with HRD staff explained that PT Alove Bali has carried out environmental management activities, especially waste management properly, this is in accordance with government regulations regarding the application of environmental accounting in private companies regulated in Government Regulation No. 47 of 2012 which is a follow-up to the Limited Liability Company Law No. . 40 of 2007. The law states that every company that runs its business in fields related to natural resources is socially and environmentally responsible.

The application of environmental accounting at PT Alove Bali can increase the efficiency of waste treatment, reduce and prevent a decrease in environmental quality which can indirectly improve sustainability performance according to research conducted by [12]. When the balance of entity values and social values can be created, then the legitimacy gap can be minimized so that the potential for protests from stakeholders against the company can also be suppressed and PT Alove Bali has had good sustainability performance in addition to the company's profitability and operational stability can also be improved.

5. Conclusion

The results of the data analysis that have been carried out and the discussion that has been described in the previous chapter resulted in a conclusion that the company has carried out waste treatment properly and environmental cost accounting treatment in this case the cost of processing waste at PT Alove Bali has been applied but not fully in accordance with the theory and standards. existing and supportive accounting. From the aspect of stakeholders and legitimacy that shows the positive impact of good waste management activities, PT Alove Bali has had a significant sustainability performance in the future even though there is no sustainability report made by the company.

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The Analysis of Accounting Treatment of Account Receivable Based on PSAK No. 50 and PSAK No. 55 at PT Wahana Boga Nusantara

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Abstract. The purpose of this study is to analyze and compare the accounting treatment of account receivable applied by PT Wahana Boga Nusantara with PSAK No. 50 and No. 55 revised in 2014. This study uses descriptive data analysis techniques with a qualitative approach. The data collection method used is an interview with the Manager of the Financial Department and the Head of Account Receivable section on receivables accounting policy. The treatment of receivables accounting, non-participant observations, and documentation with the documents used are financial position statements, profit and loss statements, receivables age lists, recapture of credit sales data during 2020. This study showed that the recognition of receivables has been by PSAK number 55 the revised the year 2014 because receivables are recognized when goods have been shipped and received by customers. Meanwhile, the measurement and presentation of receivables are not appropriate because they are not measured and presented at fair value.

Keywords : *Accounting Receivables, PSAK No. 50, PSAK No. 55*

1. Introduction

Strategy in controlling market share is one of the goals that must be achieved by the company to increase sales [1]. Sales credit is one of the strategies used by the company to increase sales and then attract customers to buy goods [2]. The sale of goods or services produced may result in receivables [3]. Companies must carry out credit management relatively strictly, because in addition to involving a lot of money, it will also involve many parties (companies) with diverse characters as well [4]. The amount of risk that may occur from receivables can be minimizing by good receivables management. During the current Covid-19 pandemic, many companies have difficulty collecting their receivables delinquent at PT Wahana Boga Nusantara[5]. Amount of receivables in arrears on PT Wahana Boga Nusantara, but the company does not form a reserve a receivable losses so that in the presentation of receivables amounting to the gross receivable value. The presentation of these receivables is not under applicable financial accounting standards. Improper accounting of receivables caused misinformation from the financial statements provided[6]. Therefore, the need to apply the accounting treatment of the

company's account receivables by applicable financial accounting standards so that the value of receivables presented in the financial statements amounted to its fair value.

2. Literature Review

2.1 Account Receivables

Account receivables are bills that arise due to the sale of goods and services using credit to customers. In trading companies, there are account receivables due to the sale of merchandise through credit. Account receivables from service companies arise as a result of the work by the field of business. However, the income has not been realized in the form of cash [7].

2.2. Determination of Allowance For Bad Debt

In determining the amount of receivables losses used two based namely: total sales and receivables balance [3]. Determination of the amount of receivables losses on the number of sales and balance of receivables is the loss of receivables based on the number of sales, loss of receivables calculated based on receivables balance, the number of reserves raised by analyzing the age of receivables.

2.3 Receivables Recognition

The recognition of receivables is interrelated with the recognition of income. Recording and recognition of income have been completed and processing in generating profit [8]. The basis of realization has been Used as the basis for the recognition of receivables. Using the basis of realization, the recognition of receivables when the service has been completed is given and the invoice has been issued.

2.4 Receivable Measurement

Receivables are measured based on when the receivables are recognized and how much the number of receivables should be recorded to indicate the amount of reasonable value when presenting receivables [8]. The measurement of receivables is not only measured from the age of receivable, but also from the total that includes fair value [9].

2.5 Presentation of Receivables

Account receivables are present in the number of gross receivables after deducting from the allowance for uncollectible receivables. Presentation of receivables with allowance for uncollectible receivables by applying the reserve method [7].

2.6 PSAK No. 50 dan No. 55 The Revised Year 2014

2.6.1 Recognition of Receivables based on PSAK No. 55 the Revised year 2014

An entity recognizes financial assets and financial liabilities in a statement of financial position if that entity becomes one of the parties to the provisions of the contract of the instrument. If an entity receives an order, it recognizes it as an asset when the goods or services ordered have been shipped and delivered [10].

2.6.2 Receivables Measurement based on PSAK No. 55 the Revised year 2014

Measurement of receivables with fair value expressed a number of net realizations. Measurement of fair value without deducting transaction fees that may arise when selling merchandise on credit [10].

2.6.3 Presentation of Receivables based on PSAK No. 55 the Revised year 2014

Account receivables with a realized value of total account receivables are reduced by the total allowance for losses of trade receivables presented in the financial position statement [10].

3. Methodology

The type of research used is qualitative research with a qualitative descriptive approach. Descriptive methods with qualitative approaches are carried out to make a description with accurate facts, then

analyzed with relevant theoretical studies related to research or Therefore, a conclusion can be drawn on the accounting treatment of trade receivables based on PSAK No. 50 and No. 55 at PT Wahana Boga Nusantara. Data collection techniques are interviews with The Manager of Finance And Head of Account Receivable Section, observation, and documentation with financial position report data, receivable age list, sales invoice income statement during 2020. Data analysis techniques used are descriptive data analysis with a qualitative approach that compares the facts that exist in the company with the prevailing financial accounting standards.

4. Result dan Discussion

4.1 Accounting Treatment of Account Receivables at PT Wahana Boga Nusantara

4.1.1 Receivables Recognition

PT Wahana Boga Nusantara recognizes account receivables using the basis of realization. Recognition of account receivables at PT Wahana Boga Nusantara when merchandise ordered by the customer is received as well as a sales invoice has been issued during a transaction with the customer. When the merchandise and sales invoice has been received by the customer, the amount that has not been paid and will be paid is then recognized as account receivables while the customer recognizes as debts that must be paid within 30 days by the payment terms set by the company.

4.1.2 Receivables Measurement

The measurement of PT Wahana Boga Nusantara receivables is the value stated on the sales invoice with a payment limit of 30 days. Accounts receivable are reported in the statements of gross receivables without being deducted by allowance for receivables. The company does not estimate the allowance for receivables annually.

Table 1. Aging Schedule Account Receivable

Receivable Age Group	Amount of Receivables
0-30 days	Rp1.374.085.949,00
31-60 days	Rp1.557.535.183,00
61-90 days	Rp757.700.429,00
>90 days	Rp40.946.938,00
Amount	Rp3.730.268.500,00

Source: PT Wahana Boga Nusantara (processed data)

The amount of receivables from each age group of receivables is Rp3,730,268,500 is the gross receivable value presented in the financial position report in 2020.

4.1.3 Presentation of Receivables

Trade receivables owned by PT Wahana Boga Nusantara are presented in the financial position report in the current asset group of gross receivables value without being reduced by the estimated amount of receivable losses in one accounting period so that the amount of receivables presented is the amount of gross receivables. The presentation of gross receivables in the financial position report of PT Wahana Boga Nusantara amounted to Rp3,730,268,500.00. The following is the presentation of receivables in the current asset group financial position report during 2020.

4.2 Accounting Treatment of Account Receivables Based on PSAK No. 50 and No. 55 revised in 2014

4.2.1 Receivables Recognition

Receivables related to income so that the company recognizes receivables when its obligations have been fulfilled and realized in the future. From the credit sales, transactions contained in this study's result appeared that when the goods have been received by the customer who also submitted the sales invoice,

it can be recorded on the accounts receivable, and revenue from the sale of the merchandise is recorded in the sales account.

4.2.2 Receivable Measurement

Measurement of receivables with fair value to be able to know how much the fair value of receivables appropriately. PT Wahana Boga Nusantara does not measure its receivables based on the value that can be realized. To determine the net realization value, the company must estimate the allowance for receivables losses to be reported on the financial position statement.

Table 2. Estimated Debt Loss

Receivable Age Group	Amount	% Loss	Estimated Loss
Not in Arrears 0-30 days	Rp1.374.085.949,00	0,5%	Rp6.870.430,00
Arrears 31-60 days	Rp1.557.535.183,00	2,0%	Rp31.150.704,00
Arrears 61-90 days	Rp757.700.429,00	5,0%	Rp37.885.021,00
Arrears >90 days	Rp40.946.938,00	10%	Rp4.094.694,00
Allowance For Bad Debt			Rp80.000.849,00

Source: PT Wahana Boga Nusantara (processed data)

From the calculation of estimated receivable losses, the reserves of receivable losses obtained during 2020 amounted to Rp80.000.849,00. The balance of receivables loss reserves last year showed a value of Rp0,00 because in the previous period the company did not reserve receivable losses. The number of current assets in the financial position report of PT Wahana Boga Nusantara decreased from before the calculation of receivables loss reserves. If the reserve value of receivables losses in 2020 is known, then to determine net receivables is by the following.

Account Receivable	= Rp 3.730.268.500,00
Allowance For Bad Debt	= <u>Rp 80.000.849,00</u>
Net Receivables	= Rp 3.650.267.651,00

4.2.3 Presentation of Receivables

The statement of the financial position of receivables is presented in the group of financial assets with a decrease in the value expressed on a separate account. Presentation of trade receivables by PSAK No. 50 Revised Year 2014, namely gross receivables presented followed by an allowance for receivables losses. According to PSAK No. 50 the Revised year 2014 gross receivables presented amounted to Rp3.730.268.500,00 and reserves of receivable losses amounted to Rp80.000.849,00. The reserves of receivable losses are included in the counter account of the current asset group which is deducted from gross receivables and then obtained the net amount of receivables from the deduction presented at Rp3.650.267.651,00.

4.3 Suitability of Accounting Treatment of Business Receivables of PT Wahana Boga Nusantara with PSAK No. 50 and No. 55 Revision

4.3.1 Receivables Recognition

Recognition of trade receivables in 2020 at PT Wahana Boga Nusantara is under PSAK No.55 Revised Year 2014. PT Wahana Boga Nusantara has recognized account receivables when goods are received by customers and sales invoices have been issued. So receivables are recognized several receivables that can be billed and recognition of trade receivables at PT Wahana Boga Nusantara under PSAK No.55 Revised Year 2014.

4.3.2 Receivables Measurement

The measurement of trade receivables applied by PT Wahana Boga Nusantara is not under PSAK No.55 revised 2014. Trade receivables measured at PT Wahana Boga Nusantara amount to the value of gross receivables which is accumulated from the age of receivables 0-30 days, 31-60 days, 61-90 days, and >90 days listed on the age list of receivables of PT Wahana Boga Nusantara in 2020. It should be a measurement of trade receivables amounting to the net realization value, i.e. after deducting the allowance for uncollectible receivables.

4.3.3 Presentation of Receivables

Presentation of account receivables in the financial position statement for December 31, 2020, is presented in the number of gross receivables and the absence of deductions with reserve accounts receivable losses. PT Wahana Boga Nusantara does not calculate the estimated loss of receivables. Therefore, it has not known how much the reserves of receivable losses. Thus PT Wahana Boga Nusantara presents gross receivables. The presentation is not under PSAK No.50 Revised Year 2014.

5. Conclusion

Based on the results of the research, it can be concluded, the suitability of accounting treatment on account receivables at PT Wahana Boga Nusantara with PSAK Number 50 and 55 the revised the year 2014, among others PT Wahana Boga Nusantara recognizes receivables when the goods have been completed given. This is under number 55 the revised year 2014. The measurement of receivables of PT Wahana Boga Nusantara is not as large as the fair value and in determining the net realization value of PT Wahana Boga Nusantara does not estimate the allowance for receivables losses by reserve method. This is not yet under PSAK No. 55 the revised year 2014 which states that the measurement of entities can be measured fairly. Presentation of account receivable of PT Wahana Boga Nusantara amounting to gross receivables with deducting the reserves of receivable losses. The presentation of receivables from PT Wahana Boga Nusantara is not under PSAK No. 50 the revised the year 2014.

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Analysis of Government Regulation in Lieu Of Law (PERPPU) No 1 of 2020 Implementation on Income Tax Payable in Overcoming Financial Complication During The Covid-19 Pandemic (Case Study on CV KP)

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Abstract. This study aims to compare the income tax payable and income tax 25 due to the adjustment of the corporate income tax rate payable on CV KP which is a corporate taxpayer affected by the Covid-19 pandemic who undergoes the adjustment of the corporate income tax rate based on PERPPU No. 1 of 2020. The data collection technique used was documentation technique with comparative descriptive data analysis techniques. The results showed that a 22% rate adjustment application result in relief of IDR 27.419.811,00 obtained by CV KP. The amount of income tax 25 by a 22% rate application and tax incentives in 2020 is IDR 15,266,362.00 for the April-June and the July-December is IDR 10,904,544.00, and income tax 25 in 2021 obtained relief of IDR 7.739,900.00 for the period from April to June while the period from July to December returned to Rp. 15,479,801.00. CV KP should be able to save cash disbursement in 2020 during the Covid-19 pandemic to maximize the rate adjustment so that it does not cause a large overpayment. Thus, CV KP should make a separate calculation in determining the amount of income tax 25 by a 20% rate for the current year 2022.

Keywords: *PERPPU No. 1 of 2020, Income Tax Payable, Income tax 25*

1. Introduction

The covid-19 outbreak was appalled worldwide at the beginning of 2020. The outbreak disturbed employee finances, entrepreneurs, and all industries. This also decreases the productivity of the community. Thus, the government believed that it was necessary to find a solution such as regulation to prevent a more significant impact [1]. The spread of Covid-19 has a negative impact on economics all over the world, including Indonesian economics, in terms of investment, tourism industries, and trading [2]. In terms of economics, the impact of Covid-19 can threat large economic crises in all countries, particularly in Indonesia. It was proven by all production activities that stopped, and the purchasing power has decreased [3].

The outbreak of Covid-19 hampers economic activities in terms of consumption and infestation of the community, one of which is entrepreneurs who have business entities. The development of business entities in Indonesia is driven by many factors. The driving factors include information and

communication facilities, easy borrowing of business capital, use of technology, and a policy to reduce tax rates [4]. Therefore, the government designed and published policies regarding tax relaxation address with the Covid-19 pandemic threat. Tax relaxation is an effective way to overcome Indonesian economic problems [5]. The government handled the impact of Covid-19 by issuing several policies related to tax relaxation, such as tax incentives and reducing tax rates. One of which is the Government Regulation in Lieu of Law (PERPPU) of the Republic of Indonesia Number 1 of 2020 regarding policies to stabilize the country's financial system and deal with threats that can endanger the country's economy due to Covid-19 [6].

One of the policies regulated in Article 5 paragraph (1) of PERPPU No. 1 of 2020 concerning tax, namely adjustments in reducing corporate income tax rates for domestic corporate taxpayers and permanent establishments. At first, the corporate income tax rate was 25% based on Law No. 36 of 2018, then it was reduced to 22% for the 2020 and 2021 tax years and again decreased to 20% for the 2022 tax year as stated in PERPPU No. 1 of 2020. The reduction in the corporate income tax rate applied to calculating the income tax payable at the end of the tax year and the amount of the installment of income tax 25, which reaffirmed in Article 5 paragraph (1) of the Directorate General of Taxes Regulation Number Per-08/PJ/2020 [7]. The adjustment of corporate income tax rates is expected to ease the burden on taxpayers. It is due to the adjustment of tax rates will affect the amount of tax burden paid by the taxpayer, which has implications for the profit after tax obtained [8]. It aims for corporate taxpayers to be able to survive and maintain business continuity during this Covid-19 pandemic and be able to maintain compliance as taxpayers. The decrease in tax rates also causes tax avoidance actions to be reduced [9].

CV KP is a corporate taxpayer engaged in the sale of clothing which affected by the Covid-19 pandemic. It experienced financial complications seen from a significant decline in sales in 2020 when compared to sales in 2019. In 2020, CV KP sales decreased by 40%, from IDR 12,919,026,735.00 to IDR 7,718,489,271.00 in 2020. It will burden the CV KP if the expenses during 2020 are not proportional to the income earned. CV KP is a corporate taxpayer who undergoes a transition to adjust the corporate income tax rate in 2020 using the general rate in calculating his corporate income tax because the turnover exceeds IDR 4,800,000,000.00. CV KP still earned a commercial profit of IDR 732,564,098.00 in 2020. However, it decreased compared to the profit obtained by the CV KP in 2019. In 2019, CV KP earned a commercial profit of IDR 1,192,100,828.00. By 2020, CV KP should have made maximum use of this corporate income tax rate adjustment in calculating income tax 25. However, in reality, CV KP has not taken full advantage of the reduced rate. CV KP is a taxpayer who can take advantage of tax incentives in the form of reduction of income tax 25 installments or discounted income tax 25 during 2020 because of the Classification of Business Fields (KLU) of CV KP is wholesale clothing trade with the code KLU 46412.

2. Literature Review

2.1. Income Tax

Income tax is classified into direct tax, with the main object is income generated by taxpayers from their works or activities carried out either in service or trading. Direct tax is a tax borne by itself as a taxpayer whose burden cannot be delegated to other parties [10]. Income tax is imposed on parties in the category of individuals or entities on the basis of the amount of income received from work or activities for one year, the provisions of which are regulated in Law No. 36 of 2008 concerning income tax [11].

2.2. Law No. 36 of 2008

The income tax rate for domestic corporate taxpayers and permanent establishments, the tax rate imposed on the income earned is 28%, which then decreases the tax rate to 25% effective from 2010. Domestic taxpayers, especially public company get relief in the form of imposition of a lower tax rate of 5% on the condition that 40% is at least of the total shares traded on the IDX, and some requirements must be met.

2.3 Government Regulation in Lieu of Law (PERPPU) No. 1 of 2020

The PERPPU took effect as of April 1, 2020, is regarding policies to stabilize the state financial system from threats that could endanger the country's economy due to the Covid-19 outbreak. One of them is reviewing policies in the field of taxation related to income tax. It is described in article 5 paragraph 1 regarding the rate adjustment for domestic corporate taxpayers and permanent establishment in the form of a tax rate reduction from 25% to 22% for 2020 to 2021 and again decrease to 20% by 2022. This reduction in the income tax rate can also be enjoyed by taxpayers, especially a public company to 3% lower than the condition that the total shares traded on the IDX are at least 40%.

2.4 Income Tax 25

Income tax 25 is the amount of monthly tax paid in installment by the taxpayers for one year in the amount of income tax payable in accordance with the annual income tax return for the tax year, which was previously reduced by a tax credit then divided by 12. In 2020, there was a rate adjustment in determining the income tax 25 for the current year 2020 from 25% to 22% based on PERPPU No.1 of 2020 and reaffirmed in the Directorate General of Taxes Regulation Number Per-08/PJ/2020.

The government also issued a policy regarding relief in the payment on installments of income tax article 25 for taxpayers with particular business field classification codes based on the Minister of Finance Regulation No. 44/PMK.03/2020 regarding tax incentives, one of which is a 30% discount in the payment on installments of income tax article 25 for the April to June 2020 period [12]. The policy of 25 income tax incentives did not stop in June. The government again issued a new policy on tax incentives based on the Minister of Finance Regulation no. 110/PMK.03/2020 in the form of a discount in the payment on installments of income tax article 25, from 30% to 50% for the July-December 2020 tax period [13]. Further, it was again extended for 2021 based on Minister of Finance Regulation No. 9/PMK.03/2021 for the January to June period [14]. In 2021 the tax incentive was extended again to one year based on PMK No. 82/PMK.03/2021 for the period July to December [15]. When using tax incentives for tax income 25, it must be in accordance with the prevailing regulation of the Minister of Finance [16].

3. Research Methods

Qualitative research is the relevant approach applied to this study. The data sources used were secondary data obtained through intermediary media using documentation technique as data collection technique and d instrument. Data validity of this research used a triangulation data source.

The data were analyzed using a comparative descriptive technique. The data analysis stages were started from collecting the necessary data (CV KP income statement), then calculating the 2020 income tax payable for corporate taxpayers using the rate following the Law Number 36 of 2008 Article 17 paragraph (2a) and the rates following PERPPU Number 1 of 2020 Article 5 paragraph (1). Further, the analysis by comparing the amount of corporate income tax payable in 2020 based on Law Number 36 of 2008 with PERPPU No. 1 of 2020 was carried out. The last is analyzing the number of installments of income tax articles 25 of 2020 and 2021 with the implementation of corporate income tax rate based on PERPPU No. 1 of 2020.

4. Result and Discussion

4.1 Calculation of Income Tax Payable based on Law No. 36 of 2008 and PERPPU No. 1 of 2020

There is a fiscal correction of expenses and revenues based on Law No. 36 of 2008, which causes a difference between the company's commercial profit and fiscal profit. In 2020, CV KP earned a commercial profit of IDR732.564.098,00. After fiscal correction, CV KP obtained a fiscal profit of IDR1.321.125.375,00. CV KP in 2020 has a business turnover of not more than IDR50.000.000.000,00. Therefore, in accordance with the provisions of Article 31 letter E of the Income Tax Law No. 36 of 2008, CV KP also gets special facilities in the form of imposing a reduced rate of 50%. Thus, the amount of income tax payable by CV KP based on the provisions of the corporate income tax rate Law No. 36 of 2008 and PERPPU No. 1 of 2020 can be seen in the following table:

Table 1. Calculation of Income Tax Payable of CV KP based on Law No. 36 of 2008 and PERPPU No. 1 of 2020

Corporate Income Tax Rate	25%	22%	20% (Projection)
Commercial Net Profit	IDR 732.564.098	IDR 732.564.098	IDR 732.564.098
Fiscal Net Profit	IDR 1.321.125.375	IDR 1.321.125.375	IDR 1.321.125.375
Taxable Income	IDR 1.321.125.000	IDR 1.321.125.000	IDR 1.321.125.000
Income Tax Payable:			
Getting Facilities	IDR 101.782.830	IDR 89.568.890	IDR 81.426.264
Does not get Facilities	IDR 126.715.591	IDR 111.509.720	IDR 101.372.473
Total Income Tax Payable	IDR 228.498.421	IDR 201.078.610	IDR 182.798.737

Therefore, the amount of income tax payable of CV KP in 2020 based on Law No. 36 of 2008 using 25% rate was IDR228.498.420,00. Income tax payable of CV KP in 2020 based on PERPPU No. 1 of 2020 using 22% rate was IDR201.078.610,00. The relief in the form of a reduction in corporate income tax rates can be utilized by CV KP until 2022. Projections in the 2022 tax year with the same income assumption, the estimated amount of income tax payable by CV KP when using a 20% rate is IDR182.798.736,00.

4.2. Comparison of Income Tax Payable of CV KP Before and After Issued PERPPU No. 1 of 2020

The adjustment of the Corporate Income Tax rate aims to ease the taxpayers in fulfilling their tax obligation, especially corporate taxpayers, to deal with the Covid-19 pandemic threat. CV KP perceives the impact of the Covid-19 pandemic as seen from the decrease in sales and profit before tax from 2019 to 2020. The reduction in corporate income tax rates is expected to ease CV KP in fulfilling its tax obligations and the policy is expected to maintain taxpayer compliance in fulfilling tax obligations because the amount of the tax rate set affects taxpayer compliance [17]. The following is a comparison of income tax payable by CV KP before and after the PERPPU No. 1 of 2020:

Table 2. Comparison of Income Tax Payable of CV KP Before and After Issued PERPPU No. 1 of 2020

UU No 36 Year 2008	PERPPU No 1 Year 2020	Differences	PERPPU No 1 Year 2020	Differences
25%	22%		20% (Projection)	
A	B	C=A-B	D	E=B-D
IDR228.498.421	IDR201.078.610	IDR27.419.811	IDR182.798.737	IDR18.279.873

Thus, in 2020, precisely in the April tax period, there was a shift from a 25% rate to 22%, then CV KP received a relief in 2020 of IDR27.419.811,00 after PERPPU No. 1 of 2020 so that CV KP receives larger profit to maintain their business during the Covid-19 pandemic. In 2022, there will be a shift from the 22% rate to the 20% rate, so CV KP will get an estimated relief in 2022 of IDR18.279.873,00 by assuming the same income. CV KP gets tax payment relief by the implementation of the new rate in 2020, and then can take advantage again for 2020 due to the gradual deduction in corporate income tax rate that can ease the taxpayer to pay their tax obligation during the Covid-19 pandemic. The policy of Government Regulation in Lieu of Law Number 1 of 2020 regarding the reduction of corporate taxpayer rates has been effective in overcoming the unstable state finances and economy due to the Covid-19

pandemic so as to ease the burden on taxpayers in fulfilling their tax obligations in order to survive and thrive during the Covid-19 pandemic [5]. It shows that the renewal of laws and government regulation regarding the adjustment of corporate tax rates which gradually decrease and causes the tax expense of the taxpayers to be lower [18]. The adjustment of the tax rates will affect the amount of tax expense that should be paid by the taxpayers imply on larger profit after tax [8].

4.3 The amount of Instalment Income Tax Article 25 for the 2020 and 2021 Tax Years by CV KP with the Implementation of Payable Corporate Income Tax Rates Based on PERPPU No. 1 of 2020

4.3.1. Instalment Income Tax Article 25 for the 2020 Tax Year

Reduction of the corporate income tax does not only apply to calculate income tax payable at the end of the tax year but also to calculate the amount of income tax 25 for the current year 2020 since the reporting of tax return 2019, which was re-explained in Per-08/PJ/2020. Annual tax return of CV KP in 2019, CV KP still consider income tax 25 that was paid in 2020 since the April period using 25% rate, which is it should have applied 22% rate in accordance with PERPPU No. 1 of 2020 and re-explained in Per-08/PJ/2020 article 5 paragraph (1). Calculation of income tax article 25, which has been calculated by CV KP using the old rate of 25% based on the annual tax return of CV KP in 2019. The amount of taxable income of IDR2.491.658.000,00 CV KP based on the annual tax return in 2019 and a total gross turnover of IDR12.957.740.742,00 CV KP based on the income statement of CV KP in 2019. Business Field Classification of CV KP included in business field classification of the taxpayer that can take advantage of income tax incentive 25. The following is the calculation of income tax article 25 incentives of CV KP based on the old rate, namely 25% that followed the Annual tax return of CV KP in 2020, which still refers to the corporate income tax rate in Law No. 36 of 2008 and after re-calculated using new rates, namely 22% based on PERPPU No. 1 of 2020:

Table 3. Income Tax Article 25 Installments of CV KP in 2020 Before and After the Implementation of Rate based on PERPPU No. 1 of 2020 and Tax Incentives

	Before (25%)	After (22%)
2019 Taxable Income	IDR 2.491.658.000	IDR 2.491.658.000
Income Tax Payable:		
Getting Facilities	IDR 115.374.650	IDR 101.529.692
Does Not Get Facilities	<u>IDR 392.165.200</u>	<u>IDR 345.105.376</u>
Total Income Tax Payable	IDR 507.539.850	IDR 446.635.068
2019 Tax Credit	<u>(IDR 184.926.000)</u>	<u>(IDR 184.926.000)</u>
Self-pay income tax	IDR 322.613.850	IDR 261.709.068
Income Tax Article 25 (Per Month)	IDR 26.884.488	IDR 21.809.089
Discount of Income Tax 25 (30%)	<u>(IDR 8.065.346)</u>	<u>(IDR 6.542.727)</u>
Income Tax Article 25 (April-June)	IDR 18.819.141	IDR 15.266.362
Article 25 (Per Month)	IDR 26.884.488	IDR 21.809.089
Discount of Income Tax 25 (50%)	<u>(IDR 13.442.244)</u>	<u>(IDR 10.904.545)</u>
Income Tax Article 25 (July-December)	IDR 13.442.244	IDR 10.904.544

Thus, income tax article 25 of CV KP before the new rate was applied using a 25% rate is IDR26.884.488,00 per month. However, for the April to June period, CV KP only paid IDR18.819.141,00, and the remaining IDR8.065.346,00 received a discount on income tax article 25 installment payments is 30% of IDR26.884.488,00 for the April to June period. The discount is income tax article 25 incentives in accordance with Article 11 paragraph (1) PMK No. 44/PMK.03/2020. The

discount continues to be used by CV KP from the June to December 2020 period. Based on article 10 paragraph (1) PMK No.110/PMK.03/2020, CV KP gets a 50% discount on income tax article 25 installment payments. Therefore, for the June to December period, CV KP only paid IDR13.442.244,00 for income tax article 25 installments, and the remaining IDR13.442.244,00 gets a discount for income tax article 25 based on the calculation of CV KP. The amount of income tax article 25 paid during 2020 before the new rate implementation is IDR211.626.480,00.

The calculation of income tax article 25 after the rate implementation based on PERPPU No. 1 of 2020 is IDR21.809.089,00 per month. In the April to June period, CV KP only needs to pay IDR15.266.362,00, and the remaining is IDR6.542.727,00. Due to it obtained a 30% discount to pay income tax article 25 installment from income tax article 25 installment, so for April to June period should be in accordance to article 11 paragraph (1) PMK No. 44/PMK.03/2020. In June to December period, it only pays income tax article 25 installments of IDR10.904.544,00, and the remaining IDR10.904.545,00 obtained a 50% discount from income tax article 25 installments that should be in accordance to article 10 paragraph (1) PMK No.110/PMK.03/2020. The amount of income tax article 25 paid during 2020 after the new rate is IDR185.741.943,00. CV KP should have been able to save cash outflows during the Covid-19 pandemic amounting IDR25.884.532,00 because efforts to minimize taxes can save cash disbursement [19].

The difference in the amount of income tax article 25 before and after the new rate will have an impact on the calculation of income tax overpaid or underpaid at the end of the year. The following is the calculation of income tax overpayment or underpayment of CV KP between before and after the rate based on PERPPU No. 1 of 2020.

Table 4. Income Tax article 28A/29 CV KP of 2020 before and after rate implementation based on PERPPU No. 1 of 2020

	Before (25%)	After (22%)
Income tax payable (22%)	IDR 201.078.610	IDR 201.078.610
Tax credit:		
Income Tax article 22	(IDR 15.321.000)	(IDR 15.321.000)
Income Tax article 25	(IDR 211.626.479)	(IDR 185.741.947)
Income Tax article 28A/29	(IDR 25.868.870)	IDR 15.667

Therefore, in 2020 CV KP experienced an overpayment of income tax article 28A before the implementation of PERPPU No. 1 of 2020 in the calculation of income tax article 25, namely IDR.25.868.870,00. The overpayment is due to the fact that the amount of income tax payable in 2020 is more little than the taxes paid in advance during 2020 on income tax article 22 and income tax article 25. After the new rate implementation to the calculation of income tax article 25, CV KP will receive the amount of income tax article 29 for underpayment but only IDR15.667,00. It can be seen in 2020 that CV KP experienced a fairly large overpayment so that the excess tax can be refunded. However, first, the Directorate General of Taxes will review again or conduct an examination of the company regarding the correctness of the proposed overpayment value [20]. Consequently, it is important for taxpayers to know the new tax regulations because the government has made efforts to maintain the resilience and survival of the company by issuing tax regulations regarding tax relaxation during the Covid-19 pandemic [21]. Taxpayers' understanding of tax regulations can affect taxpayer compliance in fulfilling their obligations [22].

4.3.2. Income Tax Article 25 Installments of CV KP for 2021 Tax Year

The government has helped taxpayers affected by Covid-19 by issuing policies in the form of reducing rates to tax exemptions in the form of tax incentives [23]. This policy is valid until 2021. Therefore, CV

KP can take advantage of the reduction in corporate income tax rates by 22% and tax incentives in calculating the income tax article 25 installment for the current year 2021. The following is the calculation of the article 25 income tax installment for the current year, namely 2021, based on the income tax payable in 2020 with PERPPU No. 1 of 2020 and income tax article 25 incentives:

Table 5. Income Tax Article 25 Installment of CV KP in 2021 with rates based on PERPPU No. 1 of 2020 and Tax Incentives

Taxable Income Tax	IDR 1.321.125.000
Income Tax Payable	
Getting Facilities: 22% x 50% x Rp814.262.637	IDR 89.568.890
Does Not Get Facilities: 22% x Rp506.862.363	<u>IDR 111.509.720</u>
Total Income Tax Payable	IDR 201.078.610
2020 Tax Credit	<u>(IDR 15.321.000)</u>
Self-Pay Income Tax	IDR 185.757.610
Income Tax Article 25 (Per Month)	IDR 15.479.801
Discount of Income Tax Article 25 (50%)	<u>IDR 7.739.901</u>
Self-Pay Income Tax Article	<u>IDR 7.739.900</u>

Thus, CV KP can take advantage of a 22% reduction in corporate income tax rates in calculating Income Tax Article 25 Installments for the current year 2021 and can also take advantage of the Income Tax article 25 incentives until June 2021 in accordance with PMK No. 9/PMK.03/2021. CV KP must re-apply to take advantage of the income tax article 25 incentives in 2021 through the DJP Online page based on article 12 paragraph (3) of PMK No. 9/PMK.03/2021. If included in the category of taxpayers who can take advantage of the income tax article 25 incentives, a tax return will be issued stating that they are eligible to take advantage of the income tax article 25 incentives based on Article 12 paragraph (4) PMK No. 9/PMK.03/2021.

CV KP can take advantage of the income tax article 25 incentive of 50% from IDR15.479.801,00. Accordingly, CV KP again gets relief in paying the income tax article 25 installments paid for the current year of 2021, which is IDR7.739.900,00, and the remaining gets a discount on income tax article 25. Taxpayers who take advantage of this income tax article 25 incentives are required to report the realization of the reduction in income tax article 25 installments with a deadline of the 20th after the end of the tax period. Then, CV KP is obliged to report the realization of the reduction in the income tax article 25 installments. The tax incentive is given for justice and has a good effect on all Indonesian people [24]. The conditions are different between 2020 and 2021 because, in 2021, CV KP cannot take advantage of the income tax article 25 incentives until the end of December 2021. CV KP can only take advantage of the income tax article 25 incentives until the June 2021 tax period because based on PMK No. 82/PMK.03/2021 KLU, CV KP is not included in corporate taxpayers who can take advantage of the income tax article 25 discount until December 2021, then the amount of income tax article 25 that must be paid by CV KP starting from the July 2021 tax period is IDR15.479.801,00.

5. Conclusion and Suggestions

5.1 Conclusions

CV KP received a tax relief of IDR27.419.811,00 so that the profit received was greater to maintain its business during the Covid-19 pandemic and again received relief in 2022 to 20%. The amount of income tax 25 with the implementation of a 22% rate and tax incentives in 2020 is IDR15.266.362,00 for the April-June tax period, while the July-December tax period is IDR10,904,544.00. If calculated for one

year between before and after the implementation of the 22% rate based on PERPPU No. 1 of 2020, CV KP should be able to save cash disbursements during this Covid-19 pandemic of IDR25.884.532,00. The difference in the amount of income tax article 25 before and after the new rate is applied will have an impact on overpaid or underpaid income tax at the end of the year. CV KP in 2020 experienced an overpayment before the implementation of PERPPU No. 1 of 2020, amounting to IDR25.868.870,00, while after the implementation; CV KP caused an underpayment but only amounted to IDR15.667,00. By maximizing the rate adjustment, in 2020, CV KP should be able to save cash disbursements during the Covid-19 pandemic so that it does not cause a large overpayment.

In 2021 CV KP again received relief in determining the amount of income tax article 25 installments. The amount of income tax article 25 for 2021 received relief to be IDR7.739.900,00 for the April to June period, and for the July to December period, it returned to IDR15.479.801,00 because it cannot take advantage of the income tax article 25 incentives but can only take advantage of the reduction in rate.

5.1 Suggestion

CV KP is a corporate taxpayer who uses general rates. For this reason, CV KP is getting ready to take advantage of 20% rate reduction for 2022 in calculating the amount of income tax article 25 for the current year 2022 since the 2021 Annual tax return is reported by making and attaching a separate income tax article 25 calculation using the applicable rate, namely 20% in determining the amount of income tax payable which is the reference in the calculation of income tax article 25. Thus, it is expected not to cause overpayments which will result in cash outflows. CV KP must be aware of new regulations issued by the government during the Covid-19 pandemic and maximize all waivers provided by the government.

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The Effect of Auditor Competency and Self-Efficacy on Audit Judgment at Public Accounting Firm in Bali

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Abstract: Auditors in carrying out activities are influenced by many things, starting from the audit environment and applicable audit regulations. The auditor judgment cannot be replaced because it is an inherent part of the audit process itself, therefore, the audit judgment carried out by the auditor must be carried out properly so as to produce true and accurate information. The phenomenon related to the audit judgment that has occurred causes the public to still question the audit judgment carried out by the auditor who is considered unable to protect external parties using financial statements. The population in this study are all auditors who work in Public Accounting Firms in Bali who are listed in the IAPI 2020 directory. The number of samples in this study found 136 auditors who were selected using the saturated sample or census method. The analytical technique used in this research is a partial least square (PLS) modelling technique through the SmartPLS 3.0 application. The results showed that the auditor competency and self-efficacy had a positive and significant effect on the audit judgment at the Public Accounting Firm in Bali.

Abstract: *Auditor Competency, Self-Efficacy, Audit Judgment*

1. Introduction

Users of financial statements or investors in Indonesia are increasing every year which shows that the information on the state of a company is increasingly important [1]. The main source and reference for the most reliable and trustworthy accounting information for external users or investors are audited annual financial reports [2]. Audit services have the main function to strengthen the confidence of users of financial statements on financial statements [3]. The auditor's opinion in terms of reviewing the suitability of the presentation of financial statements is called audit judgment [4]. The phenomenon of audit judgment that occurs in Indonesia causes people to still question the audit judgment carried out by auditors who are considered unable to protect external parties using financial statements [5].

Auditors are influenced by many factors in carrying out their duties ranging from the audit environment and applicable audit regulations [6]. Therefore, the audit judgment carried out by the auditor must be able to be carried out properly so that it is able to produce correct and accurate information [7]. In previous research on the relationship between the influence of auditor competency on audit judgment, it was found that auditor competency had a positive and significant impact on audit judgment [8]. However, other studies did not find any effect of auditor competency on audit judgment

[9]. Likewise, related to other factors that affect audit judgment such as self-efficacy. There is research that shows a positive and significant effect of self-efficacy on audit judgment [10]. The results of this study are different from the results of other studies which state that self-efficacy has no effect on audit judgment [11].

According to the explanation of the findings of previous studies that are inconsistent between significant and insignificant effects and the existing background, this study will discuss the effect of auditor competency and self-efficacy on audit judgment at the Public Accounting Firm in Bali.

2. Literature Review and Hypothesis Development

2.1. Literature Review

Audit judgment is a personal judgment and perspective of the auditor when providing feedback information or data that can influence the recorded evidence as well as the decision-making auditor's opinion on the financial statements of entities [12]. The auditor must obtain data based on evidence and facts in the field so that the auditor can make a more accurate assessment [13]. Competency is an obligation for auditors in order to have a formal education regarding accounting and auditing, practical work experience that is sufficient to support the profession being undertaken, as well as completing the continuous professional education [14]. Self-efficacy is a personal belief about the capability to carry out and complete tasks at a predetermined level [15]. Self-efficacy shows a person's belief that he is able to complete tasks at work [16].

2.2. Hypothesis Development

2.2.1. The Effect of Auditor Competency on Audit Judgment

Auditor requires a good competency to be able to improve the quality of audits produced. This means that the auditor's competency has a positive and significant effect on audit judgment [8]. The higher the competency of auditors, the better the auditor in giving judgment when put through its work [17]. According to this explanation, the hypothesis can be formulated as:

H₁: Auditor competency has a positive and significant effect on audit judgment.

2.2.2. The Effect of Self Efficacy on Audit Judgment

Auditors who have high self-efficacy will have the confidence to be able to carry out a task at a certain stage, thus influencing personal activities for achieving goals and showing good performance relations in this case related to audit judgment [18]. Research conducted states that self-efficacy has a positive and significant effect on audit judgment. This suggests that the higher self-efficacy possessed the more qualified auditor judgment results produced by the auditors [19]. According to this explanation, the following hypothesis can be formulated:

H₂: Self efficacy has a positive and significant effect on audit judgment.

3. Research Methods

3.1. Population and Sample Selection

The population in this study are 134 auditors who work at 16 Public Accounting Firms in Bali. The sample used in this study is all part of the population or called saturated sampling which means that all members of the population are used as samples. Saturated sampling was chosen to overcome the low rate of return of the questionnaire. At the time of distributing the questionnaire, there were two Public Accounting Firms that were not operating and one Public Accounting Firm which could not receive the questionnaires because the auditors were on assignment out of town. Based on these data, only 13 Public Accounting Firms were studied. Questionnaires were distributed to all auditors at 13 Public Accounting Firms that are still operating. The number of questionnaires that have been distributed amounted to 114 copies with a return rate of 86 copies. The respondent's rate of return is 75.44%.

3.2. Data Collection, Measurement and Analysis Techniques

Data collection using questionnaires was carried out by giving a series of questions or written statements for participants to be answered later. This research questionnaire consists of three parts, namely auditor competency, self efficacy, and audit judgment. Auditor competency variable (X_1) is tested by using indicators consisting of eleven questions. The indicator used to test the self efficacy variable (X_2) consists of seven questions. The audit judgment variable (Y) was measured using indicators consisting of three indicators with 6 six questions. The distribution of the hardcopy questionnaire was carried out by giving it directly to the respondent at the Public Accounting Firm in Bali and would be taken back two weeks after the questionnaire was distributed to the respondent. The variables in this study were tested using a 5-point Likert scale. from a scale of 1 (strongly disagree), to a scale of 5 (strongly agree). Hypothesis testing in this study utilizes Partial Least Square (PLS) with the SmartPLS application with a significance level of 5%. This study utilizes the SmartPLS application because it is able to directly analyze the model indicators so that it will be clear how the effects generated by the model indicators will be.

4. Result and Discussion

4.1. Test Research Instruments and Models

4.1.1. Validity and Reliability

The validity test was carried out on 30 respondents, by looking at the Pearson Correlation. Validity testing is done through the SPSS process. The results of the instrument validity test on the 24 question items on the questionnaire showed a correlation coefficient greater than 0.30 so that all questionnaire items were categorized as valid. When viewed from the significance value of all questionnaires it turns out to have a Sig (2-Tailed) value of less than 0.05, then all questionnaire items are categorized as valid. It can be seen that X_1 , X_2 , and Y have a Cronbach Alpha coefficient value greater than 0.70 so that the statement on the questionnaire can be said to be reliable.

4.1.2. Outer Model

The convergent validity test of the reflective indicators in the SmartPLS 3.0 program can be reviewed based on the loading factor value and the average variance extracted (AVE) value. The loading factor of each indicator shows a value of more than 0.7. These results state that the indicators used in this study are valid and sufficient for convergent validity. The AVE value of each variable in the study, namely X_1 (0.699), X_2 (0.776), and Y (0.608) has an AVE value exceeding the specified value, which is more than 0.5 which means that the indicators used in this study are sufficient for convergent validity.

The discriminant validity test method with reflective indicators is by reviewing the cross loading value. The data shows that the cross loading for each latent variable X_1 , X_2 , and Y is more than 0.70, besides that the correlation value of the latent variable with itself is higher than the value of its correlation with other latent variable.

The composite reliability value of each variable in the study, namely X_1 (0.962), X_2 (0.960), and Y (0.903) has a value of more than 0.7 so that it can be stated that the reliability for all related constructs is categorized as high and reliable. The Cronbach alpha value for each variable, namely X_1 (0.957), X_2 (0.951), and Y (0.870) greater than 0.7 so it can be said that the consistency is classified as good for each answer tested.

4.1.3. Inner Model

The result of R-square (R^2) in this research model is 0.372. The model of the influence of auditor competency and self-efficacy on audit judgment produces an R-square value of 0.372 which means that the variability of the audit judgment construct is 37.2%, while 62.8% is explained by other variables outside the study.

4.2. Hypothesis Testing and Discussion

Hypothesis testing is carried out by conducting a significance test through the bootstrapping procedure, by looking at the parameter coefficient values and the significance values of t-statistics and P Values as shown in Table 1 and Figure 1 below.

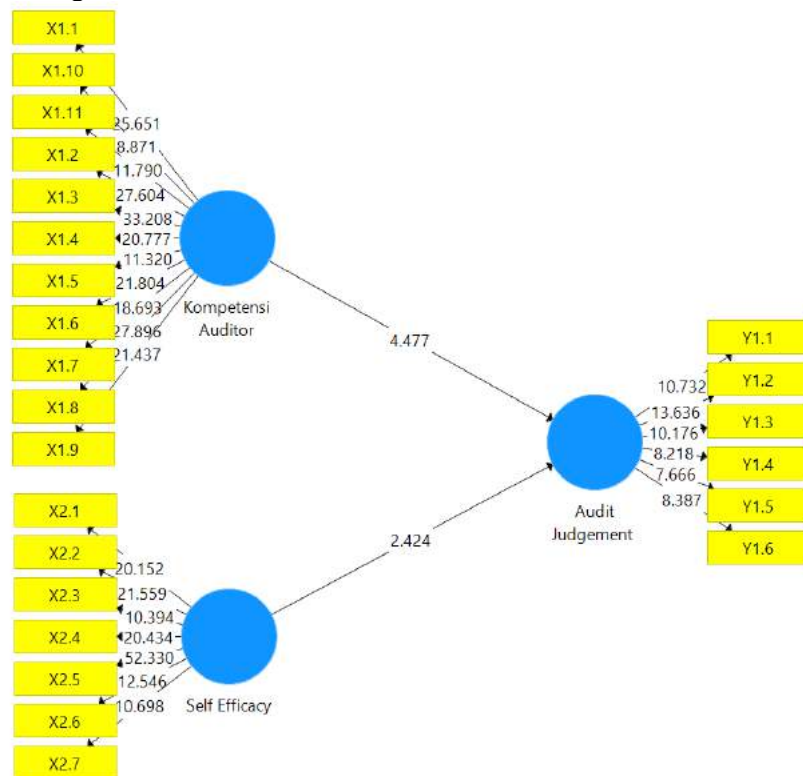


Figure 1. Bootstrapping analysis result

Table 1. Hypothesis Test Results

	<i>Original Sample (O)</i>	<i>T Statistics</i>	<i>P Values</i>
Auditor Competency → Audit Judgment	0,408	4,477	0,000
Self-Efficacy → Audit Judgment	0,300	2,424	0,016

4.2.1. The Effect of Auditor Competency on Audit Judgment

The hypothesis states that auditor competency has a positive and significant effect on audit judgment. Table 1 and Figure 1 show that the relationship between auditor competency and audit judgment is significant with a p-value of 0.000 less than 0.05 and a t-statistic value of 4.477 above 1.989. The original sample estimate value is positive, which is 0.408 which indicates that the direction of the relationship between the auditor's competency and audit judgment is positive. Thus, the hypothesis H₁ in this study which states that auditor competency has a positive and significant effect on audit judgment is accepted. Auditors need qualified competencies to conduct audits so that the resulting audit quality is able to provide quality information [20]. Ability in reasoning, risk mapping, and framework of thinking will increase supported by the increasing number of auditors completing engagements to audit the financial statements of a company [21]. The higher the competency possessed by the auditor, the better in giving judgment in completing the task.

4.2.2. *The Effect of Self Efficacy on Audit Judgment*

The hypothesis states that self-efficacy has a positive and significant effect on audit judgment. Table 1 and Figure 1 show that the relationship between self-efficacy and audit judgment is significant with a p-value of 0.016 less than 0.05 and a t-statistic value of 2.424 above 1.989. The original sample estimate value is positive, which is 0.300 which indicates that the direction of the relationship between self-efficacy and audit judgment is positive. Thus, the hypothesis H₂ in this study which states that self-efficacy has a positive and significant effect on audit judgment is accepted. Self-efficacy is a personal belief about the ability to carry out and complete tasks at a predetermined level [15]. Self-efficacy shows a person's belief that he is able to complete tasks at work [16]. This shows that the higher the self-efficacy of the auditor, the higher the quality of judgment produced by the auditor.

5. Conclusions and Suggestions

5.1. *Conclusion*

Based on the results of the research that has been done, the conclusion that can be drawn is that auditor competency has a significant positive effect on the audit judgment of the Public Accounting Firm in Bali. This means, the higher the competency possessed by the auditor, the better in giving judgment in the tasks he handles. Self-efficacy has a significant positive effect on the audit judgment of the Public Accounting Firm in Bali. This means that the higher the self-efficacy of the auditor, the better the quality of judgment issued by the auditor

5.2. *Suggestions*

Based on the results of the study, it was shown that auditor competency and self-efficacy were able to influence audit judgment. Audit judgment is an important consideration in making a decision on the auditor's opinion on financial statements, therefore the auditor must continue to improve his competency and have high self-efficacy.

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Operational Risk Analysis Based on Enterprise Risk Management Approach (ERM) in Export Document Service Company (Case Study at CV Tarukalpa Dewata)

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Abstract: Every company in carrying out its operational activities will definitely face a risk. The various possible risks that can be experienced by the company in carrying out its operational activities need to be managed and controlled by carried out risk management. The implementation of risk management is expected to assist companies in identified, analyzed, assessed, and controlled risks and the impact of risks. One approach that can be used to perform risk management is Enterprise Risk Management (ERM). This research aims to analyze operational risks that occurred at CV Tarukalpa Dewata based on an Enterprise Risk Management (ERM) approach by identified risks, risk assessments, efforts to respond the risks and carry out risk controls to find out what actions must be taken to minimize the possibility of risks and impact risk. This research used a qualitative descriptive research method by collecting data through interviews, observations and questionnaires. The results showed that in the operational activities of CV Tarukalpa Dewata there were seventeen possible risks consisting of four risks originating from human resources owned by the company, five risks that occurred in the process of making export documents, two risks that occurred due to technological constraints, and six external risks. The results of the risk assessment showed that there were three levels of risk that occurred in the operational activities of CV Tarukalpa Dewata namely moderate, low, and very low. Responses to existing risks are carried out by monitoring, controlling management, and paying special attention (urgent) in the company's operational activities.

Keyword: *risk management, operational risk, enterprise risk management (ERM)*

1. Introduction

Every company in carrying out its operational activities to provide the best service for its customers will definitely face a risk. Risk is defined as a factor that comes from external or internal to the company that can cause uncertainty to achieve predetermined goals [1]. In addition, the risks can also cause losses for the company. Efforts that can be made to avoid these losses are by performing risk management. Risk

management is a structured process to identify, analyze, assess, control, avoid, minimize and eliminate risks that the company cannot accept [1].

CV Tarukalpa Dewata is a service company in Bali that is engaged in the service of making export documents. CV Tarukalpa Dewata offers document creation services for all types of finished goods except food products and illegal goods. The main document that is most often processed at CV Tarukalpa Dewata is a V-Legal document which is a permit document to export goods made of wood. In one month on average they serve 80 to 100 documents with various types of goods and various destination countries.

During its operational activities, the directors and employees of CV Tarukalpa Dewata said that the biggest risk in the company's operational activities was an error in making the required export documents. In addition, the risk experienced by the company is also in the document creation system, which sometimes experiences errors, causing delays in making documents required by customers. As a result of these risks, it will affect time efficiency and material losses for the company. Therefore, risk management is needed to find out the risks that have the potential to threaten the operational activities of CV Tarukalpa Dewata, so the company can carry out control activities to avoid possible risks and the impact of risks that can cause losses.

2. Literature Review

1. Risk

Risk is a situation that can bring the possibility of losses for the company[2]. Risk also leads to an event whose occurrence cannot be ascertained so that it causes a loss, both small and large losses which affect the achievement of objectives[3].

2. Operational Risk

Operational risk is a risk of loss that occurs as a result of direct consequences of inadequate or failed processes of the company's operational activities, human resources in the company, systems, and risks originating from external factors[4]. Operational risk is a potential deviation due to the malfunction of a system, human resources, technology, or other factors so that the results are not in accordance with the expected goals. Operational risk can occur due to factors from within and outside the company which includes all risks of fluctuations in the company's business results due to failures in supervision and systems used and events that cannot be controlled[5].

3. Risk Management

Risk management is a tool used to manage and control risk[6]. The complexity of the risks experienced, has resulted in companies needing to manage and control risks in order to maintain and expand their business by implementing risk management[7].

4. Enterprise Risk Management

Enterprise Risk Management is an integrated and continuous process to manage risks across the company including strategic, financial, operational, compliance and reputation risks to minimize unexpected performance variations and maximize the company's intrinsic value. This process empowers boards and management to make more informed risk or return decisions by meeting fundamental requirements related to governance and policy, risk analysis, risk management, and monitoring and reporting[8]. Enterprise Risk Management has eight components derived by COSO to achieve company goals, both strategic, operational, financial reporting, and compliance with statutory provisions[5]. The components consist of Internal Environment, Objective Setting, Event Identification, Risk Assessment, Risk Respond, Control Activities, Information and Communication, Monitoring.

3. Research Method

This research used a qualitative descriptive method which aims to explore, describe in detail the events or incidents that occur in the company's operational activities through data collection and based on the Enterprise Risk Management approach. Data type that used in this research was sourced from primary data. Primary data source obtained directly through distributing questionnaires to seven employees of CV Tarukalpa Dewata, the result of interview, and observation during three month. The data analysis

technique in this study was carried out through three stages based on Miles and Huberman, namely data reduction, data presentation, and drawing conclusions/verification[9].

4. Results and Discussion

CV Tarukalpa Dewata is a company engaged in the service of making export documents. In carrying out its operational activities, CV Tarukalpa Dewata has seven (7) employees consisting of one manager, two employees in the document department, two employees in the field or document delivery, and two employees in the finance and administration department. For one month, the company's operational activities can complete 80 – 100 export documents. As long as the company carries out its operational activities, of course, there will be risks and impacts that can interfere with business continuity and company goals. Therefore, risk management is needed to find out what risks have the potential to threaten the operational activities of CV Tarukalpa Dewata so the company can carry out control activities to avoid possible risks and the impact of risks that can cause losses. The stages of risk management carried out based on the Enterprise Risk Management (ERM) approach at CV Tarukalpa Dewata are:

4.1 Risk Identification

The risk identification stage that occurs in the operational activities of CV Tarukalpa Dewata is carried out by conducting interviews and observations. After identification, it can be seen that there are seventeen (17) risks that can threaten the continuity of the company's operational activities. The risks that threaten the operational activities of CV Tarukalpa Dewata can be seen in table 4.1.

Table 4.1 Risk Identification

Jenis Risiko	Kode	Risiko
Human Resource Risk	A1	Risk of lack accuracy in examining published documents
	A2	Risk of late delivery documents
	A3	Risk of additional costs
Process Risk	A4	Risk of work accident when sending documents
	B1	Risk of error spelling the name of the importer
	B2	Risk of currency recording errors
	B3	Risk of error in recording the weight of goods
	B4	Risk of error in writing address and port of destination of the importer
Technology Risk	B5	Risk of errors in determining the type of wood used when issuing V-Legal documents
	C1	Risk of system disruption when issuing document
	C2	Risk of internet network problems
External Risk	D1	Fire risk
	D2	Risk of a change in the new provisions concerning export documents
	D3	Risk of power outage
	D4	Risk of data change from cargo or importer
	D5	Risk of losing customers
	D6	Risk of Recording CV Tarukalpa Dewata as the name of the owner of the goods in the issuance of goods export notification document

After the risk identification has been carried out, it is followed by making a research questionnaire to determine the level of risk probability (occurrence) and risk impact (severity) based on the risk identification that has been done previously. The research questionnaire is divided into two parts, 17 question items to assess the level of risk (occurrence) and 17 question items to assess how big the impact of risk on the continuity of the company's operational activities (severity). After obtaining questionnaire data regarding the possible risks and impacts of risk, it is carried out by testing the validity of the data to determine whether the data obtained are valid and reliable to be used as a basis for risk assessment. The results of testing the validity of the questionnaire data are as follows:

a. Validity test

The data validity test was carried out using the Pearson product moment method on the IBM SPSS Statistic 25. The items tested were seventeen (17) risks with seven (7) respondents. The results of the validity test can be seen in table 4.2 and table 4.3 as follows:

Table 4.2 Possible Risk Validity Test Results (Occurrence)

Question Items	Pearson Correlation	Sig (2-Tailed)	Description
A1	0,911	0,004	Valid
A2	0,897	0,006	Valid
A3	0,927	0,003	Valid
A4	0,768	0,044	Valid
B1	0,852	0,015	Valid
B2	0,960	0,001	Valid
B3	0,928	0,003	Valid
B4	0,971	0,000	Valid
B5	0,960	0,001	Valid
C1	0,877	0,010	Valid
C2	0,881	0,009	Valid
D1	0,941	0,002	Valid
D2	0,941	0,002	Valid
D3	0,941	0,002	Valid
D4	0,941	0,002	Valid
D5	0,894	0,007	Valid
D6	0,941	0,002	Valid

Table 4.3 Risk Impact Validity Test Results (Severity)

Butir Pertanyaan	Pearson Correlation	Sig (2-Tailed)	Keterangan
A1	0,863	0,012	Valid
A2	0,777	0,040	Valid
A3	0,869	0,011	Valid
A4	0,788	0,035	Valid
B1	0,981	0,000	Valid
B2	0,963	0,001	Valid
B3	0,911	0,004	Valid
B4	0,912	0,004	Valid
B5	0,981	0,000	Valid
C1	0,883	0,008	Valid
C2	0,781	0,038	Valid
D1	0,863	0,012	Valid
D2	0,863	0,012	Valid
D3	0,867	0,011	Valid

D4	0,867	0,011	Valid
D5	0,950	0,001	Valid
D6	0,758	0,048	Valid

Based on table 4.2 and table 4.3, a total of 17 risk items are declared valid with a Pearson correlation value above 0.3 and a Sig (2-tailed) value below 0.5[10].

b. Reliability Test

The reliability test was carried out using the Cronbach Alpha analysis method on the IBM SPSS Statistic 25 program. After the analysis, the following results were obtained:

Reliability Statistics Occurrence	
<i>Cronbach's Alpha</i>	<i>N of Items</i>
.975	17

Reliability Statistics Severity	
<i>Cronbach's Alpha</i>	<i>N of Items</i>
.971	17

The results of the reliability test showed that the reliability test of the questionnaire on the possibility of risk (occurrence) and the questionnaire on the impact of risk (severity) showed a value of 0.975 and 0.971, respectively, so it can be said that the data from the questionnaire is reliable data because the results are above 0.6 [11].

4.2 Risk Assessment

Risk assessment is carried out by multiplying the average occurrence value and the average severity value for each risk. The results of the risk assessment that occurred in CV Tarukalpa Dewata can be seen in table 4.4.

Table 4.4 Risk Assessment

Risk Type	No	Risk	Occurrence	Severity	Risk Scoring
Human Resource Risk	A1	Risk of lack accuracy in examining published documents	2,86	3,00	8,57
	A2	Risk of late delivery documents	2,57	2,71	6,98
	A3	Risk of additional costs	2,29	2,43	5,55
	A4	Risk of work accident when sending documents	1,57	2,00	3,14
Process Risk	B1	Risk of error spelling the name of the importer	2,71	2,29	6,20
	B2	Risk of currency recording errors	2,43	2,00	4,86
	B3	Risk of error in recording the weight of goods	2,57	2,29	5,88

	B4	Risk of error in writing address and port of destination of the importer	2,43	2,71	6,59
	B5	Risk of errors in determining the type of wood used when issuing V-Legal documents	2,43	2,29	5,55
Technology Risk	C1	Risk of system disruption when issuing document	2,71	3,00	8,14
	C2	Risk of internet network problems	2,86	2,71	7,76
External Risk	D1	Fire risk	1,29	3,00	3,86
	D2	Risk of a change in the new provisions concerning export documents	3,29	3,00	9,86
	D3	Risk of power outage	3,29	2,43	7,98
	D4	Risk of data change from cargo or importer	4,29	3,43	14,69
	D5	Risk of losing customers	3,43	3,29	11,27
	D6	Risk of Recording CV Tarukalpa Dewata as the name of the owner of the goods in the issuance of goods export notification document	4,29	3,43	14,69

The results of the risk assessment are presented in the form of a risk matrix to facilitate the determination of responses to existing risks. The risk matrix can be seen in table 4.5.

Table 4.5 Risk Matrix Results

		<i>Severity</i>				
		1	2	3	4	5
<i>Significance</i>		Insignificant Impact	Minor Impact	Moderate -Mino	Major Impact	Major Impact to Large
<i>Occurrence</i>	5 Almost Certain					
	4 Likely			D4, D6		
	3 Moderate		D3	D2, D5		
	2 Unlikely		A2, A3, B1, B2, B3, B4, B5, C2,	A1, C1		
	1 Rare		A4	D1		

4.3 Risk Response

After conducting a risk assessment and making a risk matrix, it can be seen that the level of risk contained in CV Tarukalpa Dewata's operational activities consists of three levels of risk, namely very low risk, low risk, and moderate. By knowing the level of each risk, it is possible to carry out risk response activities. Risk response is an activity carried out to determine whether the risks that occur in the company's operational activities can be accepted or avoided. The response of risks that can be carried out in the operational activities of CV Tarukalpa Dewata can be seen in table 4.6.

Table 4.6 Risk Response

No	Risk Score	Risk Level	Risk Response
A1	8,57	Low	Management control
A2	6,98	Very low	Management control
A3	5,55	Very low	Monitoring
A4	3,14	Very low	Monitoring
B1	6,20	Very low	Management control
B2	4,86	Very low	Monitoring
B3	5,88	Very low	Monitoring
B4	6,59	Very low	Management control
B5	5,55	Very low	Monitoring
C1	8,14	Low	Management control
C2	7,76	Very low	Management control
D1	3,86	Low	Monitoring
D2	9,86	Moderate	Management control
D3	7,98	Low	Management control
D4	14,69	Moderate	Must Become Management Attention (urgent)
D5	11,27	Moderate	Must Become Management Attention (urgent)
D6	14,69	Moderate	Must Become Management Attention (urgent)

4.4 Risk Control

The risk management stage that is carried out after the risk response is controlling risk. Risk control aims to prevent the company from any possible risks or to minimize the impact of these risks for the continuity of the company's operational activities. The risk control carried out at CV Tarukalpa Dewata are:

Table 4.7 Risk Control

Level	Kode	Name of Risk	Risk Control
<i>Moderate Risk</i>	D2	Risk of a change in the new provisions concerning export documents	a. Provide regular training on new provisions regarding export documents b. If the document has been issued and the company does not know that there is a change in regulations, it must be coordinated with customs regarding the latest regulations
	D4	Risk of data change from cargo or importer	c. Always maintain a good communication with clients so that there is no miscommunication
	D5	Risk of losing customers	d. Providing services rates that compete with competitors e. Provide satisfactory service for clients
	D6	Risk of Recording CV Tarukalpa Dewata as the name of the owner of the goods in the issuance of goods	f. If it is known by the company in the same month, it can be done notul PEB to rename CV Tarukalpa with the original owners of the goods g. However, if it is known that one month has passed from the date of issuance, a statement letter is made between CV Tarukalpa Dewata and the owner of the

<i>Low</i>	A1	export notification document Risk of lack accuracy in examining published documents	goods stating that the exported goods really belong to the owner of the goods, not CV Tarukalpa Dewata h. Do a double check with the data that sent by the client before the document is issued i. Provide a draft document to be issued to the client, so that if something goes wrong document the client who will be responsible
	C1	Risk of system disruption when issuing document	j. Reporting to the party handling the export document issuance system and waiting for improvement from the system provider
	D1	Fire risk	k. Provide a small fire extinguisher (APAR)
	D3	Risk of power outage	l. The company is expected to prepare the availability of generators m. Ensuring that the estimated purchase of electricity pulses in a month has been fulfilled
<i>Very Low Risk</i>	A2	Risk of late delivery documents	n. Make a list of the ship's departure schedule with an estimated time for completion of documents, so that the documents that must be prioritized can be sorted o. Documents can be issued in Surabaya so that time efficiency occurs if the ship used is about to depart.
	A3	Risk of additional costs	p. Issuing documents on time before the ship departs and the ship arrives at the destination country so that there is no delay in sending documents
	A4	Risk of work accident when sending documents	q. Facilitate every employee with Health insurance such as BPJS Kesehatan
	B1	Risk of error spelling the name of the importer	r. If there is an error in writing the name of the importer when the goods have not been sent to the destination country, the company will revise the document by charging an additional fee to the client s. If an error occurs when the goods have arrived at the destination country, the company will make a statement letter and make a chronology letter regarding the document error that was made
	B2	Risk of currency recording errors	t. Ensure to the cargo party the currency used in the LC (Letter of Credit) agreement
	B3	Risk of error in recording the weight of goods	u. If there is an error in recording the weight of the goods when it has not been sent to the destination country, the company will revise the document by charging an additional fee to the client
	B4	Risk of error in writing address and port of destination of the importer	v. If there is an error in writing the importer's address when the goods have not been sent to the destination country, the company will revise the document by charging an additional fee to the client w. If an error occurs when the goods have arrived at the destination country, the company will make a statement letter and make a chronology letter regarding the document error that was made
	B5	Risk of errors in determining the type of wood used	x. Communicating with the client regarding the type of wood used as raw material for the product

	when issuing V-Legal documents	y. Provide training on the types of timber that are allowed to be exported
C2	Risk of internet network problems	z. Make sure to use an internet provider with good quality with speeds above 20 Mbps

5. Conclusion

Based on the results of the discussion, there are several conclusions that can be drawn after conducting an operational risk analysis based on the enterprise risk management (ERM) approach, as follows:

1. Human resource risks that occurred in the company's operational activities consist of four risks that are at low and very low levels which can be taken to respond the risks by monitoring and internal control efforts by management.
2. Risks in the process of making documents that occurred in the company's operational activities consist of five risks that are at a very low level. An effort can be made to respond to risks by monitoring and internal control efforts by management.
3. Risks due to technological constraints in the company's operational activities consist of two risks that are at low and very low levels, efforts can be made to respond to risks by implementing internal controls.
4. External risks that occurred in the company's operational activities consist of six risks that are at low and moderate levels, efforts can be made to respond to risks by carrying out internal controls and must be a special concern for management because they are directly related to external parties of the company so that it will greatly impact on company operational activities.

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The Effect of Cash Turnover and Accounts Receivable Turnover on Profitability of Food and Beverage Companies on the IDX

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Abstract. This research was conducted because of the discrepancy between the theory of cash turnover, receivables turnover and profitability with the existing conditions in food and beverage companies on the IDX in 2016-2020. The purpose of this study was to determine the effect of partially and simultaneously cash turnover, accounts receivable turnover on profitability. The independent variables in this study are cash turnover and receivables turnover, the dependent variable in this study is profitability as measured by Return On Assets (ROA). The results show that there is a positive and significant effect between cash turnover on company profitability, then there is no effect. There is a significant relationship between accounts receivable turnover on profitability and there is a positive and significant effect between cash turnover and accounts receivable turnover simultaneously on the company's profitability.

Keywords: *cash turnover, accounts receivable turnover, profitability*

1. Introduction

The Covid-19 pandemic has paralyzed the country's economy, the apprehensive economic conditions prompted the government to return to normal conditions. So that several policies were implemented such as social distancing, lockdown, work from home, and online learning (Aswasulasikin, 2020). Some business sectors are gradually declining, termination of employment almost occurs in every company (Rohmah, 2020). Unemployment has an inversely proportional effect on the level of people's purchasing power (Hidayati & Maskuri, 2020). The decline in demand for goods and services greatly affects the sustainability of a company (Yuniati & Amini, 2020).

In general, the company aims to achieve upward profit growth. . To support the company's activities in generating profits during the pandemic, effective working capital management is needed. Basically, working capital consists of several components such as cash and receivables, because these two components have the highest percentage of influence on working capital. Based on the results of the study (Sholihah, 2020) is the turnover of working capital on the cash and receivable components affect the level of company profitability. Companies can use profitability ratios to assess the effectiveness of overall management which is shown in the level of profit obtained from sales and investments (Alimin, 2016).

In this study, the calculation in measuring profitability uses ROA. The higher the ROA level makes the effectiveness of the company's asset management to generate better profits (Budiang et al., 2017). The research was conducted on companies listed on the Indonesia Stock Exchange in the food and beverage sub-sector. The growth of food companies follows the path of economic development, economic conditions have an impact on company profitability (Anugrah et al., 2020). Based on data from the Indonesian Central Statistics Agency, the food and beverage industry until 2020 experienced a positive growth of 1.58% (Industry Data, 2021).

The results of previous studies found inconsistent indications between variables that affect profitability. Suheny & Muamalah (2020) conducted research in property and real estate companies stating that cash turnover does not partially affect the company's profitability, then receivables turnover has a positive and significant effect on company profitability partially and cash turnover and accounts receivable turnover has a positive and significant effect on profitability simultaneously. Ayu & Almadany's research (2018) in cement companies states that cash turnover has an effect on profitability and accounts receivable turnover does not partially affect profitability and cash turnover and accounts receivable turnover affects profitability simultaneously, then Hidayat & Parlindungan (2018) states that turnover and accounts receivable turnover have an effect significant effect on profitability partially and cash turnover and accounts receivable turnover significant effect on profitability simultaneously. As for when different companies or industries cause differences in research results such as those carried out in property and real estate companies with cement companies, there are those who have influence and do not have influence, therefore if it is deemed necessary to conduct further research on other companies or industries or different results to find out if the research conducted on food and beverage companies will produce different results or are they still the same.

2. Literature Review

2.1. Cash Turnover

Cash turnover is the period of cash that rotates since the cash is used until it returns to cash to pay off costs incurred in connection with sales (Widasari & Apriyanti, 2017). The cash turnover rate is the company's benchmark in converting its current assets into cash back through sales.

Accounts receivable turnover is a marker of how long it takes to collect receivables owned by the company both from customers and from other parties into cash back then spent into inventory and then sold on credit to become receivables again (Nugroho et al., 2019).

2.2. Tax Incentives

Profitability is a benchmark for the company as a whole or the effectiveness of its management to earn profits related to sales and the like (Munthe, 2018). The purpose of the profitability ratio is to find the company's profit in a certain period, compare the company's profit in the previous year and the current year and calculate the use of all capital used.

3. Research Methods

Quantitative methods are methods in research that are intended to examine populations and samples with random sampling techniques, the use of research instruments in collecting data, and statistical analysis aimed at testing predetermined hypotheses (Darna & Herlina, 2018). The research population is companies that are included in the food and beverage sub-sector that have been and are still listed on the IDX for the 2016-2020 period as many as 26 of these companies are accessed through the www.idx.co.id. The method used is purposive sampling, by carrying out certain considerations or criteria (Sugiyono, 2019). The criteria for selecting the sample to be studied are as follows:

Table 1. Reseach Sample

No	Reseach Sample	Number of companies
1	Food and beverage companies that have been and are still listed on the IDX in the 2016-2020 period.	26
2	Food and beverage companies that do not provide audited financial statements in the 2016-2020 period.	(15)
Number of sample companies		11
Number of observations (2016-2020)		55

Source: www.idx.co.id, processed data 2021

4. Result and Discussion

4.1 Normality Test

Testing with Kolmogorov-Smirnov to examine whether the data used is normally distributed or not. The results are seen in Table 1 below:

Table 2. Normality Test

		Unstandardized Residual
N		55
Normal Parameters ^{a,b}	Mean	0.0000000
	Std. Deviation	8.33776580
Most Extreme Differences	Absolute	0.082
	Positive	0.082
	Negative	-0.080
Test Statistic		0.082
Asymp. Sig. (2-tailed)		0.200

Based on Table 1, the significance value of the unstandardized residual shows a result of 0.200. With this, it can be said that the significance value is greater than 0.05, so it can be concluded that the data used is normally distributed.

4.2 Multicollinearity Test

To determine the occurrence of multicollinearity between independent variables, VIF is used with a limit of 10 and a tolerance of 0.10. In order to avoid multicollinearity tolerance value > 0.10 and VIF value < 10 . According to the SPSS calculation results, the values of tolerance and VIF are shown in Table 4.3 below:

Table 2. Multicollinearity Test

Model		Collinearity Statistics	
		Tolerance	VIF
1	Cash Turnover	0.987	1.013
	Accounts Receivable	0.987	1.013
	Turnover		

Based on Table 2 shows the value of tolerance $0.987 > 0.10$ and VIF $1.013 < 10$. With this it can be stated that there is no multicollinearity in the data.

4.3 Heteroscedasticity Test

The Glejser test is used to determine the occurrence of differences in the variation of the residual of one observation with another observation as shown in Table 3 below:

Table 3. Heteroscedasticity Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.348	1.615		5.168	0.000
	Cash	0.010	0.051	0.026	0.193	0.848
	Turnover					
	Accounts Receivable Turnover	-0.150	0.078	-.0260	-1.932	0.059

From Table 3, it can be seen that the dependent variable, namely cash turnover and receivables turnover, has a significance value of 0.848 and 0.059 > 0.05, so it can be concluded that there is no heteroscedasticity.

4.4 Autocorrelation Test

The results of this autocorrelation test are shown in Table 4 below:

Table 4. Autocorrelation Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.329 ^a	0.108	0.073	7.53109	1.661

In Table 4, the results that can be concluded are $d = 1.661$, $dL = 1.490$ and $dU = 1.641$ and $n = 55$ according to the Durbin-Watson table. So the result is $dU < d < 4-dU$ or $1.641 < 1.661 < 2.359$, so it can be concluded that H_0 is accepted, which means there is no autocorrelation.

4.5. Multiple Linear Regression Test

The results of multiple linear regression testing in this study are shown in Table 5 below:

Table 5. Multiple Linear Regression Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	12.695	2.846		4.460	0.000
	Cash	0.270	0.096	0.396	2.818	0.007
	Turnover					
	Accounts Receivable Turnover	0.006	0.161	0.005	0.037	0.971

In Table 5, multiple linear regression equations can be described as follows:

$$Y = 12.695 + 0.396 \text{ Cash Turnover} + 0.005 \text{ Accounts Receivable Turnover} + 95\%$$

The constant is 12.695, which means that if the cash turnover and receivables turnover rate = 0, then the profitability is 12.695%. The cash turnover coefficient is 0.396, meaning that if the cash turnover

has increased by 1 time using the assumption that the other variables are fixed, the profitability will increase by 0.396%. The receivable turnover coefficient is 0.005, meaning that if the receivables turnover has increased by 1 time using the assumption that the other variables are fixed, the profitability will increase by 0.005%.

4.6. Coefficient of Determination Test

The value of the coefficient of determination is between 0 - 1. The results of this test are shown in Table 6 below:

Table 6. Coefficient of Determination Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.394 ^a	0.155	0.123	6.14377%

Table 6 shows that the R Square value is 0.155 or 15.5% the effect of cash turnover and receivables turnover on profitability, while the remaining 84.5% can be further elaborated by other variables not included in this research.

5. Conclusion

Cash turnover has a positive and significant effect on profitability partially as measured by ROA. The calculation results show the t value of the cash turnover statistic is $0.007 < 0.05$, which means H_{a1} is accepted and H_{o1} is rejected, which means that there is a significant effect of the cash turnover variable on profitability. Accounts receivable turnover has no significant effect on profitability partially as measured by ROA. The calculation results show that the t-value of the receivables turnover statistic is $0.971 > 0.05$, which means that H_{a2} is rejected and H_{o2} is accepted, which means that there is no significant effect of the receivables turnover variable on profitability. Cash turnover and accounts receivable turnover have a positive and significant effect on profitability simultaneously. The results of the calculation show that the F statistic value is $0.012 < 0.05$, which means H_{o3} is rejected and H_{a3} is accepted, which means that there is a positive and significant effect simultaneously on the cash turnover variable and the accounts receivable turnover variable on profitability.

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The Effect of Government-Borne Final Income Tax Incentives on the Compliance of MSMEs Taxpayers during the Covid-19 Pandemic in Badung Regency

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Abstract: The Covid-19 pandemic has had an impact on the decline in MSME income. Final income tax incentives borne by the government is one of the government's efforts in the field of taxation. This study aims to determine the effect and magnitude of the effect of the Government's Final Income Tax Incentive on MSME taxpayer compliance during the Covid-19 pandemic in Badung Regency. The questionnaire was used as a data collection tool and the sample used was 95 corporate MSME taxpayers. The focus of this study is the final income tax incentives borne by the government that will apply in 2020 as regulated in the Minister of Finance Regulation starting from PMK 44/2020, PMK 86/2020 to PMK 110/2020 and undergoing several changes and time extensions until PMK 86/2021 which is valid until the end of 2021. The conclusions of this study are (1) The final income tax incentives borne by the government have a positive and significant effect on MSME taxpayer compliance; (2) The final income tax incentive borne by the government has an effect of 23.9% on MSME taxpayer compliance.

Keywords: *Final income tax incentives by the government, taxpayer compliance, MSME.*

1. Introduction

The Covid-19 pandemic has put pressure on the Indonesian economy and has an impact on various sectors, one of which is MSMEs. An effort to recover the economy is needed by MSMEs such as an additional stimulus in the context of national economic recovery. The government's contribution through the tax incentive policy for taxpayers affected by the Covid-19 pandemic is contained in the Minister of Finance Regulation regarding tax incentives for taxpayers affected by the 2019 coronavirus disease pandemic. Before the Covid-19 pandemic, MSMEs contributed greatly to the Indonesian economy as seen from Gross Domestic Product (GDP) which increased by 60% [1]. However, since the Covid-19 pandemic occurred in Indonesia, almost all MSMEs have experienced a decrease in sales due to the enactment of social restriction regulations to avoid crowds and impact on the ability of MSMEs to continue their business. In this situation, the government's contribution through its policies plays an important role for MSMEs [2].

The enactment of tax incentive policy in Tax Regulation No. 23 of 2018 on income tax on income from businesses received or obtained by taxpayers who have a certain gross circulation, received a positive response from MSMEs due to the decrease in the Final Income Tax rate to 0.5% [3]. Tax relief in the form of Final Income Tax incentive is not only stated in PP 23/2018. Support from the government has continued with the Government-borne final income tax incentives as the government's contribution in overcoming economic dynamics during the Covid-19 pandemic as stated in the Minister of Finance Regulation regarding tax incentives for taxpayers affected by the 2019 coronavirus disease pandemic which has now been changed to Minister of Finance Regulation number 82/2021 which is valid until the end of 2021. The enactment of tax incentives during the Covid-19 pandemic can provide space for the MSME sector to continue its business [4]. The existence of incentives has an influence on the level of compliance of taxpayers and it can be identified that the increase in compliance of MSMEs taxpayers occurred since the enactment of the policy of decreasing the final income tax incentives rate to 0.5% through PP 23/2018 [3]. Great opportunities for increased compliance of MSME Taxpayers affected by the implementation of government-borne final income tax incentives can also be achieved if there is maximum effort from the Directorate General of Taxation and MSMEs [5]. Broadly speaking, previous research can be a reference on tax incentive policy, but the research has not been fully focused on tax incentives, especially the government-borne final income tax incentives during the Covid-19 pandemic that affects the compliance of MSMEs taxpayers in Badung Regency. So as to complement the limitations of previous research, this study aims to determine the influence of government-borne final income tax incentives on the compliance of MSMEs Taxpayers during the Covid-19 pandemic in Badung Regency and to determine the magnitude of the influence of government-borne final income tax incentives on the compliance of MSMEs Taxpayers during the Covid-19 pandemic in Badung Regency.

2. Literature Review

2.1 Attribution Theory

Attribution theory is a theory based on observations made on some or the nature of a person without realizing it. The attribution theory in this study is the compliance behavior of taxpayers in fulfilling their tax obligations. The study uses attribution theory in assessing individual behavior to register voluntarily and compliance in depositing and reporting taxes on time.

2.2 Theory Planned of Behavior

The theory of planned behavior is a theory that describes the involvement of individuals in behavior regarding one's intentions at a certain time and place. The existence of the taxpayer's intention to comply with tax regulations can be caused by the behavior of the taxpayer with the support of the government's final income tax incentive policy. Perceptions of ease without any barriers to behavior and the support from the surrounding environment indirectly one's intention to behave positively will be higher [4]. Fulfilment of tax obligations based on the desire of the Taxpayer in utilizing the Final income tax incentive policy borne by the government is a condition that the Taxpayer fulfils tax compliance with awareness and understanding of various tax regulations.

2.3 Micro, Small and Medium Enterprises (MSMEs)

MSMEs are businesses with criteria as regulated in the Act, which are managed by individuals or entities [5]. The criteria for MSMEs based on Law Number 20 of 2008 concerning MSMEs are based on the value of net worth and annual turnover.

2.4 Taxpayer Compliance

Taxpayer compliance is an action that arises from the willingness to fulfil tax obligations honestly and transparently as an effort to build the national economy. The increase in the submission of Annual Tax

Letters, the low number of tax arrears, the increase in the number of new taxpayers, and the minimum number of violations in fulfilling tax obligations are indications of the high level of taxpayer compliance.

2.5 Tax Incentive

Tax incentives are real government contributions in the form of funding facilities to taxpayers. Tax incentives can be used as a tool to increase investment in a country. With incentives, investors will assume that tax incentives can reduce the tax burden owed [6].

2.6 Government-Borne Final Income Tax Incentive

According to Mardiasmo [7], it is stated that taxpayers with a certain gross turnover based on the business results received or obtained are subject to final income tax which is the definition of final income tax. The use of tax incentives contained in the PMK is imposed on the basis of the calculation of Taxation Regulation Number 23 of 2018 which is borne by the government.

2.7 Regulation of the Minister of Finance Concerning Government-Borne Final Income Tax Incentives

In the midst of Indonesia's dynamic economic conditions, the government has set tax incentives in the Minister of Finance Regulation as an effort to overcome the pandemic along with various reviews starting from PMK Number 23/PMK.03/2020 concerning tax incentives for taxpayers affected by the corona virus outbreak, PMK Number 44/PMK .03/2020 regarding tax incentives for taxpayers affected by the 2019 coronavirus disease pandemic, PMK Number 86/PMK.03/2020, PMK Number 110/PMK.03/2020 regarding amendments to PMK Number 86/PMK.03/2020 regarding incentives Tax for taxpayers affected by the 2019 coronavirus disease pandemic, in 2021 it was changed to PMK Number 9/PMK.03/2021 and again changed to PMK Number 82/PMK.03/2021 which is valid until December 2021.

3. Research Method

The data is sourced from primary data in the form of questionnaires which are then processed using SPSS version 26 statistical application. With this type of quantitative research can be obtained the significance of the relationship between variables. The results of the research data processing focus on knowing the influence and the magnitude of the influence of the final income tax incentives borne by the government on the compliance of MSMEs taxpayers during the Covid-19 pandemic.

The research was conducted at KPP Pratama Badung Utara which is located at Jalan Ahmad Yani No.100, Dauh Puri Kaja, North Denpasar District, Denpasar City, North Bali and KPP Pratama Badung Selatan which is located at Jalan Tantular No.4, Dangin Puri Klod, East Denpasar District, Denpasar City, Bali. Data retrieval research was conducted by disseminating questionnaires to taxpayers who utilize tax incentives in KPP Pratama Badung Utara and KPP Pratama Badung Selatan. This study was conducted within 6 months from February to July 2021.

The population of this study is MSMEs who took advantage of tax incentives during the Covid-19 pandemic in 2020, namely as many as 1,786 Corporate Taxpayers. Determination of the number of samples used in this study using purposive sampling techniques, so that a sample of 95 Corporate Taxpayers was obtained.

Testing the effect of tax incentives on the compliance of MSMEs Taxpayers is conducted with a simple linear regression analysis by analyzing the influence of tax incentives (free variables) and taxpayer compliance (bound variables).

4. Result and Discussion

4.1 Descriptive

a. Characteristics of Respondents

The data showed the number of male respondents as 62 people or 65% and women as 33 people or 35%. This means that the number of male respondents is the dominant respondent by gender. Based on the age grouping of respondents, as many as 18 people or 19% of respondents aged 17-26 years.

Respondents aged 27-36 years occupied the highest number in the age category of 36 people or 38%. A total of 31 people or 33% of respondents were aged 37-46. Respondents over the age of 46 occupied the lowest number of 10 people or 11%.

Based on the grouping of business types, it can be known under respondents with the type of trading business amounting to 63 business units or 66%, service business types amounting to 29 business units or 31%, and industrial business types amounting to 3 business units or 3%. The majority of respondents who utilize government-borne final income tax incentives are respondents with the type of trading business.

Based on the results of the study, as many as 10 business units or 11% stood with a business duration of 1-5 years. A total of 42 business units or 44% of respondents are in the category of long business is 6-10 years, business duration 11-15 years as much as 30 business units or 32%, business duration 16-20 years with the number of 13 business units or 14%, and business duration >20 years as much as 0 business units or 0% of the total respondents. The majority of respondents who utilize government-borne final income tax incentives are respondents with a business duration of 6-10 units a year.

The description of respondent characteristics based on a year's turnover indicates that the UMKM Agency with a year turnover amount of less than Rp300,000,000.00 as much as 7 business units, annual turnover of Rp300,000,000.00 to Rp2,500,000,000.00 as much as 58 business units, and a yearly turnover of Rp2,500,000,000.00 to Rp50,000,000.00 as much as 30 business units. Most of the respondents belonged to the category of small businesses with a turnover of 61% percentage.

Based on the grouping where taxpayers are registered shows that as many as 43 Corporate Taxpayers in KPP Pratama Badung Utara and 52 Corporate Taxpayers registered in KPP Pratama Badung Selatan filled out a complete and clear questionnaire.

b. Descriptive Statistical Analysis Results

Descriptive statistics present respondents' responses on the influence of government-borne final income tax incentives on the compliance of MSME Taxpayers in Badung Regency. Testing has been conducted by obtaining the following results:

Table 1. Descriptive statistical analysis results.

Model	N	Minimum	Maximum	Mean	Std. Deviation
Government-Borne Final Income Tax Incentives	95	33	49	41.20	3.657
UMKM Taxpayer Compliance	95	35	49	43.08	3.038
Valid N (list wise)	95				

Source: Primary data processed, 2021.

In table 1 above, it can be seen that N is the amount of valid data, meaning that 95 MSME Taxpayers deserve to be sampled. Based on the table, it can be known that the government-borne final income tax incentives have the lowest value (minimum) of 33 and the highest value (maximum) of 49 with an average value (mean) of 41.20 and a data spread rate (standard deviation) of 3,657. Identification of the average number of MSME Taxpayers utilizing the government-borne final income tax incentives can affect the amount of compliance of MSME Taxpayers. The assessment was identified on the amount of average value exceeding the standard deviation which proves that there is a good dissemination of data from the government-borne final income tax incentives.

MSME Taxpayer compliance variable has the lowest value of 35 and the highest value of 49 with an average of 43.08 and standard deviation of 3,038. The dissemination of data on taxpayer compliance variables is considered good for the identification of average values that exceed the standard deviation.

4.2 Hypothesis Test Results

a. Determination Coefficient Test Result (R²)

The result of the coefficient is used to determine the direction of the relationship of the research variable as follows:

Table 2. Coefficient test results.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.489 ^a	.239	.231	2.664

a. Predictors: (Constant), Government-Borne Final Income Tax Incentives
Source: Primary data processed, 2021

Based on table 2 it is known that the correlation coefficient value symbolized by the value R is 0.489, meaning that the relationship of free variables and bound variables is in sufficient categories. In addition, it is known that the value of the coefficient of determination (R Square) shows how much influence the regression model formed by the interaction of Government-borne final income tax incentives variable (X) on the compliance variable of MSMEs taxpayers (Y). The value of R Square obtained by 23.9%, it can be assumed that the government-borne final income tax incentives variable (X) has a contribution influence of 23.9% to the variable compliance of MSMEs Taxpayers (Y).

b. Results of Simple Linear Regression Analysis

A simple linear regression analysis aims to determine the relationship of the government-borne final income tax incentives variable (X) to the MSME Taxpayer (Y) compliance variable. This study obtained the results of a simple linear regression analysis as follows:

Table 3. Simple Linear Regression Analysis Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	26.358	3.108		8.481	.000
Government-Borne Final Income Tax Incentives	.406	.075	.489	5.403	.000

a. Dependent Variable: MSME Taxpayer Compliance
Source: Primary data processed, 2021

Based on the results of a simple regression coefficient test, it can be known that the constant coefficient value is 26,358 and the free variable coefficient (X) is 0.406. The equation of simple linear regression analysis for the government-borne final income tax incentives variable (X) that affects the compliance variables of MSME Taxpayers (Y) is as follows:

$$Y = 26.358 + 0,406X$$

Based on the equation of simple linear regression analysis known:

- The constant value is 26.358. The constant value states that when the value of the government-borne final income tax incentives is 0, the compliance of MSME Taxpayers has a value of 26,358.
- The coefficient of regression value is 0.406, meaning that if the government-borne final income tax incentives level changes by one unit will change the level of compliance of MSMEs Taxpayers by 0.754.
- The value of the regression coefficient of 0.754 positive value indicates that the government-borne final income tax incentives positively affects the compliance of MSME Taxpayers. In addition to the regression coefficient, the correlation coefficient also showed a positive value of 0.489

c. Partial Significance Test Results (t Test)

The t-test aims to determine the partial influence between free variables, namely the government-borne final income tax incentives on bound variables, namely the compliance of MSME Taxpayers, with the degree of significance used is 0.05. A significance value of < 0.05 represents an influence between a free variable and a bound variable, while a significance value of > 0.05 there is no significant influence between a free variable and a bound variable. Data processing on t test obtains the following results:

Table 4. T test results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	26.358	3.108		8.481	.000
Government-Borne Final Income Tax Incentives	.406	.075	.489	5.403	.000

a. Dependent Variable: MSME Taxpayer Compliance

Source: Primary data processed, 2021

Based on the results of the partial significance hypothesis test (t test), the government-borne final income tax incentives variable test have a significance level of 0.000. It can be concluded that the government-borne final income tax incentives has a significant effect on the compliance of MSME Taxpayers.

4.2 Discussion

Based on the data testing that has been conducted on the results of the research obtained a clear picture of the problems that want to be expressed about the significant positive influence of government-borne final income tax incentives on the compliance of MSMEs Taxpayers. Discussion of the results of the research compared to the theoretical study that discusses the desire of taxpayers to utilize the government-borne final income tax incentives is one of the factors that influence the compliance of MSMEs Taxpayers. The discussion section will discuss in more detail about the results of research produced by previous research that will be compared to the study of research theory.

The first hypothesis (H1) states that the government-borne final income tax incentives affect the compliance of MSME Taxpayers. Based on the results of partial significance test (t test) it is known that the value of variable government-borne final income tax incentives of 0.000 or < 0.05 and illustrates that the government-borne final income tax incentives affects the compliance of MSMEs Taxpayers or increasingly affects the government-borne final income tax incentives for MSMEs affected by the Covid-19 pandemic, the more compliance of MSMEs taxpayers registered in KPP Pratama Badung Utara and KPP Pratama Badung Selatan. The role of internal parties is the government through various tax policies to help MSMEs taxpayers during the Covid-19 pandemic and external parties, namely taxpayers with awareness and understanding of taxation is needed. The importance of government-borne final income tax incentives for MSMEs Taxpayers affected by the Covid-19 pandemic is very influential for the compliance of MSMEs Taxpayers during the Covid-19 pandemic.

The results showed the influence of government-borne final income tax incentives on the compliance of MSMEs Taxpayers in accordance with the theory of reasoned action that the behavior of taxpayers to comply or disobey is influenced by the intention of behavior and in accordance with attribution theory that the assessment of taxpayer behavior to comply is influenced by internal factors, namely behavior under the control of taxpayers or external influences from the environment.

Based on the testing of government-borne final income tax incentives for the compliance of MSMEs Taxpayers, it is known that not all MSMEs in Badung Regency are registered with KPP Pratama Badung Utara and KPP Pratama Badung Selatan and take advantage of the government-borne final income tax

incentives set during the Covid-19 pandemic, especially in 2020. This is due to the lack of understanding and awareness from MSMEs to meet their tax obligations, as well as the failure to achieve socialization targets on various policies that have been carried out by the tax authorities

4.3 Recommendation

The limitations of the study are based on the experience of researchers in the research process, some limitations in this study should be used as a concern to improve the next research. Limitations in this study are:

- a. The subject data collection method is by questionnaire. Through the questionnaire process of data and information retrieval from respondents sometimes do not show the respondent's real opinion, differences in understanding and lack of honesty from each Taxpayer in utilizing the government-borne final income tax incentives can affect the answer, it would be better if supported by the method of interview to the UMKM Agency as a respondent to obtain the results of more complete research and trustworthy truth.
- b. The research only focuses on the utilization of government-borne final income tax incentives by MSME Taxpayers in improving the compliance of MSME Taxpayers, it will be more profound if there are other factors that affect the compliance of MSME Taxpayers.
- c. The number of respondents as many as 95 Corporate Taxpayers in describing the actual circumstances is considered still less effective.

5. Conclusion

The data acquisition using primary data collected by disseminating questionnaires to 95 respondents through KPP Pratama Badung Utara and KPP Pratama Badung Selatan was conducted to test the influence between the government-borne final income tax incentives to the compliance of MSMEs Taxpayers during the Covid-19 pandemic in Badung Regency. Corporate MSME Taxpayers were chosen to be respondents in the study, especially those who utilized the government-borne final income tax incentives that are valid during 2020. Based on the research that has been done obtained the following conclusions:

- a. Government-borne final income tax incentives have a positive and significant influence on the compliance of MSME Taxpayers during the Covid-19 pandemic in Badung Regency.
- b. The effect of government-borne final income tax incentives on the compliance of MSMEs Taxpayers during the Covid-19 pandemic in Badung Regency can be known based on the testing of research hypotheses with R Square Value obtained by 23.9%, it can be assumed that the incentive variable Government-Borne Final Income Tax Incentives (X) has a contribution influence of 23.9% to the compliance variable of MSME Taxpayers (Y).

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Analysis Financial Ratio of Regional Government Budget in Assessing Financial Management Performance of Regional Government of Gianyar Regency

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Abstract: This research sought to assess the performance of regional financial management in Gianyar Regency during 2016-2020, as measured by the degree of fiscal decentralization ratio, the regional financial dependence ratio, the Original Regional Government Revenue effectiveness ratio, the regional financial efficiency ratio, and the regional expenditure compatibility ratio. In addition, this research also determined the regional financial capacity of Gianyar Regency, measured through the calculation of Share and Growth, the mapping of regional financial capacity, and the index of regional financial capacity. The research results revealed that the financial management performance of Gianyar Regency during 2016-2020 on average was in a bad condition. It can be seen from its low regional autonomy and its high dependency on the central government. In addition, the regional government has not been able to streamline the regional finances in which regional expenditures were greater than regional revenues. The distribution of regional budget in Gianyar Regency has not been evenly allocated so that the performance regional financial management was at worse state. However, viewed from the level of regional financial capacity, Gianyar Regency has very good potential, obstructed by its low level of Original Regional Government Revenue use to finance regional expenditures.

Keywords: *financial ratio; regional financial performance; regional financial capacity*

1. Introduction

The economic growth rate in a certain region can be used as a benchmark whether the region can manage to prosper its community. To achieve a prosperous regional community, the central government makes several efforts, one of which is by implementing the principle of decentralization. The important thing that needs to be considered in the implementation of decentralization in order to realize regional autonomy is the issue of regional finance. Accountability carried out by regional governments must contain clear information regarding their performance in carrying out their duties and responsibilities.

The assessment of financial management performance is intended to evaluate whether the policies and strategies that have been carried out are deemed effective and efficient, by which the assessment

result of the previous period performance can be used as a guidance in improving financial management performance in the next period [1]. A regional financial management performance is defined as the achievement of regional finance department which includes activities in realizing the Regional Government Budget and is carried out based on terms that have been established through policy or statutory provisions [2].

The level of regional financial independence of Gianyar Regency from 2014 to 2018 was still categorized as low explained by [3]. During this period, the Regional Government Budget structure of Gianyar Regency showed an increase of Regional Expenditures. However, its Regional Revenues was still dominated by Transfer Revenue compared to Original Regional Government Revenue. This can be seen from the Budget Realization Report for 2016 to 2020 period as presented in a comparison table below concerning realized regional expenditures and realized regional revenues of Gianyar Regency, as well as a table of realized regional revenues.

Table 1. Realized Regional Expenditures and Realized Regional Revenues of Gianyar Regency during 2016 – 2020

Year	Realized Regional Expenditures	Realized Regional Revenues
2016	Rp. 1.786.411.745.208,06	Rp. 1.682.778.978.224,48
2017	Rp. 1.922.948.829.851,82	Rp. 1.808.814.501.381,21
2018	Rp. 2.046.852.685.063,79	Rp. 2.002.646.874.600,04
2019	Rp. 2.229.485.809.062,64	Rp. 2.308.871.426.066,05
2020	Rp. 2.092.572.169.204,55	Rp. 1.884.701.453.345,19

Source: BPKAD Gianyar Regency

Table 2. Ellaboartion of Realized Regional Revenue of Gianyar Regency during 2016 – 2020

Year	PAD	Transfer Budget	Other legal regional revenues
2016	Rp. 529.864.617.918,42	Rp. 905.918.779.946,00	Rp. 246.995.580.360,06
2017	Rp. 662.753.474.609,35	Rp. 916.514.053.118,00	Rp. 229.546.973.653,86
2018	Rp. 770.204.849.840,88	Rp. 928.953.907.563,00	Rp. 303.488.117.196,16
2019	Rp. 997.478.368.034,78	Rp. 941.393.204.327,00	Rp. 369.999.853.704,27
2020	Rp. 545.869.872.998,86	Rp. 864.329.764.714,00	Rp. 474.501.815.632,33

Source: BPKAD Gianyar Regency

Referring to the data presented in table 1.1 and table 1.2, the researcher would like to conduct a research on the financial management performance of Gianyar Regency government. One method to analyze regional financial performance is to perform financial ratio analysis [4]. The results of financial ratio analysis can be used as a benchmark in assessing regional financial independence in financing its regional activities, measuring the level of effectiveness of regional government in realizing its Original Regional Government Revenue and further see the level of contribution from regional taxes and levies in realizing Original Regional Government Revenue [5]. Based on the explanation above, the objectives to be achieved in this research are:

- 1) Analyzing the financial management performance of Gianyar Regency government based on the calculation results of Financial Ratio during the 2016 – 2020 budget period.

- 2) Analyzing the regional financial capability of Gianyar Regency government for the 2016 – 2020 budget period.

2. Literature Review

2.1 Regional Government Budget

Regional Government Budget is a regional government activity plan in the form of numbers that are described in detail and there are details of the source of revenue used to cover the costs of the expenditure to be made [6]. The Regional Revenue and Expenditure Budget is a record that is arranged in a row from top to bottom containing a description of regional revenues and expenditures or regional expenditures in a one year period[1].

2.2 Budget Realization Report

The Budget Realization Report is a foothold in carrying out government activities and regional development [7]. The Budget Realization Report is a description of the budget with the realization that has been achieved in one reporting period and is presented according to the elements of income, expenditure, transfer, and financing [8].

2.3 Regional Financial Performance

Performance is the achievement of what has been planned. Achievements that have gone according to what was planned or exceeding what was planned can be considered as very good performance. However, if the achievements did not meet or achieved less than what was planned, then the performance is considered poor [9]. Regional financial performance is an achievement obtained from the work results of regional finance department which includes activities of receiving and spending regional budget. The references or terms used can be in the form of policy or statutory provisions that have been issued by the regional government [10].

2.4 Financial Ratio Parameters In Regional Government

Through the Realized Budget Report, analysis of regional revenues can be carried out through[11][12]:

- 1) Ratio of Fiscal Decentralization Degree
Fiscal Decentralization Degree describes how much Original Regional Government Revenue contributes to Total Regional Revenue.

Table 3. Relational Pattern and Regional Independence Level

Financial Capability	Independence (%)	Relational Pattern
Very Low	0% - 25%	Instructive
Low	25% - 50%	Consultative
Medium	50% - 75%	Participative
High	75% - 100%	Delegative

- 2) Ratio of Regional Financial Dependence
Regional Financial Dependence describes the regional government dependence on budget transferred from the provincial or central government.

Table 4. Criteria of Regional Financial Dependence

Percentage (%)	Regional Financial Dependence
0,00 – 10,00	Very Low
10,01 – 20,00	Low

20,01 – 30,00	Medium
30,01 – 40,00	Adequate
40,01 – 50,00	High
>50,00	Very High

3) Ratio of PAD Effectiveness

PAD Effectiveness describes the regional government performance in realizing its Original Regional Government Revenue targets.

Table 5. Criteria of Financial Performance Effectiveness

Percentage of Financial Performance (%)	Criteria
More than 100	Very Effective
100	Effective
90 – 99	Fairly Effective
75 – 89	Slightly
Less than 75	Ineffective

4) Ratio of Regional Financial Efficiency

Regional Financial Efficiency describes the regional government performance efficiency in managing its Regional Revenues for Regional Expenditures.

Table 6. Criteria of Financial Performance Efficiency

Percentage of Financial Performance (%)	Criteria
More than 30	Inefficient
21 – 30	Slightly Inefficient
11 – 20	Fairly Efficient
5 – 10	Efficient
Less than 5	Very Efficient

5) Ratio of Regional Expenditure Compatibility

Regional Expenditure Compatibility describes the regional government performance in regulating or managing each budget expenditure budget post to achieve balanced proportions. The proportion of Capital Expenditure Ratio to Total Expenditure is between 5% – 20%.

Table 7. Criteria of Direct and Indirect Expenditure Compatibility

Realized Budget to Total Expenditure (%)	Expenditure Compatibility Criteria
0 – 20	Incompatible
>20 – 40	Slightly Incompatible
>40 – 60	Fairly Compatible
>60 – 80	Compatible
>80 – 100	Very Compatible

6) Share and Growth

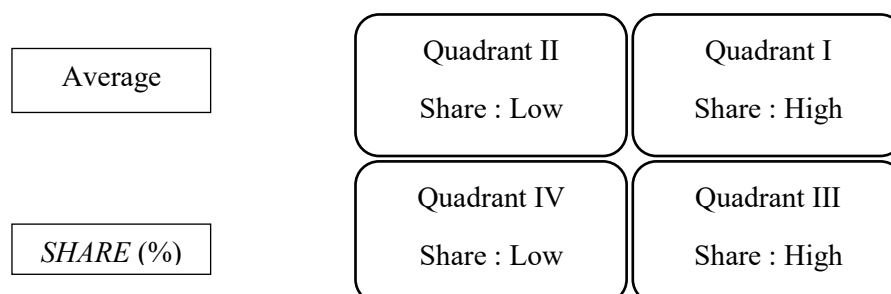
Share and Growth is used to show Original Regional Government Revenue capability to finance Regional Expenditures and Original Regional Government Revenue growth rate compared to the previous year

Table 8. Criteria of *Share* and *Growth*

<i>Share</i> dan <i>Growth</i> Index (%)	Criteria
0 – 50	Low
>50	High

7) Mapping of Regional Financial Capability

Mapping of Regional Financial Capability is used to determine regional capability based on the quadrant area determined from the results of Share and Growth analysis.

**Figure 1.** Mapping of Financial Capability**Table 9.** Classifications of Regional Financial Capability Status Based on Quadrant Method

Quadrant	Condition
I	Ideal condition. Original Regional Government Revenue plays a big role in total expenditures and the region has the capability to develop local potentials.
II	Less than ideal condition. Original Regional Government Revenue provides low contribution on total expenditures, however Original Regional Government Revenue growth is high due to local potentials, so Original Regional Government Revenue has the chance of playing a big role total expenditures.
III	Less than ideal condition. Original Regional Government Revenue provides high contribution on total expenditures, however Original Regional Government Revenue growth is low. Original Regional Government Revenue plays a big role in total expenditures, but has low chance due to low Original Regional Government Revenue growth.
IV	Not ideal condition. Original Regional Government Revenue provides low contribution on total expenditures and Original Regional Government Revenue growth is low. Original Regional Government Revenue plays small role in total expenditures and has low chance due to low Original Regional Government Revenue growth.

8) Financial Capability Index

Financial Capability Index is used to determine the regional financial capability which is calculated through the analysis results of Share index, Growth index, and Elasticity index.

Table 10. Criteria of Regional Financial Capability Index

Financial Capability Index	Classification
0,00 – 0,33	Low
0,34 – 0,43	Medium
0,44 – 1,00	High

3. Research Method

This research used data collected by the Regional Financial and Asset Management Agency of Gianyar Regency during 2016 to 2020 period. Data in the form of Realized Budget Report were collected using documentation technique. The analytical technique used in this research was financial ratio analysis. In assessing regional financial performance, several ratio formulas were used as the following:

- 1) Formula of Fiscal Decentralization Degree

$$\frac{\text{Original Regional Revenue}}{\text{Total Regional Revenue}} \times 100\%$$
- 2) Formula of Regional Financial Dependence

$$\frac{\text{Transfer Revenue}}{\text{Total Regional Revenue}} \times 100\%$$
- 3) Formula of Original Regional Government Revenue Effectiveness

$$\frac{\text{Realized Original Regional Revenue}}{\text{Original Regional Government Revenue Target}} \times 100\%$$
- 4) Formula of Regional Financial Efficiency

$$\frac{\text{Total Realized Regional Expenditure}}{\text{Total Realized Revenue}} \times 100\%$$
- 5) Formula of Expenditure Compatibility
 - a. Ratio of Indirect Expenditure to Total Expenditure

$$\frac{\text{Total Indirect Expenditure}}{\text{Total Regional Expenditure}} \times 100\%$$
 - b. Ratio of Direct Expenditure to Total Expenditure

$$\frac{\text{Total Direct Expenditure}}{\text{Total Regional Expenditure}} \times 100\%$$
 - c. Ratio of Capital Expenditure to Total Expenditure

$$\frac{\text{Realized Capital Expenditure}}{\text{Total Regional Expenditure}} \times 100\%$$

And to calculate regional financial capability, this research made use the following formulas:

- 6) Formula of Share and Growth

$$\frac{\text{Original Regional Government Revenue}}{\text{Total Expenditure}} \times 100\%$$
- 7) Formula of Growth

$$\frac{\text{PADi}}{\text{PADi} - 1} \times 100\%$$

Explanation:

PADi : Original Regional Revenue in Period i

PADi-1 : Original Regional Revenue in Period i-1

8) Financial Capability Index

$$\text{Financial Capability Index} = \frac{X_G + X_E + X_S}{3}$$

Explanation:

X_G : Growth Index (Original Regional Government Revenue Growth)

X_E : Elasticity Index (Direct Expenditure to Original Regional Government Revenue)

X_S : Share Index (Original Regional Government Revenue to Regional Expenditure)

4. Result and Discussion

Table 11. Financial Ratio Analysis Calculation Results

Explanation	Budget Year					Average
	2016	2017	2018	2019	2020	
Regional Financial Performance :						
Ratio of Fiscal Decentralization Degree	31%	37%	38%	43%	29%	36%
Ratio of Regional Financial Dependence	54%	51%	46%	41%	46%	48%
Ratio of Original Regional Government Revenue Effectiveness	105%	99%	96%	97%	62%	92%
Ratio of Regional Financial Efficiency	106%	106%	102%	97%	111%	104%
Ratio of Regional Expenditure Compatibility						
1. Direct Expenditure	40%	44%	39%	40%	44%	41%
2. Indirect Expenditure	60%	56%	61%	60%	56%	59%
3. Capital Expenditure	17%	21%	15%	11%	20%	17%
Regional Financial Capability :						
<i>Share</i>	30%	34%	38%	45%	26%	35%
<i>Growth</i>	116%	125%	116%	130%	55%	108%
Regional Financial Capability Index	0.93	0.96	0.86	0.88	0.83	0.89

From the research results viewed from the benchmarks presented by [12] and [11], it can be seen that the average level of financial performance of Gianyar Regency during the last 5 years was low in several ratios, including fiscal decentralization degree, Original Regional Government Revenue effectiveness, as well as direct and indirect expenditures. There was only one ratio showing good regional financial performance; the capital expenditure ratio. However, the regional financial performance on the ratio of regional financial dependence and regional financial efficiency were in very bad condition.

Viewed from the benchmarks in measuring the level of regional financial capability in Gianyar Regency, it was revealed that the average Growth ratio, which shows the growth rate of Original Regional Government Revenue, was very high. The Regional Financial Capability Index also showed a very high qualification, indicating a very good condition. However, the Share ratio showed that the Original Regional Government Revenue capability to finance Regional Expenditures was quite low.

This research results also showed that the level of regional capability based on the quadrant area specified in the regional financial capability map, obtained from the analysis results of the Share and Growth ratio within a period of 5 years was in less than ideal condition. This condition can be seen from the results of the Share ratio which had low average and the Growth ratio which had a high average. This showed the high growth of Original Regional Government Revenue due to local potentials, so

Original Regional Government Revenue has the opportunity to have a large share in covering the total regional expenditure. However, the level of Original Regional Government Revenue capability to finance Regional Expenditures was still low.

5. Conclusion

Based on the above discussion, several conclusions are drawn. First, the financial management performance of Gianyar Regency government in realizing regional development based on the calculation results of Gianyar Regency Regional Government Budget Financial Ratio during 2016 - 2020 Budget Period is in poor condition. This condition can be seen from its regional independence which is still lacking. The government cannot optimize its Original Regional Government Revenue, resulting in high dependence on assistance from the central government. In addition, the regional government is still unable to streamline its regional expenditures, making it greater than regional revenues. The distribution of regional expenditures in Gianyar Regency has not been evenly allocated, so that there are several regional expenditure posts that cannot be categorized as good. Second, the Regional Financial Capability of Gianyar Regency Government for the 2016-2020 Budget Period based on the calculation results can be categorized as a region that has good capability. However, in managing its regional potentials, the regional government still pays less attention to it so that it has not been able to optimize its regional potentials.

6. Acknowledgments

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Analysis Delay Budget Absorption the Work Unit of KPPN Singaraja

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Abstract. At the end of 2019, precisely in December, a new Covid-19 virus outbreak was discovered in Wuhan, China. The emergence of this virus was first detected in Indonesia in March 2020. Since this virus first appeared in Indonesia, the government immediately issued a new policy, namely refocusing and reallocating the APBN expenditure budget, as well as accelerating the procurement of goods/services for health facilities, such as drug procurement. - Medicines and medical devices. As a result of this refocusing and reallocation of the APBN budget, the absorption of the expenditure budget has accumulated at the end of the year. This accumulation of budget absorption tends to be low at the beginning of the year and soaring high at the end of the year. The purpose of this study is to determine the factors that cause the accumulation of budget absorption due to Covid-19. This type of research is descriptive qualitative with transcendental phenomenology. The data analysis technique used is Miles & Huberman. The data in this study were obtained through literature study, document analysis, observation, and interviews. The results of this study indicate that changes in the budget, human resources, and procurement of goods/services cause the accumulation of budget absorption.

Keywords: *Budget, Budget Absorption, Budget Performance*

1. Introduction

Every year the central government prepares a budget that is set forth in the State Revenue and Expenditure Budget (APBN) which contains state financial planning, which is then ratified by the People's Representative Council (DPR) according to Law Number 20 of 2019. The budget is a financial plan prepared by the People's Representative Council. an entity or company for a certain period or period and systematically arranged in the form of numbers or nominal and expressed in monetary units, which are used to finance activities or activities[1]

In December 2019 a new virus named Covid-19 was discovered in Wuhan China and spread to Indonesia in March 2020. This Covid-19 virus can cause disturbances in the human respiratory system and can be transmitted between humans and is zoonotic [2]. The existence of the Covid-19 virus made the government immediately issue a new policy, namely Large-Scale Social Restrictions (PSBB) to avoid the spread of this virus. In line with this PSBB policy, the government has also issued a policy of refocusing and reallocating APBN funds, as well as accelerating the procurement of goods/services used for health facilities, such as the procurement of medicines and medical devices as an effort to overcome

the Covid-19 virus. [3]. The various efforts made by the government in an effort to overcome the Covid-19 virus certainly affect the absorption of the Ministry/Agency budget. The following is the realization of budget absorption in 2020 for the Singaraja KPPN work unit:

Table 1. Realization of Budget Absorption of the Singaraja KPPN Work Unit Every Quarter of 2020

QUARTER I	EMPLOYEE	VALUE	Rp 694,540,432,000	QUARTER III	EMPLOYEE	VALUE	Rp 694,540,432,000
		REALIZATION	Rp 135,268,816,127			REALIZATION	Rp 505,267,416,683
		PERCENTAGE	19.48%			PERCENTAGE	72.75%
		BALANCE	Rp 559,271,615,873			BALANCE	Rp 189,273,015,317
	GOODS	VALUE	Rp 394,899,009,000		GOODS	VALUE	Rp 394,899,009,000
		REALIZATION	Rp 52,610,118,899			REALIZATION	Rp 222,618,239,652
		PERCENTAGE	13.32%			PERCENTAGE	56.37%
		BALANCE	Rp 342,288,890,101			BALANCE	Rp 172,280,769,348
	CAPITAL	VALUE	Rp 58,328,124,000		CAPITAL	VALUE	Rp 58,328,124,000
		REALIZATION	Rp 2,613,487,381			REALIZATION	Rp 19,738,646,929
		PERCENTAGE	4.48%			PERCENTAGE	33.84%
		BALANCE	Rp 55,714,636,619			BALANCE	Rp 38,589,477,071
QUARTER II	EMPLOYEE	VALUE	Rp 694,540,432,000	QUARTER IV	EMPLOYEE	VALUE	Rp 694,540,432,000
		REALIZATION	Rp 319,985,233,573			REALIZATION	Rp 678,875,737,419
		PERCENTAGE	46.07%			PERCENTAGE	97.74%
		BALANCE	Rp 374,555,198,427			BALANCE	Rp 15,664,694,581
	GOODS	VALUE	Rp 394,899,009,000		GOODS	VALUE	Rp 394,899,009,000
		REALIZATION	Rp 117,752,438,223			REALIZATION	Rp 368,940,519,924
		PERCENTAGE	29.82%			PERCENTAGE	93.43%
		BALANCE	Rp 277,146,570,777			BALANCE	Rp 25,958,489,076
	CAPITAL	VALUE	Rp 58,328,124,000		CAPITAL	VALUE	Rp 58,328,124,000
		REALIZATION	Rp 6,955,013,412			REALISASI	Rp 57,452,103,298
		PERCENTAGE	11.92%			PERSENTASE	98.50%
		BALANCE	Rp 51,373,110,588			BALANCE	Rp 876,020,702

Based on Table 1 above, it can be seen that there was a low absorption of budget expenditures in the first quarter to the second quarter and still continued into the third quarter, resulting in an accumulation in the fourth quarter or at the end of the 2020 fiscal year. Official Note Number ND-22/PB.2/2020 dated January 13, 2020 issued by the Directorate General of Treasury under the auspices of the Ministry of Finance of the Republic of Indonesia, the absorption of the expenditure budget can be carried out according to the target, namely, the first quarter of 15%, the second quarter of 40%, the third quarter of 60%, and the fourth quarter of 90%.

This delay in the absorption of the budget is not a new thing in 2020. Delays in the absorption of the budget in Indonesia are a classic thing that happens every year [4]. In the last ten years, there have been problems in the absorption of budget expenditures for Ministries/Agencies, namely in terms of planning that is not in accordance with the targets that have been prepared, resulting in delays in the absorption of the budget in the first quarter to the third quarter, resulting in a buildup in the fourth quarter [5]. The impact of the delay in the absorption of this budget for the community, namely the ineffectiveness of fiscal policy functions such as increasing economic growth, employment, development, and poverty alleviation [6]. The optimal absorption of the budget at the beginning of the semester by the government aims to improve services to the public in meeting the basic needs of the community such as health, education, clean water and transportation, as well as infrastructure and other public facilities. [7].

2. Literature Review

2.1. Public Sector Budget

The public sector budget is a periodic financial plan that is systematically compiled and expressed in quantitative terms, which includes all activities for the future required actions to achieve it [8]. The financial plan must be strategic for the future, meaning that it can be used for at least the long term and short term. Public sector budgets have several main functions, namely: planning tools, control tools, fiscal policy tools, political tools, coordination and communication tools, performance appraisal tools.

2.2. State Budget (Anggaran Pendapatan dan Belanja Negara : APBN)

APBN is a guideline that must be adhered to by the government in carrying out government activities and programs which contains estimates of the revenues to be achieved along with their sources as well as the highest expenditure plans in the future to meet the needs of the state and its expenditure items. The state budget can be a benchmark for the government in terms of providing confidence whether actions and activities and development programs that will be implemented in the future will actually be financed. Based on Law Number 17 of 2003 concerning state finances, Article 3 paragraph 4 states that the APBN has several main functions, namely: authorization function, planning function, supervision function, allocation function, distribution function.

2.3. Budget Usage List (Daftar Isian Penggunaan Anggaran : DIPA)

DIPA is a budget implementation document compiled by a budget user/budget user proxies that is valid for one fiscal year and contains information on budget implementation targets, the budget ceiling which is the highest expenditure limit that must not be exceeded and its implementation must be accountable, the type of expenditure, the plan for withdrawing funds, and the acceptance plan and. DIPA functions as a tool for controlling, implementing, reporting, supervising, as a basis for implementing activities and using the budget as well as being a government accounting tool.

2.4. Budget Absorption

Budget absorption is to compare the realization of the budget with the budget ceiling with a percentage of at least 90-95% at the end of the year based on the Memorandum of Service of the Directorate General of Treasury and Regulation of the Minister of Finance Number 158/PMK.02/2014. The realization of budget absorption is used as an evaluation of the government's performance. Budget Performance Evaluation aims to find out how the optimal results from the budget targets that have been prepared.

2.5. Type Of Government Expenditure

2.5.1. Employee Expenditure

Personnel expenditure is compensation for employees, both in the form of money and in kind, which must be paid to domestic and foreign government employees in return for work that has been carried out in order to support the functions of government organizational units.

2.5.2. Goods Expenditure

Goods expenditures are expenditures in order to support the tasks and functions of ministries or institutions, in the APBN provided budget allocations for goods expenditures are provided to finance daily office needs, non-physical work, procurement of consumables, and/or procurement of goods to be handed over to the public.

2.5.3. Capital Expenditure

Capital expenditure is a budget expenditure to obtain or increase the value of fixed assets and/or other assets that can provide benefits for more than one year, meet the minimum capitalization limit, and be used for operational activities or public interests.

2.5.4. Interest Debt Expenditure

Debt interest expenditure is the payment of obligations for the use of principal debt, both domestic debt and foreign debt which is calculated based on the terms and conditions of existing debt and estimates of new debt, including costs related to debt management.

2.5.5. Subsidy Expenditure

Subsidy expenditure is a budget allocation given to companies/institutions to produce, sell, export, or import goods and services that meet the needs of many people in such a way that the selling price can be reached by the community.

2.5.6. Grant Expenditure

Grant expenditures are central government expenditures in the form of transfers of money/goods to governments of other countries, international organizations, BUMN/D, and local governments that are voluntary, not mandatory, not binding, and do not need to be repaid and are not continuous and carried out in a script an agreement between the grantor and the grantee with the transfer of rights in the form of money, goods, or services.

2.5.7. Social Assistance Expenditure

Social assistance expenditure is the transfer of money or goods provided by the Central/Regional Government to the community in order to protect against the possibility of social risks. Social assistance can be provided directly to community members and/or community institutions including assistance to non-government institutions in the fields of education, religion, and other fields whose role is to protect individuals, groups and/or communities from the possibility of social risks.

2.5.8. Other Expenditures

Other expenditures are state expenditures for payment of government obligations which are not included in the categories of personnel expenditure, goods expenditure, capital expenditure, debt interest expenditure, subsidy expenditure, grant expenditure, and social assistance expenditure and are urgent and cannot be predicted in advance.

3. Research Method

The type of research used in this research is descriptive qualitative research with transcendental phenomenology. Descriptive qualitative research, namely the researcher emphasizes notes with detailed, complete, in-depth sentence descriptions that describe the actual situation to support the presentation of data by conducting observations, documentation, and interviews then interpreting the data and then drawing conclusions regarding the phenomenon of accumulation of budget absorption at the end of the year. at the Singaraja KPPN work unit in Buleleng Regency in the 2020 fiscal year. This research is a transcendental phenomenological research. Transcendental phenomenology research explains phenomena by emphasizing on extracting the experiences of informants [9]. The data analysis technique used is by referring to the theory of Miles and Huberman, namely data collection, data reduction, data presentation, and drawing conclusions.

4. Result and Discussion

4.1 Factor-Factor Causing Accumulation of 2020 Budget Absorption

4.1.1 Budget Change

The work unit budget is prepared in the RKA/KL which contains plans to be achieved in one year. The planned budget is used as a guideline for the government's performance for one year as stated in the performance plan and budget of the Ministry/State Agency (RKA-KL). The emergency condition of the Covid-19 pandemic since the beginning of 2020 has caused the budget planning that was prepared properly in the RKA/KL cannot be carried out according to the plan. This is due to the new policy of the central government in an effort to accelerate the handling of the Covid-19 pandemic, especially within the government. The following are the results of interviews with several KPPN Singaraja work units:

- a. Mrs. Emiyati as the Expenditure Treasurer of the following RRI Singaraja work unit:
"For 2020 we experienced delays in the absorption of the budget due to the Covid-19 pandemic in March 2020 unexpectedly, so that some activities that are usually carried out cannot be carried out because the available funds are used for handling the Covid-19 pandemic, such as buying masks."

- b. Mrs. Widya as the Expenditure Treasurer of the General Election Commissions (Komisi Pemilihan Umum : KPU) Buleleng Regency as follows:
"...budget disbursement or expenditure realization at the end of the year has somewhat piled up submissions at the KPPN due to the shift to handling the Covid-19 pandemic. Activities for mass gathering in large numbers both indoors and outdoors cannot be carried out"
- c. Mrs. Sumini as the Expenditure Treasurer of the Buleleng Regency Land Agency (Badan Pertanahan Kabupaten Buleleng) as follows:
"The budget plan for 2020 was prepared in 2019, the DIPA receipt for 2020 was also on time, but due to the Covid-19 pandemic we were unable to realize the plan, because the budget was used for handling this covid"

The new policy is refocusing the budget within the scope of the Ministry/Agency. The new policy made by the central government due to the Covid-19 pandemic has caused the Singaraja KPPN work unit to experience problems between the budget plan listed in the RKA-KL and its budget execution. This condition causes several work units to carry out several revisions to the DIPA, thus hampering the budget absorption process. For 2020, the number of DIPA revisions carried out by 68 work units of the Singaraja KPPN payment scope totaled 461 revisions where each work unit on average revised DIPA 6-14 times.

- d. Mrs. Emiyati as the Expenditure Treasurer of the following RRI Singaraja work unit:
"Due to this pandemic, the budget that we have compiled in the RKA/KL has undergone several revisions, this revision is for efforts to handle covid 19. The obstacle in the revision is that there are several new accounts specifically for Covid spending"
- e. Mrs. Widya as the Expenditure Treasurer of the General Election Commissions (Komisi Pemilihan Umum : KPU) Buleleng Regency, namely:
"...for 2020 we have had several revisions to our activities, these revisions are used to handle the Covid-19 pandemic in our work units such as purchasing masks, hand sanitizers, and swabs"

Problems in budget absorption submitted by work units related to budget changes so that several work units must make budget revisions were also conveyed by KPPN Singaraja as follows:

- f. Mr. Oki as Customer Service Officer, as follows:
"The budget plan prepared by the work unit is an estimate, in the implementation of the budget there are several budget posts, namely operational activities that must be readjusted by the work unit, either added or subtracted, so the work unit must revise the budget"
- g. Mr. Prasetyo as the head of the PDMS section conveyed the following:
"Work units are sometimes inconsistent in the Withdrawal Plan listed on Page III of DIPA, so the work unit must make budget revisions many times where it will affect the Performance Indicators of Budget Implementation"

4.1.2 Human Resources

The effectiveness and efficiency of organizational goals also depends on the quality/ability of the human resources of the organization. Human resources in this case are human resources owned by work units capable of managing financial resources sourced from the state budget. Problems in terms of human resources, namely the lack of human resources, especially in financial management, which causes several work units to experience concurrent positions/tasks. The existence of these dual tasks will cause the process of budget absorption and financial management to be less than optimal.

The following are the results of interviews with several KPPN Singaraja work units:

- a. Mrs. Widya as the Expenditure Treasurer of the General Election Commissions (Komisi Pemilihan Umum : KPU) Buleleng Regency, namely:

"I'm as the expenditure treasurer, apart from being the expenditure treasurer, I also serve as the work unit operator in charge of managing SPM and also being the SAIBA operator"

- b. Mrs. Sumini as the Expenditure Treasurer of the Buleleng Regency Land Agency (Badan Pertanahan Kabupaten Buleleng), namely:

"....I as the expense treasurer sometimes have to double as treasurer as well as operator, currently we are proposing several more employees as operators so that the disbursement of the budget can be processed more quickly"

The impact caused by the existence of dual tasks is the benefits that can be provided very little for the organization and society, greater risk, and the lack of focus in carrying out their work [10]. Several work units of KPPN Singaraja experience double duty due to lack of human resources, the concurrently is the expenditure treasurer who performs concurrent duties as an operator. The main task of the expenditure treasurer is to make a detailed list of payment requests (DRPP), including testing the availability of funds for bill payments, managing inventory money, making Accountability Reports (LPJ), reconciling budget execution, and preparing budget realization data.

Problems in budget absorption submitted by the work unit related to the lack of human resources were also conveyed by KPPN Singaraja as the State General Treasurer as follows:

- c. Rania as the SPM Conversion and Validation Officer of the Singaraja KPPN below:

"Almost all of our work units do have concurrent duties, especially to become operators, this is due to limited human resources, and this is still allowed but still pays attention to the principle of checks and balances"

4.1.3 Procurement Of Goods and Services

Procurement of goods and services is an activity of spending on goods of Ministries/Institutions which is financed by APBN/APBD. The procurement of goods/services is carried out through self-management, providers, and e-marketplaces or e-catalogs. The process of purchasing goods/services through e-marketplaces or e-catalogs aims to increase transparency in the implementation of spending carried out by work units.

The following are the results of interviews with several KPPN Singaraja work units:

- a. Mrs. Sumini as the Expenditure Treasurer of the Buleleng Regency Land Agency (Badan Pertanahan Kabupaten Buleleng):

"....shopping for goods/services through the e-marketplace application, our problem is in the process of finding partners with the same account as us, our accounts with providers must be the same and cannot be different, transfers cannot be made between banks, finally we postpone shopping"

- b. Mrs. Emiyati as the Expenditure Treasurer of the RRI Singaraja work unit:

"...the problem with procuring goods/services through the e-marketplace in our work unit is that when buying goods, they run out very quickly, such as buying masks, hand sanitizers, thermo guns, finally we bought the goods directly and had to make a statement of direct shopping, under conditions like Therefore, we have doubts in the purchase, whether the process is correct"

The problem in the procurement of goods/services is the use of e-marketplace or e-catalog applications. Some of the problems in procuring goods/services through this e-marketplace or e-catalog application are the difference between the provider's account and the work unit account, payments cannot be made between banks, and the limited inventory of goods in the application. Another problem in the procurement of goods/services experienced by the work unit is the tender for the procurement of goods/services. The problem with this tender is that the provider's tender failed. The failure of this provider tender is caused by the number of providers being too few, the minimum number of providers is 2 (two). If the number of providers is only 1 (one), the tender process will fail and the work unit must

repeat the tender from the beginning. This tender failure caused the budget to not be absorbed and the funds could not be disbursed.

Problems in budget absorption submitted by the work unit in the procurement of goods/services were also conveyed by KPPN Singaraja as follows:

c. Mr. Prasetyo as the head of the following PDMS section:

"... the process of procuring goods/services in our work unit is often hampered by tenders, the number of bidders is too small, there are at least 2 bidders, if there is only 1 bidder the tender is considered a failure and the work unit must repeat the tender process from the beginning, finally the budget disbursement is hampered and the absorption of the budget is delayed"

d. The same thing was also conveyed by Mr. Oki as the following Customer Service Officer:

"In the procurement of goods and services, the work unit experienced problems in the tender, this tender process should not be carried out arbitrarily, therefore several work units experienced delays in the absorption of the budget"

5. Conclusion

Based on the results and discussion, the factors that caused the accumulation of budget absorption for the Singaraja KPPN work unit in 2020 were budget changes due to budget refocusing for the prevention of the Covid-19 pandemic, human resources having multiple positions due to lack of human resources in financial management, and procurement of goods and services using e-marketplace applications and tenders that must comply with applicable regulations.

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Analysis and Evaluation of Internal Control Accounting Information System for Purchase of Merchandise and Cash Disbursements at PT Bali Kulina Utama According to the COSO Framework Approach

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Abstract. This study aims to evaluate the internal control of the accounting information system for the purchase of merchandise inventory and cash disbursements at PT Bali Kulina Utama. The results of this study are expected to provide constructive suggestions in improving the implementation of controls that can minimize the potential for fraud and fraud in the company's activities at PT Bali Kulina Utama. This type of research is a case study using two types of data, namely primary data and secondary data. Data collection techniques used are observation, interviews and documentation. The analytical technique used is descriptive analysis technique, namely by explaining the accounting information system for the purchase of merchandise inventory and cash disbursements and comparative analysis techniques, namely by comparing the implementation of internal control accounting information systems at PT Bali Kulina Utama with the theory of internal control according to the COSO Framework approach. The results of this study indicate that the accounting information system for the purchase of merchandise inventory and cash disbursements has three activities originating from ordering, receiving, storing and disbursing cash. The results of the evaluation of the implementation of the accounting information system internal control at PT Bali Kulina Utama are not fully in accordance with the five components of the COSO Framework internal control. Four of the five components that are not in accordance with the COSO Framework are the internal control environment, risk assessment and risk response, control and monitoring activities. An adequate component is the information and communication component.

1. Introduction

Accounting information system is a system designed by the company to provide clear and relevant information in making a decision. The information system used by the company can be either manual or computerized. System which from manual to computer is used to make the work of company employees more effective and efficient. The transition will certainly require good internal control. Internal control is used to overcome fraud, fraud, robbery and waste. It is also used to control that the system used by the company is running well.[1]. Internal control issued by[2]namely COSO (Internal Control-Integrated Framework) which has five components, namely the internal environment, risk assessment and risk response, control and communication activities and supervision. The five components are interrelated with one another.

PT Bali Kulina Utama is a trading company engaged in the distributor of imported meat and retail products. Sales made are widely distributed in Bali and Lombok, starting from supermarkets, hotels, restaurants and general consumers. Trading companies, of course, have inventory that is a company's current assets, which must always be controlled, starting from purchases, storage, to sales. The main activities of the inventory, starting from purchases to cash disbursements, which are done manually must be computerized so that it is easy to control because the system will be more effective and efficient in controlling it.

The results of interviews and observations carried out at PT Bali Kulina Utama showed the results that there were several procedures that contradicted the theory and scientific studies on internal control carried out, especially in the components of internal control activities regarding the separation of duties from company activities. In the storekeeper section, which should receive the goods storage section, it becomes the receiving section and in the general cashier section, which doubles as the account payable section. Duplication of duties can trigger fraud that occurs such as embezzlement of goods because it is carried out by one person and it is feared that it will cause errors in making a report due to the dual responsibility received.[3]. The theory presented by Romney and Steinbart (2017) which states that to have good control it is not recommended that employees have more than one responsibility in carrying out company activities.[4]

In Arishanti's NPTR research (2018) the results show that there is no separation of duties between the reception function and the storage function, resulting in the cash receipts and disbursements accounting information system not being able to run properly. [5]. Another study conducted by D. Pratiwi (2017) found that the results of double duty in the reception and storage department were inadequate because it could lead to fraud or fraud, for example by making a manipulation report.[6].

2. Research Methods

This research is a qualitative research using primary data sources and data secondary. Primary data was conducted by interviewing the relevant departments, namely the purchasing, storekeeper/receiving, accounts payable/general cashier and head accounting. In addition to interviews, observations were also carried out so that primary data produced data in the form of detailed explanations related to internal controls implemented at PT Bali Kulina Utama which were described using tables. Secondary data is carried out by collecting documents and records that support the explanations given regarding the procedures for purchasing merchandise and cash disbursements. These documents and records are request requisition, purchase order, invoice, delivery order, receiving report, inventory card, payment voucher, check/ transfer form.

The analysis technique used is descriptive analysis technique and comparative descriptive analysis technique. Descriptive analysis technique is to explain things related to the accounting information system for purchasing merchandise inventory and cash disbursements, such as hardware or software, functions, records, documents and related procedures. Comparative analysis techniques are used to describe the internal controls applied to PT Bali Kulina Utama and then compared with internal controls based on the COSO Framework approach and scientific studies from previous studies that are used as references.

3. Results and Discussion

3.1. Accounting Information System for Purchase of Merchandise Inventory and Cash Disbursements at PT Bali Kulina Utama

The procedure for purchasing merchandise inventory and cash disbursement at PT Bali Kulina is carried out in four business activities, namely ordering, receiving, storing and disbursing cash. Purchase of merchandise inventory is made by payment on credit with payments made in accordance with the authorized AP Payment list. All activities carried out on the procedures for purchasing merchandise inventory and cash disbursements involve several functions, records, documents. The functions involved are warehouse functions, purchasing functions, receiving and storage functions and accounting functions. Documents used in purchasing merchandise inventory are purchase requisitions, purchase

orders. Documents used when receiving goods are of course receiving reports, delivery orders and invoices. When disbursing cash, the documents used are payment vouchers and checks/ transfer form. The records used for the cash purchase and disbursement procedures are the inventory card and the AP Payment List. Recording is carried out at PT Bali Kulina Utama manually and computerized, this is because to avoid recording errors or incomplete records so you can have backups. Manual recording is done in Microsoft Excel. The computerized system used for recording is the SAP system (System Application and Processing) and for financial reports, accounting and taxation records are recorded on the SAP B One system. The separation of the system is because the SAP B One system records important documents that can only be accessed by head accounting and technicians.

The procedure is carried out starting from ordering goods by sending a purchase order to the supplier, then the supplier sends the goods by attaching a delivery order and invoice. The receiving department will check the completeness of the goods sent in accordance with the delivery order received. If there are damaged goods, it will be reported to the supplier and a report is made for damaged goods. Goods that are well received will be made receiving report for further payment vouchers that have been authorized at the head of accounting and general manager.

3.2. Internal Control at PT Bali Kulina Utama

Internal control is used as the basis for the work of management and the company. To find out whether the controls implemented are effective and efficient, it is necessary to compare them with the controls that have been authorized, one of which is the COSO Framework approach. Internal control that is used as a reference are the five components described in the COSO framework and Narisuwari research (2020)[7] and Valleria (2018) [8]. The five components of the COSO Framework's internal control framework include the control environment, risk assessment and risk response, control activities, information and communication and supervisors. The control environment component includes several elements, namely commitment to integrity, ethical values and competence, oversight of internal control by the board of commissioners, organizational structure, determination of authority and responsibility, and human resource standards. Components of risk assessment and risk response with the elements used are identifying significant changes, events and their impacts, fraud risks and their handling. Components of control activities with elements used transaction authorization, segregation of duties, document and record design, asset protection, records and data, independent checks. Components of information and communication with elements used to identify and record transactions, effective external and internal communications. The supervisory component consists of evaluating internal control elements, accounting information systems responsibility, supervising system activities.

The results of the analysis that have been described can be conveyed that four of the five components are still not in accordance with the theory. The control environment component has not been implemented properly by PT Bali Kulina Utama. Good elements starting from the application of ethical values, commitment to upholding integrity, accountability for the authorities and responsibilities of each section, oversight accountability from the board of commissioners as the controller of internal control as a whole, elements of organizational structure, human resources that are continuously developed . However, the drawback is that PT Bali Kulina Utama is still unable to implement the periodic rotation of tasks. This is because the company feels that if you rotate tasks, there are several things that will need to be learned from the beginning which results in wasted time to adapt. This component of the control environment is the foundation of discipline and structure of the company's internal control, which means that this section must be strengthened and maintained.[9]

The components of risk assessment and risk response have not been properly implemented by PT Bali Kulina Utama, the shortcomings that occur are caused because the company has not made insurance for its assets. This insurance is made so that later if there is a natural disaster or fire or other event that can damage the asset, the damage or loss of the asset can be minimized for the resulting expenses. However, other elements such as assessing and dealing with fraud, identifying and analyzing changes that affect the accounting information system can be described well and are in accordance with existing theory.

The control activity component has not been implemented in accordance with the existing theory. The facts in the field show that for the authorization section, the company has implemented it by always giving authorization from superiors, for example to the manager of each section. The company has also designed printed and serial numbered documents because with the document sequence it will be seen which documents are not present and their whereabouts are tracked to make it easier to overcome recording errors. Perform routine independent checks (performed by other parties) to ensure that work has been carried out properly and according to company policy. Safeguarding records, documents and supplies by restricting people from accessing these sections if they do not have an interest. The part that has not been implemented properly is the separation of duties. This segregation of duties cannot be carried out in the storage and receiving section as well as the accounts payable and general cashier sections. This is contrary to the theory of Romney and Steinbart (2017) who have stated that there must be a separation of the storage function and the reception function.[4]. The results of Sitti Amanah's research (2017) which says that the receipt of goods must be separated from the storage of goods. Likewise the cash receipts section with cash storage, this is done so that management can be carried out so as to minimize fraud and errors[10]

The next component is information and communication that has been done adequately by the company. This can be seen because the elements in the components such as classifying transactions, communication with internal and external parties have been carried out effectively and efficiently by the company. Communication with internal and external parties can be one way to improve communication management to become a core element that is a driving factor in management strategies to improve organizational performance in achieving goals.[11]

The last component in internal control is supervision. The supervision carried out at PT Bali Kulina Utama is still not appropriate. This is because the evaluation element of internal control which is carried out regularly is not carried out by the management, because management only provides policies and SOPs as a reference for employee control. Internal control should be routinely carried out to ensure that the monitoring function has been carried out and is clearly defined and structured properly[12]. But behind that, the supervision carried out on the responsibility accounting information system has been carried out well where the company always compares the actual and planned reports. Likewise, what has been well implemented is the computer security system by employing computer security officers to monitor the system and record system activity in a log to identify who is accessing the system.

4. Conclusion

Implementation of internal control over the accounting information system on the procedures for purchasing merchandise and cash disbursements at PT Bali Kulina Utama, it can be concluded that PT Bali Kulina Utama has an accounting information system for the purchase of merchandise and cash disbursements that involve four functions, namely the cash function, the purchasing function, reception and storage function, accounting function. Each activity of purchasing merchandise and disbursing cash is supported by four procedures with different but interrelated functions. Purchase of merchandise is done by way of credit where payment is made in stages. There are 9 documents and 2 records that are used in the company manually but still computerized using the SAP (System Application and Processing) system.

The internal control implemented by PT Bali Kulina has not fully complied with the five components of internal control described in the COSO Framework approach. However, there is an adequate internal control component, namely the information and communication component. Components that are not in accordance with the COSO Framework approach, namely the control environment component where the discrepancy is due to not carrying out periodic task rotations, the risk assessment component and risk response are inadequate because the company does not have insurance on its assets so that if a natural disaster or unwanted event occurs then assets owned by the company will be destroyed which results in the company experiencing substantial losses,

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Calculation of the Cost of Production in Determining the Selling Price of Kelle Soap Products Sari Amertha Aan

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Abstract. Determining the selling price of a product based on the cost of production can help find out what the right product selling price is to cover all production costs. This study aims to determine the calculation of the cost of production using the full costing method and to determine the calculation of the selling price set by the Soap Kelle Sari Amertha Business and the selling price based on the calculation of the cost of production according to the full costing method. This research was conducted at the Soap Kelle Sari Amertha Business located in Banjar Petapan, Aan Village, Banjarangkan, Klungkung. The type of research used is qualitative research through interview and observation data collection techniques with data sources using primary data. The data analysis technique in this study is the full costing method. The results of this study indicate that the cost of production according to the Soap Kelle Sari Amertha Business and the cost of production according to the full costing method obtain different results so that there is a difference of Rp 5,825. The comparison of selling prices also shows that there is a difference in results between the selling price according to the Soap Kelle Sari Amertha Business and the selling price according to the calculation of the cost of production based on the full costing method.

Keywords: *Cost of Production, Full Costing Method, Selling Price*

1. Introduction

Until now, there are still many MSMEs (Micro, Small and Medium Enterprises) that have not implemented accounting rules in running their business. This condition occurs because of an inadequate educational background and have not attended training in accounting [1]. Accounting has a role in the success of an MSME because the information in accounting helps MSME actors to find out the total costs incurred during the production process [2]

The selling price is the price of a product or service that has the ability to cover the full costs associated with the product or service and at the same time earn a profit [3]. The determination of the selling price of the product should be based on the report on the cost of production. This is done so that a business actor knows what the right product selling price is to cover all production costs [4].

The Soap Kelle Sari Amertha Business located in Banjar Petapan, Aan Village, Banjarangkan, Klungkung is a manufacturing business engaged in the production of soap based on trigona kelle bee nest dregs. The Kelle Sari Amertha Soap business was established at the end of 2017. The products

produced are divided into four variants which are determined based on the essential oil used, namely the lavender variant of kelle soap, sandat variant, rosemary variant, and daun tin variant.

So far, Soap Kelle Sari Amertha Business has calculated the cost of production by simply adding up the costs incurred throughout the production process. Then, the effort is in determining the selling price by estimating from the calculation of the costs incurred in the kelle soap production process which is recorded in a modest manner. This causes factory overhead costs such as water costs, depreciation costs for production equipment, and repair and maintenance costs for production equipment that have not been included when calculating the selling price. Although the value of these costs is relatively small, the lack of charging these costs will cause the cost of production obtained to be inaccurate and will affect the determination of the selling price of the product. If this continues, the Soap Kelle Sari Amertha Business will find it difficult to calculate the cost of production as the basis for determining the selling price so that it can affect the sustainability of the business.

There are two methods of determining the cost of production, namely full costing and variable costing [3]. Based on the above problems, the full costing method can be a solution that can be applied by the company in calculating the cost of production as the basis for determining the selling price of the product. This is because the full costing method imposes all fixed and variable factory overhead costs on products produced on the basis of actual factory overhead costs or on the basis of predetermined rates at normal capacity [3].

2. Literature Review

2.1. Cost of Production

The cost of production is all costs that have been incurred in managing raw materials to obtain finished goods that are ready to be sold [3]. These production costs can be classified into three parts, namely the cost of raw materials, factory overhead costs, and direct labor costs [5]. The calculation of the cost of goods manufactured has two methods of determination, namely: 1) Full costing is a method of determining the cost of production that imposes all production costs, both fixed and variable on the product, 2) Variable costing is a method of determining the cost of production which only assigning variable manufacturing costs to the cost of the product.

2.2. Selling Price

The selling price is the price of a product or service that has the ability to cover the full costs associated with the product or service and at the same time generate profits [3]. Determining the selling price is one of the important decisions for management. This is because the price that will be set on a product or service must be able to cover all costs and at the same time earn the profit expected by a company. In this case the cost is the main factor in setting a selling price because the cost can show things that must be met by a company to avoid a loss [6]. Determination of the selling price in this study using the method of cost plus pricing or the method of determining the normal selling price. This is because the cost plus pricing method is a method that is often used by a company in determining the selling price and is considered a method that is easy to understand [7]. The cost plus pricing method is a method of determining the selling price which is determined at the cost of production plus the desired markup [8]. The formula used in calculating the selling price according to the cost plus pricing method is: Selling price = production cost + percentage mark up.

3. Research Methods

In this research, the type of research used is qualitative research. The source of data in this study is primary data. Primary data sources are data sources that are given directly to the data collector [9]. Primary data collected in the form of quantitative and qualitative data. Qualitative data includes a list of materials and tools used in the production process of Kelle soap and an overview of the Soap Kelle Sari Amertha Business. Meanwhile, quantitative data includes data on costs used in producing kelle soap products. Data collection techniques used in this study were interviews and observation. In this study, the data analysis used is the full costing method. The data obtained from the production cost of kelle

soap is calculated into the cost of production according to the full costing method as the basis for determining the selling price of kelle soap.

4. Results and Discussion

4.1. Cost of Production and Selling Price by Soap Kelle Sari Amertha Business

Production costs calculated by the company into the cost of production include:

- a. The cost of raw materials in the form of kelle bee propolis is Rp 30.000,00, olive oil is worth Rp 75.000,00, VCO is worth Rp 75.000,00, palm oil is worth Rp 14.000,00, NaOH is worth Rp 8.000,00, and aqua is worth Rp 1.000,00.
- b. Labor cost of Rp 2.000.000,00.
- c. Electricity costs Rp 100.000,00.
- d. Fibrous paper packaging costs Rp 4.050,00.
- e. Logo sticker fee of Rp 900,00.
- f. The cost of essential oil which consists of a lavender variant is Rp 45.000,00, sandat is worth Rp 45.000,00, rosemary is worth Rp 37.500,00, and daun tin are worth Rp 37.500,00.

Then for shared costs such as electricity costs and labor costs, the company estimates that these costs are charged to each kelle soap product by 25%. The cost of production according to the Soap Kelle Sari Amertha Business for each variant of Kelle soap per month in 2020 can be seen in the following table.

Table 1. Cost of Kelle Soap Production by Company

No	Description	Production Unit	Cost of Production (Rp)	Cost of Production per Unit (Rp)
1	Lavender Variant	27	777.950	28.813
2	Sandat Variant	27	777.950	28.813
3	Rosemary Variant	27	770.450	28.535
4	Daun Tin Variant	27	770.450	28.535

Furthermore, the selling price of the product is calculated by calculating all costs that are considered to have an impact on the kelle soap production process and the results of this calculation are added to a profit of 25% then divided by the total product production for a month. The selling price of Kelle soap in 2020 according to the Soap Kelle Sari Amertha Business can be seen in the following table.

Table 2. Selling Price of Kelle Soap by Company

No	Description	Quantity	Selling price (Rp)	Selling Price per Unit (Rp)
1	Lavender Variant	27	933.540	34.576
2	Sandat Variant	27	933.540	34.576
3	Rosemary Variant	27	924.540	34.242
4	Daun Tin Variant	27	924.540	34.242

4.2. Cost of Production and Selling Price according to the Full Costing Method

Production costs that are calculated into the cost of production based on the full costing method include:

- a. Raw Material Costs. The four kelle soap variants have the same raw materials. The raw materials used in the production of kelle soap include Kelle Bee Propolis, Olive Oil, VCO, Palm Oil, NaOH, and Aqua. The total cost of raw materials for kelle soap for the lavender variant is Rp 203.000,00, the sandat variant is Rp 203.000,00, the rosemary variant is Rp 203.000,00, and the daun tin variant is worth Rp 203.000,00.

- b. Labor costs. The Soap Kelle Sari Amertha Business provides a salary of Rp 200.000,00 for one employee, so that every month it costs Rp 2.000.000,00 for 10 employees.
- c. Factory Overhead Cost. Shared factory overhead costs such as electricity costs, water costs, repair and maintenance costs for production equipment, and depreciation costs for production equipment are accumulated by 25% for each product. The factory overhead costs include: electricity costs of Rp 100.000.000,00, water costs of Rp 50.000,00, fibrous paper packaging costs of Rp 4.050,00, logo sticker costs of Rp 900,00, repair and maintenance costs of production equipment of Rp 100.000,00, the cost of depreciation of production equipment is Rp 119.776,00, and the cost of essential oil which consists of the lavender variant is Rp 45.000,00, sandat is Rp 45.000,00, rosemary is Rp 37.500,00, and daun tin are worth Rp 37.500,00.

The cost of production of kelle soap according to the full costing method per month in 2020 can be seen in the following table.

Table 3. Cost of Production by Full Costing Method

No	Description	Production Unit	Cost of Production (Rp)	Cost of Production per Unit (Rp)
1	Lavender Variant	27	935.226	34.638
2	Sandat Variant	27	935.226	34.638
3	Rosemary Variant	27	927.726	34.360
4	Daun Tin Variant	27	927.726	34.360

Furthermore, the selling price of the product is calculated using the cost plus pricing method with a markup of 20%. The selling price of kelle soap in 2020 according to the cost of production based on the full costing method can be seen in the following table.

Table 4. Selling Price by Cost of Production Based on Full Costing Method

No	Description	Quantity	Selling Price (Rp)	Selling Price per Unit (Rp)
1	Lavender Variant	27	1.122.271	41.566
2	Sandat Variant	27	1.122.271	41.566
3	Rosemary Variant	27	1.113.271	41.232
4	Daun Tin Variant	27	1.113.271	41.232

4.3. Cost of Production Comparison

Table 5. Comparison of Cost of Production

No	Description	Company Method (Rp)	Full Costing Method (Rp)	Difference (Rp)
1	Lavender Variant	28.813	34.638	5.825
2	Sandat Variant	28.813	34.638	5.825
3	Rosemary Variant	28.535	34.360	5.825
4	Daun Tin Variant	28.535	34.360	5.825

Table 5 shows that the cost of production according to the Soap Kelle Sari Amertha Business and the cost of production according to the full costing method obtained different results so that there was a difference of Rp 5.825. This difference occurs because the calculation of the cost of production of the Soap Kelle Sari Amertha Business so far is still simple and does not specify the costs incurred during the Kelle soap production process. This causes costs that are not calculated in the calculation of the cost

of production. The costs that are not taken into account in calculating the cost of production are factory overhead costs which include water costs of Rp 50.000,00, repair and maintenance costs of production equipment of Rp 100.000,00, and depreciation costs of production equipment of Rp 479.104,00. Meanwhile, the cost of production based on the full costing method takes into account all fixed and variable costs that occur during the kelle soap production process.

4.4. Selling Price Comparison

Table 6. Comparison of Kelle Soap Selling Prices

No	Description	Company Method (Rp)	Full Costing Method (Rp)	Difference (Rp)
1	Lavender Variant	35.000	41.566	6.566
2	Sandat Variant	35.000	41.566	6.566
3	Rosemary Variant	35.000	41.232	6.232
4	Daun Tin Variant	35.000	41.232	6.232

Table 6 shows that the selling price according to the Soap Kelle Sari Amertha Business and the selling price according to the calculation of the cost of production based on the full costing method obtained different results, causing a difference in the selling price. This difference is caused by differences in the results obtained when calculating the cost of goods manufactured.

5. Conclusion

Based on the results of research and discussion conducted at the Soap Kelle Sari Amertha Business, it can be concluded that the cost of production according to the Soap Kelle Sari Amertha Business and the cost of production according to the full costing method obtained different results. This difference causes a difference of Rp 5.825 in the two calculation methods. The selling price determined by the Soap Kelle Sari Amertha Business and the selling price based on the cost of production according to the full costing method also obtained different results. This difference causes a difference in the two calculation methods of Rp 6.566 for the lavender and sandat variants, while for the rosemary and daun tin variants it is Rp 6.232.

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