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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.

Published on April and October (since 2018), the journal accepts articles in English with mentioned format: research results, literature studies and work reports in line with the focus and scope of JASAFINT.

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Comparative Analysis of the Application of Corporate Income Tax Between Based on the Income Tax Law Number 36 of 2008 with Government Regulation Number 23 of 2018 on CV. ITM

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Abstract. Micro, Small, and Medium Enterprises (MSMEs) taxpayers with a gross circulation of up to IDR 4.800.000.000,00 are given the facility to choose the tax rate used to calculate the income tax payable. MSMEs taxpayers can choose to use income tax calculations based on Income Tax Law Number 36 of 2008 or Government Regulation Number 23 of 2018. This study aims to determine the comparison of the calculation of the tax payable on the owed entity on the CV. ITM which is a company engaged in catering services using calculations by the income tax calculation based on the Income Tax Law Number 36 of 2008 and Government Regulation Number 23 of 2018 to find out the most appropriate and profitable method to efficiency corporate income tax. The data used in this research are secondary data collected through documentation techniques. The data analysis technique used in this research is a descriptive quantitative analysis technique. The results showed the CV. ITM is more efficient to use tariffs by Government Regulation No. 23 of 2018 to calculate the amount of corporate income tax because it can streamline the corporate income tax.

Keyword: corporate income tax, income tax law number 36 of 2008, and government regulation number 23 of 2018.

1. Introduction

At this time, Indonesia is intensively carrying out development in all fields in the fields of economy, social, law, education, and especially in the infrastructure sector, considering that the Indonesian government is planning to relocate the Indonesian capital to new areas. So, to realize national development, of course, requires a large budget. The government certainly has to maximize the potential for state revenue through sources of state revenue. Sources of state revenue can be grouped into revenue from the tax sector, natural resources, customs and excise, levies, fees, donations, profits from State-Owned Enterprises, and other sources [1]. Of all these sources, the largest source of state revenue is tax revenue. Taxes are contributions to the state (which can be enforced) owed by those who are obliged to pay them according to regulations with no return of performance, which can be directly appointed, and whose use is to finance general expenses related to the state's task of administering the government [2].

In terms of the latest Indonesian economic conditions, Micro, Small and Medium Enterprises (MSMEs) are the majority of tax subjects. Based on data from the Ministry of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia in 2018 [3] the number of MSMEs in Indonesia was 64,194,057 units or 99.99% of the total national business, MSMEs contributed 61.07% to Gross

Domestic Product (GDP), and 97.00% in employment. MSMEs have other roles as the creation of new markets, creating a balanced national economic structure, regional development, income distribution, and economic growth [4]. The increasing number of MSMEs each year provides an opportunity for the government to explore the potential for tax revenue through MSMEs by targeting this subject to increase tax revenue, especially from income tax. But, many MSMEs taxpayers think that tax is so difficult. There is a view that the method of calculating tax is difficult for small and medium enterprise with minimal recording or accounting capabilities [5]. Because based on [6] research understanding taxation has a positive and significant effect on taxpayer compliance. So, The government seeks to create a taxation ecosystem that is friendly to MSMEs so that the participation of MSMEs can increase. One of the efforts made by the government is by issuing Government Regulation Number 46 of 2013 [6] which regulates the treatment of income from taxpayers whose income does not exceed IDR 4.800.000.000,00 with a final rate of 1% which comes into effect 1 July 2013. The application of Government Regulation Number 46 of 2013 has a positive impact on increasing tax revenue from corporate taxpayers on the issuance of Government Regulation Number 46 of 2013 which can increase tax revenue compared to the provision of using the tariff of Article 17 paragraph (1) based on [8] research. However, even though the implementation of Government Regulation Number 46 of 2013 has increased tax revenue, MSMEs actors have not fully implemented it due to lack of government socialization [9]. PP 46 is generally good, but evaluation is still needed [10]. Over time, Government Regulation Number 46 of 2013 is considered to have many shortcomings and needs to be adjusted to the current conditions of the Indonesian economy. Some of these deficiencies can be seen in the research conducted by [11] PP 46 is unfair and only prioritizes simplicity for tax revenues. In addition, many MSME players also feel that the final 1% rate is too high. Therefore, the government cut tariffs on the final income tax to 0.5% and stipulated in Government Regulation Number 23 of 2018 [12]. This tariff reduction is intended to encourage public participation in formal economic activities. So, by mapping an easy and light taxation structure for MSMEs, it is hoped that it will provide justice and convenience in carrying out tax obligations for MSMEs, MSME participation in tax revenues is wider, and tax revenues increase.

Currently, MSMEs taxpayers who have a gross circulation of up to IDR 4.800.000.000,00 can choose the tax rate that will be used in calculating their payable income tax. MSMEs taxpayers can choose to use calculations based on Income Tax Law Number 36 of 2008 [13] or use calculations based on Government Regulation Number 23 of 2018 [12]. Therefore, entrepreneurs must be careful in choosing the rates used to calculate their payable taxes so that tax savings strategies can be carried out efficiently. CV. ITM is a company located in Denpasar and is engaged in catering and event organizer services which were established in 2015. Services provided by CV. ITM is a catering and event planning service for various activities. CV. ITM revenue and profit are increases every year. In its operational activities in 2019 CV. ITM made a profit and had a gross turnover of Rp 3.758.464.130,00. So, CV. ITM has to choose which tax calculation suits the company in order to save and streamline corporate tax payments. Similar research conducted by [14] which states that company has profit margin of 7% more efficient use tariffs based on Government Regulation Number 46 of 2013 compared using the income tax rate in accordance to Law No. 36 of 2008 as in the range of a profit margin of 7% using Government Regulation Number 46 of 2013 taxpayers can save 50% cash flow. In addition, the application of a single tariff based on Government Regulation Number 46 of 2013, which is 1% of turnover, is more efficient to use to calculate Corporate Taxpayer Income Taxes who have high-profit margins because the tax will decrease, while for those whose profit margins are low, their taxes increase [15].

Based on this, the concern is 1) how to compare the amount of tax payable CV. ITM use tariff calculations following Income Tax Law Number 36 of 2008 and Government Regulation Number 23 of 2018? 2) Tariff according to which rules are more efficiently used by CV. ITM in calculating the amount of tax owed in 2019?

2. Literature Review

2.1 Corporate Income Tax

Taxes are mandatory contributions to the state that are owned by individuals or entities that are coercive based on law, without direct reciprocity and are used for the state's needs for the greatest prosperity of the people Law 16 of 2009 [16]. Based on Income Tax Law Number 36 of 2008 [13], Income Tax is imposed on the Tax Subject on the income received or earned in the Tax Year. Income tax is included in the category as subjective tax, meaning that the tax is imposed because of the subject, namely those who have met the criteria stipulated in the tax regulations. So there is an affirmation that if there is no tax subject, then it is clearly not subject to tax [1]. Corporate Income Tax (PPhB) is a state tax imposed on each additional economic capacity received by a taxpayer from a business entity, both domestic and foreign. One of the tax subjects is the corporate tax subject of [17].

2.2 Income Tax Law Number 36 Of 2008

In Income Tax Law Number 36 of 2008, it regulates the tax subject, tax object, fees that may and may not be deducted from the calculation of gross turnover, as well as the rates used in calculating the amount of the taxpayer's income tax. Tax calculations based on Law Number 36 of 2008 are based on taxable income (net fiscal income) obtained from fiscal financial statements. The preparation of fiscal financial statements is based on the application or principle of the taxable and deductible (taxability-deductibility mechanism) [18]. The legal basis used in the preparation of fiscal financial statements is Income Tax Law Number 36 of 2008 Article 6 and Article 9 and several regulations that support whether or not an expenses can be charged. Fiscal corrections are made to calculate the company's taxable income because fiscal corrections occur due to differences in commercial accounting and tax regulations. The difference relates to the recognition of income and expenses. This difference results in a fiscal correction, both a positive correction (increase in taxable profit from commercial profit) and a negative correction (a decrease in taxable profit from commercial profit) [19]. According to [20], these differences can be in the form of permanent differences and time differences. The tax rate determined on the taxable income of corporate taxpayers is regulated in Article 17 of Income Tax Law Number 36 of 2008, which is 25%. Further provisions are provided for in Article 31E, domestic corporate taxpayers with a gross circulation of up to Rp 50.000.000.000,00 receive facilities in the form of reduced rates of 50% of the rates as referred to in Article 17 paragraph 1b and paragraph 2a which are imposed on Subjective income. Tax from the gross revenue share of up to Rp 4.800.000.000,00.

2.3 Government Regulation No. 23 of 2018

Government Regulation Number 23 of 2018 is effective July 1, 2018. This regulation was issued to replace the previous regulation, namely Government Regulation Number 46 of 2013. Government Regulation Number 23 of 2018 regulates income tax from businesses that have certain gross circulation with a final rate of 0.5%. Gross turnover is referred to is gross circulation not exceeding 4.8 billion. So, explicitly this regulation is intended to target MSME players because businesses that can be grouped into MSME businesses are further regulated in Law No. 20 of 2008 [21]. Unlike Government Regulation Number 46 of 2013, Government Regulation Number 23 of 2018 is optional because taxpayers can choose to use a general scheme that refers to Income Tax Law Number 36 of 2008 or can choose to follow the final 0.5% Government Regulation Number 23 of 2018 scheme. Income tax following taxpayer's ability. This optional nature provides an advantage for individual and corporate taxpayers who have not been able to keep books properly and in an orderly manner, the application of a final rate of 0.5% makes it easier for these taxpayers to carry out their tax obligations because the tax calculation becomes simpler, namely 0.5 % of gross income. However, the consequence is that taxpayers must continue to pay taxes even though they experience losses. Meanwhile, corporate taxpayers who have kept their books properly and orderly may choose to use income tax calculations based on the general scheme of article 17 of Income Tax Law Number 36 of 2008 with the consequence of calculating the income tax rate will refer to the rates of Article 17. However, when experiencing loss taxpayers are free from tax payments. However, the use of the Government Regulation Number 23 of 2018 scheme tariff

calculation has a grace period. The time limit given to taxpayers who want to take advantage of Government Regulation Number 23 of 2018 is 7 years for individual taxpayers, 4 years for corporate taxpayers in the form of cooperatives, CVs or firms, and 3 years for corporate taxpayers in the form of PT. After the deadline, taxpayers will return to using the general scheme as regulated in Article 17 of Law Number 36 of 2008. Because this deadline is intended to encourage taxpayers to carry out good bookkeeping and business development.

2.4 Empirical Study

The implementation of PP 46 provides an advantage for taxpayers by paying less tax each year [22]. The value of income tax payable based on PP 46 of 2013 is smaller than the value of income tax payable under the general scheme of income tax law is also shown in the research of [23] and [24]. Also, based on [25] research tax payable using PP 23 is lower than using a general scheme. However, [26] stated that the comparison of tax calculations using a general scheme is more profitable than using the NPPN method and the final tax method. Just like Halim, [27] indicated that the use of general schemes is more profitable than using PP 46 because entities that experience fiscal losses can compensate for these losses in the following year, if not obliged to use PP 46 calculations. In addition, in Monika's research [28] also concluded that there are companies that are more efficient using the general scheme than the PP 23 scheme.

3. Methodology

The type of data used in this research is quantitative data. The quantitative data used in this research is a list of CVs. ITM 2019 and the financial statements of CV. ITM 2019 in the form of an income statement. Sources of data used in this study are secondary data obtained in the form of documents or data that have been finished or data that has been processed and sourced from records in the company or other sources. The data collection procedure used in this research is documentation, namely data collection which is done by looking at the data required in research, recording, and analyzing the company's financial statements and list of CV gross circulation. ITM is required as an object of research. The data analysis technique used in this research is a quantitative descriptive analysis technique. The descriptive quantitative data analysis technique is a data analysis technique that uses data in the form of numbers as a tool to analyze a symptom or event under study and seeks to describe the symptom or event in the form of numbers that the recipient of the information can easily understand.

4. Result and Discussion

4.1 Calculation of Income Tax Based on the Scheme of Income Tax Law Number 36 Year 2008

The calculation of the company's payable income tax is based on the taxable income statement by making corrections to the costs or income listed in the income statement of CV. ITM 2019. Before the fiscal correction was made to the commercial income statement CV. ITM in 2019, the profit earned by CV. ITM is IDR 773.201.019. After making fiscal corrections to the CV. ITM had a change in profit before tax to IDR 798.706.201. This happens because there is a fiscal correction to the costs incurred by the company. Analysis of the fiscal corrections to the income statement of CV. ITM is as follows:

1. For internet and telephone expenses amount to IDR 11.355.868 which is owned by the company, it is used to top up employee credit and internet subscription packages. Accordingly, under [29], these charges may only be recognized as 50% of total internet and telephone charges in the tax year and internet and telephone charges are corrected positively by 50% of total company internet and telephone charges.
2. For the compliment food espenses of IDR 3.818.680 owned by the company, this cost represents the cost of providing food and drinks to the owner's family and is not related to the company's business activities. Thus, based on [30] and [31] these costs must be subject to positive fiscal correction.

3. The company's contribution expenses of IDR 3.320.000 is not following the donations stated in Article 6 Paragraph 1 letters i, j, k, l, and m of Law Number 36 of 2008 and Government Regulation Number 93 of 2010 [32] so that it must be subject to positive fiscal correction.
4. Bank interest income earned by CV. ITM amount of IDR 2.458.145 is the final tax object based on the provisions of Article 4 Paragraph (2) of Income Tax Law Number 36 of 2008 so that this income must be subject to negatively fiscal correction
5. The commission expenses amount of IDR 2.627.118 owned by the company is intended for payment of commissions using the online order application so that must be corrected fiscal positively following Income Tax Law 36 of 2008
6. The religious ceremonies expense amount of IDR 12.030.500 which is owned by the company is the cost used to purchase religious ceremony facilities and infrastructure. In general, these costs are not related to the company's operational activities and cannot be recognized as a deduction from gross income, so a positive correction must be made following Income Tax Law No. 36 of 2008
7. Current account tax fee is the final tax fee charged on bank interest income earned by CV. ITM so that according to Article 9 Paragraph (1) letter h of income tax Law No. 36 of 2008, the tax fee for current accounts must be subject to positive fiscal correction amount to IDR 489.175.

Based on the fiscal correction has been done, it can be known to the company's fiscal net income to calculate the amount of income tax owed to the company. So that due to the gross circulation of CV. ITM in one year does not exceed IDR 4.800.000.000,00 so based on Article 31E of Income Tax Law Number 36 of 2008 CV. ITM is granted a tariff reduction facility of 50% of the tariff in Article 17 Paragraph (1) and Paragraph (2a). So that the calculation of the amount of income tax CV. ITM 2019 based on the general tariff scheme of Income Tax Law Number 36 of 2008 can be seen in the following table:

Table 1. Calculation of Income Tax with the Scheme of Income Tax Law Number 36 of 2008

Net Profit (Loss) Before Tax	IDR 773.201.019	
Net Profit (Loss) After Fiscal Correction	IDR 798.706.281	
Taxable Income (PKP)		IDR 798.706.000
Income Tax Payable (50% x 25% x IDR 798,706,000)		IDR 99.838.000
Total Income Tax Payable		IDR 99.838.000

Thus, the amount of income tax payable CV. ITM in 2019 based on the tariff of Income Tax Law Number 36 of 2008 is IDR 99.838.000

4.2 Calculation of Income Tax Based on Government Regulation Scheme Number 23 of 2018

In 2019 CV. ITM has a gross circulation amount of IDR 3.758.464.130.00. CV. ITM has a gross circulation of less than IDR 4.800.000.000.00. So, based on Government Regulation Number 23 of 2018 the gross circulation of CV. ITM is a tax object that can be subject to a final tax rate of Government Regulation Number 23 of 2018 of 0.5% which is multiplied by the monthly gross turnover. The calculation of the income tax payable CV. ITM is based on the Government Regulation Number 23 of 2018 scheme can be seen with the following table.

Table 2. Calculation of Income Tax with the PP 23 Year 2018 Scheme

Tax period	Gross Turnover	Rates	Income Tax Payable
January	296.119.885,00	0,5%	1.480.599
February	268.307.162,00	0,5%	1.341.536
March	274.223.622,00	0,5%	1.371.118
April	286.189.000,00	0,5%	1.430.945
May	353.274.000,00	0,5%	1.766.370
June	322.215.614,00	0,5%	1.611.078
July	299.633.642,00	0,5%	1.498.168
August	321.398.567,00	0,5%	1.606.993
September	319.666.768,00	0,5%	1.598.334
October	324.530.332,00	0,5%	1.622.652
November	319.715.789,00	0,5%	1.598.579
December	373.189.749,00	0,5%	1.865.949
Total	3.758.464.130,00		18.792.321

Thus, the amount of corporate income tax CV. ITM based on calculations using the tariff according to Government Regulation Number 23 of 2018 is IDR 18.792.321. In the calculation of PP 23 of 2018 the company does not need to make fiscal corrections because the income tax value is obtained from gross circulation which has been subject to a final rate of 0.5%. At the end of the tax year, the company does not need to calculate the payable tax because the tax payable has been paid every month following the provisions of Government Regulation Number 23 of 2018.

4.3 Comparison of Income Taxes Based on General Schemes and PP Schemes 23

After calculating the income tax using the rates following Income Tax Law Number 36 of 2008 and Government Regulation Number 23 of 2018, the comparison results obtained from the calculation company income tax of CV. ITM is shown with the following table:

Table 3. Comparison of Company Income Tax CV. ITM 2019

Company	UU No. 36 of 2008	PP 23 of 2018	Difference
CV. ITM	IDR 99.838.000	IDR 18.792.321	IDR 81.108.679

There is a very significant difference in the value of corporate income tax at CV. ITM when using the calculation scheme of Income Tax Law Number 36 of 2008 and Government Regulation Number 23 of 2018. CV. ITM. Based on this comparison, the difference in the calculation of corporate income tax is IDR 81.108.679 where the results of the calculation of income tax using Government Regulation Number 23 of 2018 are lower than the results of the calculation of income tax based on Income Tax Law Number 36 of 2018.

5. Conclusion

Based on the results of the discussion and analysis that has been carried out, the following conclusions are obtained:

1. The amount of the corporate income tax value of CV. ITM based on Income Tax Law Number 36 of 2008 obtained a result of IDR 99.838.000 and the amount of income tax based on Government Regulation Number 23 of 2018 was obtained IDR 18.729.321. Thus, the difference between the amount of income tax is obtained based on Income Tax Law Number 36 of 2008 and Government Regulation Number 23 Of 2018 amounting to IDR 81.108.679
2. In calculating the amount of income tax CV. ITM is more efficient in using tariffs following Government Regulation Number 23 of 2018 because it causes the value of income tax payable to be lower by IDR 81.108.679.

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Analysis of Service Quality Improvement Using the Six Sigma Method in the Hotel Four Seasons Resort at Jimbaran Bay

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Abstract: The purpose of this research is to determine the level of service quality applied at the Four Seasons Resort Hotel at Jimbaran Bay with the Six Sigma method. This research applies Six Sigma as a method to improve the quality of services of the Four Seasons Resort Hotel at Jimbaran Bay, specifically to meet customer expectations so that customers feel satisfied with the services provided. The results showed that the Four Seasons Resort Hotel at Jimbaran Bay had a DPMO value of 201.944, if converted it showed a Six Sigma value of 2,34 on a satisfaction target of 5 or very satisfied. Based on the Fishbone diagram, the order of problems that dominates must be resolved is the evaluation of services and facilities, standardization of time or improvement of administrative procedures, and allocation of vacant room items.

Keywords: *Six Sigma, Quality Improvement, Service Quality, DMAIC, DPMO*

1. Introduction

In generally, the company's goal is to produce goods or services in order to make a profit. The company wanting a continuous and developing production process that can guarantee the survival of the company [1]. The number of hotels, especially 5 star hotels in Bali Province, continues to increase every year. A significant increase where in 2015 there were 281 hotels which developed into 551 hotels in 2017 to date. The rapidly growth of similar hotels within 2 years is the reason for the management to maximize the performance of hotel excellence. Service quality greatly affects customer satisfaction, because if the service quality is not in accordance with consumer expectations [2]. The level of satisfaction is a function of the difference between perceived performance and expected performance [3]. Companies in Indonesia are also required to apply competent international standards. Therefore, hotel accommodation service companies must immediately improve themselves to be able to compete, especially in terms of service quality to their customers, one of which can be by applying the Six Sigma method. Six Sigma is a quality improvement tool based on data and statistical users and a management tool that focuses on quality control by exploring the company's overall production system to eliminate production defects, reduce product manufacturing time, and eliminate costs [4]. DMAIC is a process performance improvement cycle that is carried out on the collected data. Four Seasons Resort at Jimbaran Bay has not implemented Six Sigma as a performance measurement tool. This reseach applies Six Sigma as a method to improve the service quality of the Four Season Hotel at Jimbaran Bay, especially to meet customer expectations so that customers are satisfied with the services provided.

2. Literature review

2.1 Service Quality

Service Quality can be defined as the difference between the reality and the expectations of customers for the services they receive or receive. The concept of servqual is a choice of scale that is concise but has a high enough level of trust and truth where a company management can use it to better understand how customers' perceptions and expectations of a company's service quality[5].

2.2 Six Sigma

Six Sigma is a vision of improving the quality of products and services towards 3.4 failure rates per million opportunities [6]. This method uses a five-step methodology to remove defects at all stages of the company. Six Sigma defines defects as anything that is not in accordance with customer expectations. The purpose is to apply a measurement-based approach that focuses on identifying and increasing defects where customers can be said to be satisfied if they receive the service as expected. Quality management is based on three basic principles, namely focus on customers, participation and cooperation of all individuals in the company and focus on processes that are supported by continuous improvement and learning. These principles are the cornerstone of the Six Sigma philosophy [7].

3. Research methods

The author uses a quantitative descriptive analysis technique with a sample size of 80 customers. The instrument used in this study was a questionnaire from the measured service quality variables consisting of five dimensions. Each of the five dimensions of service quality is represented by several questions, totaling 18 questions. To determine the score, a Likert scale is used where interests (expectations and performance) are given a weighting of one to five. Test instrument with validity and reliability test. Starting from the problems with hotel customer complaints, followed by identification using the quality dimensions of Service Quality as outlined in the questionnaire then obtained gap and continued by analyzing data using DMAIC from Six Sigma,

4. Results and Discussion

4.1 Service Quality

From the results of the calculation of the gap as a whole shows that the lowest gap value is in the dimension of reliability or willingness to provide good service, namely the employee variable handles problems or complaints experienced by customers appropriately with a gap value of 1.4125 which means that it is in accordance with customer expectations, whereas The highest gap is the dimension of empathy or personal attention or employee sincerity, that is, the employee variable meets customer needs with a gap value of 0.6.

Measurement of customer satisfaction carried out by Four Seasons Resort At Jimbaran Bay is in accordance with the dimensions of physical evidence, reliability, responsiveness, assurance, and empathy as outlined in the questionnaire statement and distributed to hotel customers. Through the questions posed by the researcher, it is clear that the Four Seasons Resort At Jimbaran Bay pays close attention to the five dimensions of customer satisfaction that the results of customer perceptions obtained by the Four Seasons Resort At Jimbaran Bay have a good average in service. When viewed from the gap value in this study, all of which are positive, it indicates that the service has exceeded customer expectations.

Table 1. Perceived, Expectation, and Gap for Each Attribute

Dimension	Question Attribute	Customer Satisfaction		
		Perceived	Expectation	Gap
Tangible	X1.1 Four Season Resort At Jimbaran Bay has a complete, comfortable, clean and well-organized room interior	4.125	3.05	1.075
	X1.2 Four Season Resort At Jimbaran Bay has complete facilities such as swimming pools, fitness, conventions and spas as well as Food and Beverage outlets.	4	2.925	1.075
	X1.3 Four Season Resort At Jimbaran Bay has employees who look neat, clean, and attractive.	4.1125	3.0125	1.1
	X1.4 The Four Season Resort At Jimbaran Bay brochure provides clear information	4.025	3	1.025
Respon-sive-ness	X2.1 Four Season Resort At Jimbaran Bay employees provide maximum service.	4.0375	2.9125	1.125
	X2.2 Willingness and honesty of Four Season Resort At Jimbaran Bay employees in serving customers.	3.975	3.0875	0.888
	X2.3 The procedure for arranging room / event reservations and other transactions is accurate, fast and precise.	4.0125	3.1375	0.875
reliability	X3.1 Four Season Resort At Jimbaran Bay employees are responsive in answering customer questions.	3.9125	3.075	0.838
	X3.2 Four Season Resort At Jimbaran Bay employees appropriately handle problems or complaints experienced by customers.	4.325	2.9125	1.413
	X3.3 Four Season Resort At Jimbaran Bay employees provide the exact information customers need.	4.0625	3.1375	0.925
	X3.4 Four Season Resort At Jimbaran Bay employees respond to customer requests precisely and quickly.	3.8375	2.9625	0.875
assurance	X4.1 Four Season Resort At Jimbaran Bay employees are able to convince customers of hotel security.	4.0125	2.775	1.238
	X4.2 Four Season Resort At Jimbaran Bay has employees who have the competence and professionalism in serving customers.	4.175	3.1	1.075
	X4.3 Four Season Resort At Jimbaran Bay employees give customers the confidence to handle the problems faced by customers.	4.0125	3.0625	0.95
empathy	X5.1 Four Season Resort At Jimbaran Bay employees are able to establish good relationships with customers.	4.0625	3.05	1.013
	X5.2 Four Season Resort At Jimbaran Bay employees are able to communicate well.	3.95	3	0.95

X5.3	Four Season Resort At Jimbaran Bay employees are able to serve customers attentively.	3.625	3.025	0.6
X5.4	Four Season Resort At Jimbaran Bay employees meet customer needs.	3.5625	2.825	0.738

Source: The Result of Data Processing 2020

4.2 Six Sigma

Through the servqual dimensions, the sigma values for each dimension are obtained. At the servqual calculation stage, the attributes and dimensions have been defined which are the parameters in assessing service quality. At the define stage, the results of the calculation show that the one with the biggest gap is attribute X5.3, i.e. employees meet customer needs. However, to be more certain, the next six sigma stage must be carried out to see other critical problems. Six sigma calculation aims to improve the quality of services and facilities by improving the variables / attributes that cause customers to be less satisfied.

Table 2. Baseline Performance Measurement Result at The Outcome Level Based on Attribute.

CTQ	Dimension	Perceived	Expected	Gap	Target Satisfaction	Satisfaction Level	DPMO	Sigma	
		(1)	(2)	(3) = (1)-(2)	(4)	(5) = [(1)/(4)] x 100%	(6) = 1 - (5) x 1.000.000	(7)	
1	tangible	X1.1	4.125	3.05	1.075	5	82.50%	175,000	2.43
2		X1.2	4	2.925	1.075	5	80.00%	200,000	2.34
3		X1.3	4.1125	3.0125	1.100	5	82.25%	177,500	2.42
4		X1.4	4.025	3	1.025	5	80.50%	195,000	2.36
5	responsiveness	X2.1	4.0375	2.9125	1.125	5	80.75%	192,500	2.37
6		X2.2	3.975	3.0875	0.888	5	79.50%	205,000	2.32
7		X2.3	4.0125	3.1375	0.875	5	80.25%	197,500	2.35
8	reliability	X3.1	3.9125	3.075	0.838	5	78.25%	217,500	2.28
9		X3.2	4.325	2.9125	1.413	5	86.50%	135,000	2.60
10		X3.3	4.0625	3.1375	0.925	5	81.25%	187,500	2.39
11		X3.4	3.8375	2.9625	0.875	5	76.75%	232,500	2.23
12	assurance	X4.1	4.0125	2.775	1.238	5	80.25%	197,500	2.35
13		X4.2	4.175	3.1	1.075	5	83.50%	165,000	2.47
14		X4.3	4.0125	3.0625	0.950	5	80.25%	197,500	2.35
15	empathy	X5.1	4.0625	3.05	1.013	5	81.25%	187,500	2.39
16		X5.2	3.95	3	0.950	5	79.00%	210,000	2.31
17		X5.3	3.625	3.025	0.600	5	72.50%	275,000	2.10
18		X5.4	3.5625	2.825	0.738	5	71.25%	287,500	2.06
	Mean		3.9903	3.002778	0.9875	5	79.81%	201,944	2.34

Source: The Result of Data Processing 2020

Measure stage is to measure the current level of importance obtained from measuring the gap between customer interest and satisfaction in servqual analysis and sigma level. The measurement stage begins by calculating the average level of performance, the average level of importance, the gap, target satisfaction, DPMO, and the level of sigma. At the six sigma stage, it will only calculate the level of satisfaction, DPMO, and sigma level. In this research, the target of satisfaction to be achieved is a score of 5, which is very satisfied, which comes from the answer to the Linkert scale of satisfaction from number 1, namely not satisfied to number 5, which is very satisfied. In this study, if the researcher sets a satisfaction target of 4, then almost all of the company's service attributes are already at 6 sigma. Therefore, the researchers set a scale of 5 as a satisfaction target.

In the Analyze stage, what is done is to analyze the main causes of problems in room service. In this stage, the attributes with the sigma value are below average. Based on the calculation of the sigma value, the average sigma level is 2,340 or is in 2 sigma conditions with a possible defect of 201,944 for a million service processes or 20.19% Defect Per Million Opportunities (DPMO). So it can be concluded that the desired sigma level is still far from the desired target, i.e. 6 sigma and DPMO 3,4. There are six service attributes that are below average.

In this research, the service process capabilities that have the highest negative gap value at the Four Season Resort At Jimbaran Bay are as follows: Process capabilities of the willingness and approval of employees in serving customers, Process capabilities of employees who are responsive to customer questions, Capabilities of employees to respond to customer requests appropriately and quickly, Employee process capabilities are able to communicate well, employee process capabilities are able to serve customers attentively, and employee process capabilities meet customer needs. In the fishbone diagram, the researcher sees what dominates the dissatisfaction, i.e. the dimension of empathy. If it is related to 5S in the service industry, it comes from skills, systems, and suppliers. Skills problems, the lack of service experience to problems found in the field are based on the lack of optimal training process, problems in communication, and the material provided is insufficient. The understanding of employees and servants in the trainee process, it can cause slow processing of problems that occur in the field in determining task timing of services at the Four Seasons Resort at Jimbaran Bay. The system that is the root of the problem is that the waiting time is long enough between one customers to another. And problems with suppliers of limited number of service goods. This study coincides with the high frequency of hotels where there is a peak in the density of the number of customers which causes the number of goods used services. While there are several customer breakfast menu requests when it is not in season. Some materials such as fruit, fish and other foodstuffs as well as the use of amenities items.

At the improve stage, it is recommended that management provide more and more easy-to-understand training material for employees, that the problem-solving process in the field can be resolved quite quickly. In this case the training that must be emphasized is the room technician that they can communicate better with customers who are at the Four Season Resort at Jimbaran Bay in order to speed up the process. Management can provide welcome drinks, entertainment, or chat with customers while waiting in the lobby due to limited buggies to pay attention to customers. Some customers like the little attention paid by employees. Allocating vacant room items to villas or customers who need them.

The DMAIC process control stage of Six Sigma cannot be implemented because the research site is temporarily closed in April - July 2020 due to the covid-19 outbreak.

5. Conclusion

Based on the distribution of questionnaires to respondents, data has been obtained between the perceptions and expectations of customers which lead to the level of customer satisfaction. Servqual calculation results show many positive values, which means the services provided are in accordance with expectations and it is known which service criteria have met customer satisfaction and which

variables need to be prioritized to get the main priority in getting attention in order to improve service quality.

The results of the six sigma calculation found dissatisfaction / complaints that occurred in the service process because the average value of DPMO was 201.944 and the sigma level of 2,34 on the satisfaction target was very satisfied or 5. The sigma level that has been achieved is still far from the desired target is 6 sigma and DPMO 3,4. Then the attribute that has the highest failure rate is "Employees meet customer needs" with DPMO 287.500 and sigma level. From the priority scale, it has been found that the contributing factors are the lack of experience and the trainer process that is not optimal and affects the service process that occurs at the Four Seasons Resort At Jimbaran Bay.

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The Analysis of Application Income Tax Article 21 for Business Subject to Final Income Tax at CV RPT

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Abstract: This research aims to analyze and determine 1) The application of income tax article 21 on business subject to final income tax at CV RPT, 2) The potential for underpayment of article 21 income tax after calculating according to applicable tax regulations. CV RPT is a company engaged in the construction service business. For taxpayers who are subject to final income tax, benefit in kind given to employees is the object of income tax article 21. The data used in this research are secondary data obtained through observation and documentation. This research uses a quantitative descriptive analysis. Based on the results of the research, there is a potential for underpayment of income tax article 21 on CV RPT, amounting to Rp9.212.540 for permanent employees and Rp2.750.000 for final income tax article 21 on pension benefits. Besides, it also resulted in the potential for the imposition of administrative sanctions in the form of interest due to the still unfulfilled income tax article 21 obligation, namely Rp1.289.756 for underpayment of article 21 income tax for permanent employees and Rp385.000 for final income tax article 21 on pension benefit.

Keywords: income tax article 21, benefits in kind, pension benefits.

1. Introduction

The construction service business functions as a support for the realization of national development, also supports the national economy. The main pillar of revenue in the State Budget comes from the taxation sector [1]. This revenue is used to meet government spending needs in the context of national development [2]. Income tax is the largest contribution from the taxation sector, amounting to 49.84% of total tax revenue, both from individual and corporate taxpayers [3]. Based on the realization of tax revenue in 2019, the construction service business is one of the highest contributing sectors of income tax in Indonesia [4]. The construction service business is one of the entities subject to the final income tax. The final income tax is income tax whose imposition is final (ended) so that it can't be credited from the total income tax payable at the end of the tax year [5]. The application of taxation for taxpayers who are final income tax has significant differences with non-final taxpayers. One of them is the application of income tax article 21. Benefit in kind provided by an employer is an object of income tax article 21 of employees for taxpayers who are subject to final income tax [6]. Not many taxpayers are aware of these provisions, except for taxpayers or people who have studied specifically related to the regulation or who have been directly involved in similar cases.

The results of an unstructured interview with two companies through employees in the accounting department who also work on corporate taxation, said that the application of the employee's article 21 income tax had nothing to do with the business entity. This proves that the information regarding the application of income tax article 21 for businesses that are subject to final income tax is not widely known by taxpayers. Since the government enacted PP No. 23/2018, individual taxpayers, corporate taxpayers in the form of cooperatives, limited partnership, firms, or limited liability companies that meet the stipulated conditions may choose to apply PP No. 23/2018 which is subject to a final income tax rate of 0,5% of gross turnover. This taxpayer must pay attention to its relationship with other tax applications, such as the application of income tax article 21 for employees.

CV RPT is one of the companies engaged in the final service sector that has carried out the tax obligations of income tax article 21, but has not fully complied with the applicable tax regulations. The components of income in the calculation of income tax article 21 for permanent employees on CV RPT are salary, allowances, insurance premiums paid by employers, religious holiday allowance (THR) and bonuses. These components did not include benefits in kind, namely rent for employee residence and purchase of sport uniforms. CV RPT also has not deducted article 21 income tax on pension benefits paid to employees whose working period ends in 2019. This is due to limited knowledge and lack of understanding of CV RPT as a deduction for employee article 21 income tax. So that the lack of calculation of income tax article 21 by CV RPT led to the potential for underpayment of income tax article 21 which also resulted in potential interest sanctions for late payment of income tax article 21. There have been several previous studies regarding the analysis of the application of income tax article 21 to assess compliance with applicable tax regulations. The results of research conducted by Alfons et al. [7] found that there were still objects of income tax article 21 that had not been collected by the CV Unggul Abadi Manado. Furthermore, Silalahi et al. [8] also found that the calculation and deduction of income tax article 21 on employee salaries were not in accordance with the provisions of the applicable tax regulations. Focus of this research is to analyze the application of article 21 income tax on business that are subject to final income tax on CV RPT and to determine the potential for underpayment of article 21 income tax after calculation according to the applicable tax regulations.

2. Literature Review

2.1. *Income Tax Article 21*

Income tax article 21 is a tax on income in the form of salaries, wages, honorarium, allowances, and other payments received or obtained by domestic individual taxpayers in connection with work or position, services, and activities [9].

2.2. *Withholding Tax Method Article 21*

According to Pohan [10], there are three methods of withholding income tax article 21 that taxpayers can choose. 1) The gross method, namely income tax article 21 is borne by the employee so that it directly reduces the income provided by the employer. 2) The net method, namely income tax article 21 is borne by the company. There is no reduction in the salary received by employees. 3) The gross up method, namely the deduction of income tax article 21 by providing allowances to employees. This allowance adds to the employee's income because it is subject to the employee's article 21 income tax. The amount of tax allowance is equal to the amount of income tax article 21 payable for each employee.

2.3. *Benefits in Kind*

Benefits in kind is any remuneration received by an employee and or their family, not in the form of money from the employer [11]. Receipt of benefit in kind is income for employees but is not included as part of the salary or wages received by the employee. However, based on PER-16/PJ/2016 article 5 paragraph (2a), benefits in kind are objects of income tax article 21 for taxpayers who are subject to final income tax. The calculation of income tax article 21 on benefit in kind is based on the market price of the goods given or the fair value of the gifts benefit in kind provided [12].

3. Research Methods

The type of data used in this research is quantitative data including the calculation of income tax article 21 CV RPT, general ledger, the recapitulation of SPT, the recapitulation of payment and reporting income tax article 21, and proof of transactions in 2019. The data collection procedures used are observation and documentation. The data analysis technique used in this study is a descriptive quantitative analysis, start from collecting data, analyzing data, calculating income tax article 21, comparing the results of calculations according to applicable tax regulations with calculations by the company, and describing the results of the study.

4. Result and Discussion

4.1. Application of Income Tax Article 21 on CV RPT

CV RPT is a construction service company with the classification of small businesses for buildings. This company is subject to final income tax article 4 paragraph 2 at a rate of 2% of gross turnover. The company as the employer is withholding income tax article 21 on the income given to employees. Withholding income tax article 21 by company, as many as 37 people out of 110 permanent employees owned by the company.

Each month the company calculated the income tax article 21 for permanent employees by adding up the salary and income-adding components given to employees. The components to increase employee income are 1). Honorarium and other benefits consisting of job allowances, family allowances, attendance allowances, food allowances, official allowances, income tax allowances article 21, 2). Employer insurance premiums, namely employment insurance, and health insurance, 3). The irregular income consisting of religious holiday allowances and bonuses. The result was gross income less than the functional expenses and retirement security paid by employees. CV RPT is a business subject to final income tax, has different provisions from non-final businesses, namely the object of income tax article 21 for employees. This provision is regulated in PER-16 / PJ / 2016 article 5 paragraph (2). Income withheld from article 21 income tax for taxpayers who are subject to final income tax including benefit in kind in whatever name and form the employer gives to employees. The search results on the general ledger in 2019, CV RPT has not included all benefits in kind given to employees. The type of benefits in kind referred to consists of employee residence allowance and uniform purchase cost.

Employee residence allowance is a cost incurred by the company for the residence of employees who work on projects located outside the employee's domicile. This benefit in kind is included in the rent expense account. On the proof of the rental payment transaction, there is the signature of the employee who receives money to pay the rent and there is no authorization from the lessee. The conclusion of this transaction is a residence allowance for employees who work outside the employee's domicile. So that this residence allowance is an object of income tax article 21 as an addition to employee income. Calculation of employee residence allowance based on team members according to the assignment letter for the project concerned. The amount of rent for the employee's residence is Rp214.670.000.

The cost of purchasing uniforms incurred by the company in 2019 is the purchase of sports uniforms. Employees wear this uniform when doing sports routines every Saturday before carrying out their work. The cost of purchasing this uniform is included in the other expense account of Rp3.300.000. The distribution of sports uniforms is only for permanent office employees and those who get assignments on projects located in Bali, amounting to 30 people.

The application of withholding income tax article 21 by CV RPT is appropriate using the gross up method. If the company bears income tax article 21 for employees, it is one of the benefits in kind received by the employee. For taxpayers who are subject to final income tax, benefit in kind given to employees is the object of income tax article 21. So companies that are subject to final income tax cannot apply the net method (income tax article 21 that is borne by the company) because using the net method, the article 21 income tax borne by the employer does not add to the employee's income. Companies can only apply withholding income tax article 21 using the gross method and the gross up method. The use of the gross method will result in article 21 income tax and lower employee's take home pay compared to the gross up method. The choice of withholding income tax article 21 depends on the policies of each

company for its implementation. The company makes tax payments through an electronic tax payment system called e-Billing. For CV RPT tax reporting using e-Filing media by uploading e-SPT to the DJP Online website. Based on the research results, CV RPT has deposited and reported income tax article 21 payable every month on time.

4.2. Potential Income Tax Article 21 Underpayment after Calculation According to the Applicable Tax Regulations.

The recalculation of income tax article 21 causes additional income tax payable to 40 out of 110 permanent employees. Comparison of the calculation of income tax article 21 according to the company and PER-16/PJ/2016 obtains the potential for underpayment of income tax article 21 according to as shown in Table 1.

Table 1. Potential of Income Tax Article 21 Underpayment (in Rupiah)

Information	Based on		Potency
	Company	PER 16/PJ/2016	
Salary	2.756.750,000	2.756.750.000	-
Allowance:			-
Income Tax Allowances	140.505.360	149.717.900	9.212.540
Honor and Other Benefits	4.051.655.000	4.051.655.000	-
Employer Insurance Premium	174.925.934	174.925.934	-
Benefits in Kind	-	217.970.000	217.970.000
Religious Holiday Allowances (THR) and Bonuses	698.250.000	698.250.000	-
Total Gross Income	7.822.086.294	8.049.268.834	227.182.540
Subtraction:			
Functional Expenses	358.346.049	368.308.278	9.962.230
Retirement Security (JHT)	101.536.947	101.536.947	-
Net Income for One Year	7.362.203.295	7.579.423.606	217.220.311
Non-taxable income	6.822.000.000	6.822.000.000	-
PKP	1.413.544.921	1.531.876.475	118.331.554
One Year Income Tax Payable	140.505.360	149.717.900	9.212.540
Sanctions Article 8 paragraph (2a)	-	1.289.756	1.289.756

* Correction assumption will be made in July 2020

Based on Table 1 regarding the comparison of the calculation of income tax article 21 according to the company and PER-16/PJ/2016, it shows that there is an addition of benefit in kind components. The

company has not added benefits in kind as employee income amounting to Rp217.970.000, which comes from employee residence allowances and the cost of purchasing sports uniforms. The calculation of income tax article 21 payable according to the company amounts to Rp140.505.360, while the calculation according to PER-16/PJ/2016 gets a value of Rp149.717.900. So that the difference obtained from the comparison of the calculation of income tax article 21 according to the company and according to PER-16/PJ/2016 is Rp9.212.540, which is the potential for income tax article 21 underpayment of CV RPT in 2019.

The impact of the underpayment of income tax article 21 is the potential for administrative sanctions in the form of interest due to late payment. Imposition of sanctions of 2% per month from the underpayment of income tax article 21 starting from the due date to the date of payment with part of the month calculated as one full month [13]. The potential for interest sanctions obtained is Rp1.289.756, assuming the company makes corrections in July 2020.

Tracing on the 2019 general ledger CV RPT also found that there were pension benefit payments to three employees made in December 2019. Based on the Income Tax Return Article 21, the company has not deducted income tax article 21 on all pension benefits. Employee income in the form of pension benefits paid at once in the event that part or all of the payment made within a maximum period of 2 calendar years, subject to withholding income tax article 21 that is final [14]. The potential income tax of article 21 payable on pension benefits shown in Table 2.

Table 2. Potential Income Tax Article 21 Payable on Pension Benefits (in Rupiah)

Information	Income Tax Article 21 Payable		
	Company	PMK No. 16/PMK.03/2010	Potency
Soekamto	-	1.500.000	1.500.000
Suprpto	-	-	-
Sainur	-	1.250.000	1.250.000
Total Payable Final Income Tax Article 21	-	2.750.000	2.750.000
Sanctions Article 8 paragraph (2a)	-	385.000	385.000

* Correction assumption will be made in July 2020

Based on Table 2, the results show that there is a potential for underpayment of final income tax article 21 on pension benefits in 2019 in CV RPT of Rp2.750.000. The impact of companies that are late in carrying out their tax obligations to deduct article 21 income tax on pension benefits is the potential for administrative regulations in the form of interest. When making corrections (assuming the correction is carried out in July 2020), the underpayment of income tax article 21 is multiplied by the rate of 2% per month from the time the payment is due until the settlement is Rp385.000. In December, the company had reported the SPT income tax article 21 on time so that there was no potential penalty for late reporting, the company only needed to make corrections to the SPT.

The results of this study are the additional potential for underpayment of Article 21 income tax by CV RPT in line with research conducted by Alfons et al. The study found that CV Unggul Abadi has not collected income tax article 21 from the income of employees who participate in training, fees for air conditioning services, maintenance of office buildings and cleaning service salaries [7]. Research from Silalahi et al. also produced similar findings regarding the potential for underpayment of article 21

income tax. The study found that the calculation and deduction of article 21 income tax on employee salaries were not in accordance with the provisions of the applicable tax regulations because they had not included attendance allowances in the calculation of article 21 employee income tax [8]. Whereas in this study the potential for underpayment of article 21 income tax arises as a result of CV RPT as the taxpayer subject to final income tax not including benefit in kind as an object of article 21 income tax according to PER-16/PJ/2016. The company also has not yet collected final article 21 income tax on pension benefits paid at once to employees following PMK No. 16/PMK.03/2010.

5. Conclusions and Suggestions

5.1. Conclusions

Based on the results of the discussion contained in the previous chapter, the conclusion as follows: The application of the calculation of income tax article 21 carried out by CV RPT is not fully following the provisions of PER-16/PJ/2016, especially article 5 paragraph (2a). For taxpayers who are subject to final income tax, the object of income tax article 21 also includes benefits in kind provided by the employer to employees. The company has not added benefits in kind in the form of allowances for employee residences and the cost of purchasing sports uniforms to increase employee income. The application of the income tax article 21 CV RPT withholding method is appropriate to use the gross up method, so that the article 21 income tax that is borne by companies classified as benefits in kind has been included as an addition to employee income. Besides, CV RPT also has not deducted article 21 income tax on pension benefits paid to three employees whose working period ends in 2019. The company deposits and reports the tax obligations of article 21 income tax on time.

Based on the recalculation of article 21 income tax, permanent employees of CV RPT according to the provisions of PER-16/PJ/2016 get the result that there is a potential for underpayment of article 21 income tax of IDR 9,212,540.00. There are additional of benefits in kind as an object of income tax article 21 amounting to Rp217.970.000. The potential for underpayment of income tax article 21 resulted in potential administrative sanctions in the form of interest for late payment of Rp1.289.756. Meanwhile, the calculation of final income tax article 21 on pension benefits to employees according to PMK No.16/PMK.03/2010, there is a potential for underpayment of article 21 income tax of Rp2.750.000 and a potential penalty of interest for late payment amounting to Rp385.000.

5.2. Suggestions

In withholding income tax article 21, CV RPT must take into account a). Benefits in kind as an addition to employee income because it is an object of income tax article 21 for taxpayers who are subject to final income tax, b). Income tax article 21 on pension benefits for employees whose working period has ended to fulfill tax obligations following applicable tax regulations.

It is better if CV RPT immediately corrects the underpayment of income tax article 21 to anticipate the tax audit in the following years and to avoid higher interest sanctions and to further improve compliance with tax regulations. Besides, companies should always seek information on tax regulation updates.

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Operational Audit as a Performance Assessment Tool of Front Office Cashier at Renaissance Bali Uluwatu Resort & Spa

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Abstract. An operational audit is an examination conducted to review (systematically) part or all of the organization's activities in order to evaluate whether the available resources have been used effectively and efficiently. The front office cashier is one of the most important parts because it has the main function of carrying out tasks related to guest account payments at check-in and check-out related to the hotel's main source of revenue. Payment transaction processes and reports on transactions made must comply with applicable Standard Operating Procedures. This study aims to analyze and reveal the performance of the front office cashier related to payment transactions made by guests during check-in and check-out at the Renaissance Bali Uluwatu Resort & Spa. The data used in this research comes from primary data obtained by conducting interviews and documentation. The analysis technique used is the Miles and Huberman analysis technique, where the activities in qualitative data analysis are carried out interactively and continue to completion, so that the data is saturated. The results of the operational audit on the cashier's front office performance is the front office cashier's performance is considered to be efficient but less effective. This can be seen from the frequent occurrence of shortcomings when reporting, namely the attached transaction proof in the form of a credit card slip, which based on the SOP should also be attached to the cashier's journal report submitted to the Finance Department.

Keywords: operational audit, front office cashier, performance

1. Introduction

The hotel industry plays an important role as one of the supporting sectors for tourism. Without a hotel it will be difficult for tourism in an area to develop. The existence of a hotel as a means of public accommodation is very helpful for tourists who are visiting for a tour with the services provided by the hotel. Hotel is a company that is managed by its owner by providing food, beverage, and bedroom facilities to people who are traveling and are able to pay a reasonable amount according to the service received.[1].

The rapid development of the tourism sector requires every hotel business to adapt to changes in an increasingly competitive environment and to improve business strategies in order to remain competitive

to achieve their business goals [2]. Every hotel is required to create good service that is supported by the presence of qualified human resources or employees. To create this, a series of inspection and evaluation activities on operational activities carried out by the hotel are required, in the form of operational audits[3].

Operational audit is an examination of the company's operations, including accounting policies and operational policies that have been determined by management, to find out whether these operations have been carried out effectively, efficiently and economically. The results of the operational audit can be used for future improvement materials so that the hotel can carry out operational activities effectively and efficiently[4].

The front office is a department located at the front of the hotel, not far from the hotel lobby and entrance, with a location at the front of the front office including the department that is most easily searched and seen by guests, so the services provided to guests and the performance of their employees must really good and in accordance with the standards set by the company. The front office is further divided into several main sections, namely information, operators, and front office chasers[5].

Front office cashier one of the most important parts because it has the main function of carrying out tasks related to guest payment payments when checking in or checking out related to the hotel's main source of revenue. How to process payment transactions and reports on transactions carried out must be in accordance with Standard Operating Procedures applicable in the company.

The front office cashier at Renaissance Bali Uluwatu Resort & Spa accepts payments from guests for room rental and other facilities used by guests. Based on the applicable SOP, reports made by the front office cashier are made per end of shift and a summary of transactions per day is made. The report must also be accompanied by supporting transaction evidence in the form of a folio for each transaction and a credit card slip for payment by credit card.

The fact that what happens is that the front office cashier staff on duty often do not attach proof of transaction in the form of a credit card slip which should be attached to the cashier journal report made by the front office cashier staff. The department in the Finance Department that checks the cashier's journal report must contact the front office cashier for a re-examination of the transaction. This caused the front office cashier on duty on the next shift to re-examine the transactions that occurred on the previous day. As a result, work obstructs the work in the Finance Department which checks cashier journal reports because it will take longer to do the work.

2. Literature review

2.1 Audit

Auditing is defined as a systematic process to obtain and evaluate (objectively) evidence related to assertions about economic actions and events, in order to determine the level of compliance between assertions and predetermined criteria, and communicate the results to interested parties. . In general, audits can be grouped into five types, namely: 1) financial statement audits, 2) internal control audits, 3) compliance audits, 4) operational audits, and 5) forensic audits[6].

2.2 Management Audit (Operational)

Management (operational) audits are conducted to review (systematically) part or all of the organization's activities in order to evaluate whether the available resources have been used effectively and efficiently. The results of the operational audit are in the form of recommendations to management regarding operational improvements. Operational audit is also often called a performance audit or management audit[6]. The targets in an operational audit are activities, activities, programs and areas within the company that are known or identified as still requiring improvement / improvement, both in terms of economization, efficiency and effectiveness. There are three main elements to an audit

objective: 1) Criteria, 2) Cause, and 3) Effect. The stage in the operational audit is divided into five stages including the following: 1) Preliminary audit, 2) Review and testing of management controls, 3) Detailed audit, 4) Reporting, and 5) Follow-up[7].

2.3 Performance assessment

Performance appraisal is the periodic determination of the operational effectiveness of an organization, parts of the organization, and employees based on predetermined goals, standards and criteria. The main purpose of performance appraisal is to motivate employees to achieve organizational goals and to comply with predetermined standards of behavior produce the desired action and results[8].

2.4 Effectiveness and Efficiency

Effectiveness can be understood as the level of success of a company to achieve its goals. Effectiveness can be interpreted as a comparison of inputs and outputs in various activities, up to the achievement of the goals set, both in terms of quantity (volume) of work results, quality of work results, and the targeted time limit. Efficiency relates to how the company operates, in order to optimize the use of its resources. Efficiency is related to the method of work (operation). In relation to the input-process-output concept, efficiency is the ratio between output and input. How much output is produced by using a certain number of inputs the company has[7].

2.5 Front Office Cashier

The main task of the cashier in general is to receive payments, as well as in hotels to receive payments and provide expense accounts to guests. Its main function is to carry out tasks related to guest account payments when checking in and checking out efficiently, friendly and accurately[5].

3. Research methods

This study uses qualitative data in the form of an explanation of Results of interviews with the front office cashier regarding the work procedures of the front office cashier and Standard Operating Procedures for the front office cashier. The data source used is primary data in the form of interviews with the front office cashier and Standard Operating Procedures at the front office cashier. Data collection procedures used are documentation and interviews.

Activity in qualitative data analysis is carried out interactively and continues to completion, so that the data is saturated. Activities in data analysis are: 1) data reduction, 2) data presentation, and 3) drawing conclusions.

4. Results and Discussion

Renaissance Bali Uluwatu Resort & Spa distinguishes two types of guests, namely those who have made a reservation first, either through travel agents or hotel websites and walk-in guests. Regarding payment transactions during check-in and check-out, the front office cashier makes a report, a copy of which will be given to the Finance Department. This report is made per end of shift and a summary is also made per day. The report is D140 Journal Cashier. D140 Journal Cashier is a journal for transactions made by front office cashiers. The journal records payment transactions made by guests for payments for rooms and hotel facilities used. For transactions with credit cards, a credit card slip for payments made and a folio will be attached to these transactions. Each front office cashier receives Rp.5,000,000 (five million rupiah) which is used in carrying out duties as cashier. For cash payment transactions, the money will be put in an envelope then dropped into the drop safe box. This cashier journal is printed at the end of each shift, and at 21.00 for all cashier id's checked by the night auditor.

Efficiency relates to how the company operates, in order to optimize the use of its resources. Efficiency relates to the method of work (operation). The operational activities of the front office cashier

at Renaissance Bali Uluwatu Resort & Spa, when compared to the definition of efficiency, can be considered efficient. Judging from the process of recording payment transactions made by guests, it is computerized and uses a system, so there is little possibility of errors in recording or adding up the total payment. The computerized recording process and using the system makes the work process faster and easier. Control or supervision has been carried out by the FO Supervisor for cash that will be dropped into the drop safe box to be taken by the general cashier. As well as the payment process by guests and the recording has been carried out in accordance with the applicable SOP.

Effectiveness can be understood as the level of success of a company to achieve its goals. Effectiveness can also be interpreted as a comparison of inputs and outputs in various activities, up to the achievement of the goals set, both in terms of quantity (volume) of work results, quality of work results, and the targeted time limit. The operational activities of the front office cashier are considered ineffective, because there is often a lack of proof of transactions in the form of credit card slips which should be attached to the cashier journal report that the front office cashier submits to the Finance Department. This is not in accordance with the standards stipulated in the SOP, that the credit card slip of each transaction must be attached to the cashier's journal report.

Based on the implementation of an operational audit on the performance of the front office cashier regarding payments made by guests during check-in and check-out, findings or audit evidence have been found that support recommendations for improvement / correction for the front office cashier at Renaissance Bali Uluwatu Resort & Spa. as follows:

1. Criteria, procedures performed by the front office cashier in reporting payment transactions by guests when check-in and check-out are carried out in accordance with applicable Standard Operating Procedures, and attaching proof of transaction, one of which is a credit card slip.
2. Condition, there is often a lack of supporting transaction evidence, namely a credit card slip in the cashier's journal report submitted to the Finance Department.
3. Due to the lack of accuracy of the front office cashier on duty when doing shift closing and the lack of detailed inspection by the night auditor when examining the summary of transactions per day.
4. As a result, the reporting carried out by the front office cashier is not in accordance with the Standard Operating Procedure, which also affects the finance department that checks credit card transactions which will be hampered in doing their work because they have to ask the front office cashier to re-check evidence of insufficient transactions. So that the performance of the front office cashier is considered less effective. Previous research conducted by Angelia (2016) entitled "Operational Audit of Human Resource Functions at Hotel X Surabaya" also found that policies that were not implemented in operational activities led to ineffective performance, this was due to not updating the job description accordingly. with policies so that the tasks carried out are not in accordance with the job description. In contrast to research conducted by Elva (2019) with the title "Operational Audit on the Sales and Consumer Service Function at the Hamzah Batik Malioboro Shop", which found that the performance of the sales department was considered effective based on generally accepted standards even though the company did not have a written SOP. for the sales department, this is because operational activities are carried out based on verbal instructions by the manager. The performance of the front office cashier at Renaissance Bali Uluwatu Resort & Spa is also contrary to the theory of effectiveness according to Bayangkara, (2015: 17). Effectiveness can be understood as the level of success of a company to achieve its goals. So that the performance of the front office cashier can be considered ineffective because the goals set based on the SOP are not achieved.
5. Recommendation, to conduct a more detailed examination by the shift leader when the shift closes and the night auditor to ensure that every transaction recorded in the cashier's journal has a credit card slip attached as proof of the transaction which is also in accordance with the settlement credit card per day.

Operational audit aims to help the company assess the level of effectiveness and efficiency in the front office cashier's performance and provide recommendations for improvements in the management

of activities carried out by the front office cashier. Based on the results of the operational audit on the performance of the front office cashier, Renaissance Bali Uluwatu Resort & Spa especially the front office cashier is expected to follow up on the recommendations given so that the performance of the front office cashier becomes more effective. Because based on the results of previous research conducted by Ida Ayu Dewi Prayogi Manuaba and Ketut Muliarta RM (2019) found that operational audits have a positive effect on hotel employee performance.

5. Conclusions and suggestions

Based on the results of the implementation of operational audits on the performance of the front office cashier, it can be concluded that the performance of the front office cashier regarding payment transactions made by guests during check-in or check-out is efficient but less effective. The performance of the front office cashier is considered to be efficient because based on the results of operational audits that have been carried out, the process of recording payment transactions made by guests is computerized and uses the system. Control or supervision has been carried out by the FO Supervisor on the money from cash transactions. As well as the payment process by guests and the recording has been carried out in accordance with the applicable SOP.

Based on the conclusions that have been presented, the suggestions that can be given are as follows: 1) A more detailed examination should be carried out by the shift leader when the shift is carried out and the night auditor ensures that every transaction recorded in the cashier's journal has attached evidence of supporting transactions in accordance with the standard applicable. So that the performance of the front office cashier becomes effective because the results achieved are in accordance with the SOP and do not cause obstacles in the work process for other related departments, 2) The performance of the front office cashier is considered efficient, the hope is that it can be maintained and implemented better so that front performance office cashier at Renaissance Bali Uluwatu Resort & Spa is getting more efficient.

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Income Tax and VAT Review as Evaluation of Tax Obligations

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Abstract: This research aims to provide a further understanding on the matter of (1) the condition of tax compliance of income tax and VAT on foreign services, (2) contingent liabilities arising after a review of tax obligations. The data used in this research are primary data such as interviews about the general description of the company and tax obligations, while secondary data in the form of general ledgers, commercial financial reports, reported tax return and other tax supporting documents. The method used for this research is qualitative method as a case study. The tax review performed is a review of the income tax article 21, income tax article 23, income tax article 4 paragraph 2, income tax article 26, corporate income tax and VAT on foreign services. The conclusion of this research are (1) the condition of tax compliance on PT BCL was still classified as under comply both in accordance with national and international assessment standards; (2) contingent liabilities arise marked by a discrepancy between the value of the reported tax object and the value of the tax object based on the review until the delay in payment and reporting tax obligations.

Keywords: contingent liabilities, tax compliance, tax obligations, tax review

1. Introduction

Taxation is an issue that has been relevant in the past 5000 years of human history and will continue to be relevant in the future [1]. Arnold (2012) stated that the taxation system in Indonesia always improve their terms of income and administration even though the tax collection is still low as expected [2]. According to Syakura and Baridwan (2014) the discrepancy of tax collection can be seen from Indonesia's tax ratio which is still low [3]. The OECD stated that the tax ratio in Indonesia is still far lower than other Asian countries at 11.5% [4]. However, Indonesia's tax ratio when compared to the tax ratio to OECD GDP of 34.2%, Indonesia is still far behind [5]. According to Listyowati et al. (2018) low tax ratio in Indonesia is caused by a lack of awareness and compliance taxpayers (tax compliance) [6]. Low tax compliance affects the tax ratio so that the low value of the tax ratio becomes a serious problem [7].

Generally, there are several factors that influence taxpayers compliance such as internal and external factors [3]. Internal factors affecting taxpayers compliance include taxpayers awareness factors, understanding of tax laws and regulations, education, and rationality [8]. External factors that influence

taxpayers compliance include social stigma over the complexity of the tax system [9]. These two factors are the background for taxpayers to choose not to comply in carrying out its tax obligations. Therefore, the government needs to conduct a tax audit to test taxpayers compliance in carrying out its obligations [10]. Nowadays, taxpayers were faced with two choices between conducting a tax review or waiting for a tax audit by the government due to an indication of tax evasion. However, Hofmann et al. (2014) stated that if a tax evasion is detected there will be fines carried out through a tax audit that is coercive in nature [11]. Mills and Plesko (2003) stated that taxpayers should do internally review tax calculations and reports and bookkeeping before auditing by the tax authority to minimize errors [12].

This research was conducted to evaluate the tax obligations of whether the tax obligations at PT BCL are carried out correctly. On the other hand, it also ensures that there are sanctions that may arise in the future in implementing their taxation rights through a comprehensive tax review. Internal tax review to be carried out in the form of an evaluation of tax obligations includes corporate income tax, income tax article 21, income tax article 23, income tax article 26, and income tax article 4 paragraph (2) and VAT on foreign service. PT BCL is a property company located in Badung Regency. In 2019, PT BCL received a notice of tax underpayment assessment known as SKPKB for the 2016 tax year and received letter of a request for an explanation of data and/or information known as SP2DK for the 2018 and 2019 tax year. Based on this, the researcher then traced the fulfilment of obligations the taxation. The search results showed that PT BCL has constraints in determining the classification of tax objects on income tax and obstacles in fulfilling tax obligations for the use of services from outside the customs area.

Another obstacle is the bookkeeping conducted by PT BCL carried out by each property while the tax calculation and reporting is done centrally so that it affects the fulfilment of its tax obligations. Based on these problems, the researcher is interested in conducting a review of PT BCL's tax obligations. The purpose of this study are to describe the condition of tax compliance of fulfilling tax obligations by tax review and measuring whether there are contingent liabilities for fulfilling tax obligations of PT BCL in fiscal year 2019.

2. Research Methods

This research is a qualitative research with a case study approach. Baxter et al. (2008) revealed that by using this type of case study, all conclusions will be translated into description forms that are associated with theory and findings [13]. Njie and Asimiran (2014) consider that an important interest in qualitative case study research is the expression of meaning in the nature of reality as understood and interpreted by people, namely through a tax review in evaluating taxpayers compliance in this study [14]. In qualitative research, there is no certain way in conducting analysis [15]. Qualitative data analysis emphasizes more on the process of data collection and the approach used in research, not after completion of data collection [16]. Therefore, the most effective data analysis technique for researchers is discussion through interviews and documentation, as well as understanding related taxation rules and related literacy through documentation studies in carrying out tax reviews.

In this study researchers describe data analysis techniques based on the results of researchers' analysis. The first step is through the collection of data interview. The information obtained through interviews is not standardized in the form of a general description of the business, the current tax compliance conditions of taxpayers, and matters that become obstacles during taxpayer's calculation, deduction, payment and tax reporting. Further data collection is the study of documentation through the search of books, journals and tax legislation in accordance with the research topic and data collection through documentation of the fulfilment of taxation obligations that have been reported including tracing financial statements and general ledgers. The second stage is conducting a formal compliance analysis by summarizing the fulfilment of tax obligations. The fourth stage is conducting a material compliance analysis by reviewing transactions and supporting documents in determining the tax object, re-calculating and reconciling the findings of the tax object and tax payable based on the results of the review and periodic/annual tax return, and the final stage is evaluating compliance with the obligation taxation carried out by the company and calculate contingent liabilities that arise after the tax review.

3. Result and Discussion

3.1. *The Conditions of Compliance by Tax Review*

PT BCL has fulfilled administrative requirements as a taxpayer both administration related to center and local taxes. Based on this, PT BCL already has a taxpayer identification number (NPWP) and registered at KPP Madya Denpasar. PT BCL which is engaged in lodging accommodation services, for its business activities has the obligation to determine its own amount of tax payable in accordance with the principle of self assessment system (SAS) and to withhold taxes on business transactions that are taxable objects in accordance with the principle of withholding tax collection (WHT).

Table 1. The Conditions of Tax Compliance and Contingent Liabilities
PT BCL's Fiscal Year 2019 Based On Tax Review

Description	Tax Deposit's Date	Tax Return's Date	Tax Potential	Tax Sanction
Income tax article 21	Non Comply	Comply	13.679.808	3.388.095
Income tax article 23	Comply	Comply	43.169.592	11.304.772
Income tax article 26	Non Comply	Non Comply	1.415.585	453.467
Income tax article 4 Paragraph 2	Non Comply	Comply	1.693.600	344.848
VAT on foreign Service	Non Comply	Non Comply	194.799.179	54.470.621
Company income tax	Comply	Comply	62.947.750	3.776.865
Total			317.705.514	73.738.668

3.1.1. *Review of Income Tax Article 21*

Review of income tax article 21 is carried out through a formal compliance analysis by checking the accuracy in payments and reporting of the income tax article 21 period during 2019. The examination results based on Table 1 show that PT BCL has not fulfilled the applicable rules when viewed from the perspective of formal obligations due to delays in terms of deposit of income tax article 21. Further analysis is material compliance by checking the accuracy of the calculation of income tax article 21 referred to PER-16/PJ/2016. The result of the examination of material compliance on Table 1 showed that there are income tax article 21 objects that are not taken into account, this results in a potential underpayment tax of IDR13,679,808.00. The tax object of income tax article 21 which is not calculated is the income received by non-employees that is not sustainable. The potential is obtained from cost accounts that explicitly do not contain the element of income tax article 21, including: rent expenses, maintenance/ engineering expenses, other office expenses, hotel cleaning expenses, marketing expenses, and other expense. This indicates that the company has not complied referred to PMK No. 39 /PMK.03/2018 and OECD international policies on income tax article 21.

3.1.2. *Review of Income Tax Article 23*

The results of examination based on Table 1 income tax obligations of income tax article 23 regarding formal compliance shows that PT BCL has fulfilled the applicable regulations because it is timely in terms of depositing and reporting income tax article 23. The next analysis is material compliance by examining the entire object of income tax article 23. The results of the examination of material compliance with income tax article 23 refers to PMK No.141/PMK.03/2015 based on Table 1 showed that there are income tax article 23 objects that are not taken into account, this raises the potential for underpaying tax as much as IDR43,169,592.00. Object income tax of article 23 which has not assessed are transactions on lease of assets, management services, installation services, repair/maintenance services, internet services, other services. This indicates that the company has not complied referred to PMK No. 39 / PMK.03 / 2018 and OECD international policies on income tax article 23.

3.1.3. Review of income tax article 26

Based on Table 1, there is potential for income tax article 26 objects but after it has been confirmed that PT BCL has not made any obligation to deposit or report tax return. The results of tracing into the ledger PT BCL showed that object contained income tax article 26 were not taken into account, this creates the potential for tax underpayments amounting to IDR1,415,585,00. The tax object of income tax article 26 which is not calculated is the income received by foreign taxpayers who receives income from the use of advertising and website services besides the use of online travel agent services from abroad, but is subject to 0% tariff because it has DGT form so that the tax treaty provisions can be applied. The potential is obtained from expenses accounts that explicitly do not contain the element of income tax article 26 such as: telephone, internet, facsimile expenses, marketing expenses, and other expenses. This indicates that the company has not complied referred to PMK No. 39/PMK.03/2018 and OECD international policies on income tax article 26.

3.1.4. Review of Income Tax Article 4 Paragraph 2

Review of income tax article 4 paragraph 2 based on Table 1 showed that in terms of formal compliance not yet fulfilled the applicable rules. The results of the review of income tax article 4 paragraph 2 reported that there was a delay in depositing the income tax article 4 paragraph 2. When viewed from material compliance. The results of the inspection in PT BCL's general ledger show that there is an object of income tax article 4 paragraph 2 which is not taken into account, this raises the potential for underpayment tax of IDR1,693,600.00 which referred to PP No. 40 of 2009. The tax object of income tax article 4 paragraph 2 which is not calculated is for the construction service business. This indicates that the company has not complied based on PMK No. 39/PMK.03/2018 and OECD international policies on income tax article 4 paragraph 2.

3.1.5. Review of VAT on Foreign Service

Based on Table 1, there is potential for the use of foreign service in Indonesia, but after it has been confirmed that PT BCL has not made any deposit or reported tax return. The tracing results in PT BCL's general ledger show that there are foreign service VAT objects that are not taken into account, this results in a potential underpayment tax of IDR194,799,179.00. The tax object of foreign service VAT which is not calculated is income from the use of advertising and website services, in addition to the use of online travel agent services from abroad. The potential is obtained from cost accounts that explicitly do not contain VAT foreign service elements, including: telephone, internet, facsimile, marketing expense, and other expenses. This indicates that the company has not complied when referred to PMK No. 39/ PMK.03/2018 and OECD international policies of VAT on foreign service.

3.1.6. Review of Corporate Income Tax

Review of corporate income tax based on Table 1 is carried out through a formal compliance analysis by checking the accuracy in payment and reporting of the annual tax return of PT BCL 2019. The results of tracing showed that PT BCL has met the applicable rules when viewed from the perspective of formal compliance. The next analysis is material compliance by checking the accuracy of the calculation of corporate income tax. The results of the compliance of the material shows that there is an object Corporate Income Tax is supposed to do when the fiscal correction refers to the Law of Income Tax Article 6 and Article 9. Those impact their tax potential payable arise for Rp62.947.750,00. The potential is obtained from the expense accounts that should be corrected such as depreciation expenses account refers to PMK No. 96/PMK.03/2009, entertainment expense, and interest expense on loans and provisions refer to PMK No. 169/PMK.010/2015. This indicates that the company has not complied based on PMK No. 39/PMK.03/2018 and OECD international policies on Corporate Income Tax. However, payment and reporting on income tax article 25 have been paid in a timely manner.

A review conducted at PT BCL concluded that PT BCL's compliance conditions were classified as under comply despite an tax audit in 2016. During fiscal year in 2019 PT BCL has carried out tax obligations on income tax article 21, income tax article 23, income tax article 4 paragraph (2), and corporate income tax but from the results of the review there are PT BCL's tax obligations that have not been implemented, namely income tax article 26 and VAT on foreign service which also contribute to tax payable. Tax potential is the amount of tax that must be paid by taxpayers due to the mismatch of tax policy administration to the economic system [17]. The potential tax arises illustrated that PT BCL has not complied with tax obligations during 2019 to the current tax regulations.

The government needs a strategy so that taxpayer compliance is not only based on forced compliance, but also taxpayer voluntary compliance. Therefore, the essence of evaluating compliance is something that cannot be left out in the form of a response or further treatment of this research. Mazzolini et al. (2017) revealed that the audit produced two effects namely taxpayers forced to comply and increased tax deposit and resulted in changes in behavior both deterrence effect or spillover effect [17]. PT BCL as one of the business units that has gone through inspection certainly experiences as deterrent effect. However, the efforts to optimize compliance through tax audits have now shifted to tax collection [18]. That occurred to PT BCL, even though it has been inspected by tax audit, but there are still tax obligations that have not been reported. This could be caused by two things, namely the tax authority that does not provide direct assistance to PT BCL after inspection or rationality, psychological and sociological factors that also influence the condition of PT BCL in the form of deliberate actions to minimize costs or misunderstanding in understanding the rules, to the lack of concern in respond to every change in taxation rules. The nature of evaluation on compliance is intended in addition to helping PT BCL in educating its tax obligations, the results of the review can be used as an alternative if a tax audit is carried out by the tax authority, also helps the tax authority to understand the taxpayer characteristics in the field and the problems that occur around it, so that the level of compliance taxes can increase over time and effort. Taxpayer compliance is not only based on enforced tax compliance which is temporary, but also taxpayers voluntary compliance [19].

In their research Darmayasa and Aneswari (2016) said that to improve voluntary tax compliance the Indonesian government could adopt the slippery slope frame work theory by Kirchler [7]. Based on this theory there are two things that underlie tax compliance, namely the strength of the tax authority and trust in the tax authority. Referred to the research of Mendoza et al. (2017) tax compliance behaviour can be assessed through psychological aspects because there is a relationship between taxpayers and tax authorities which can be seen as a psychological contract [20]. Psychological contracts built by tax authorities and taxpayers will have an impact on the formation of tax morals that can affect taxpayers willing to pay taxes [21]. When taxpayer is willing to pay taxes, it will affect the social environment (social networking). Nugrahanto and Hidayati (2019) revealed that the taxpayers is connected with the other taxpayers will form social networks and deliver social action (social custom) for his experience [22]. Chau and Leung (2009) assess from the sociological context, the government can impart social ethics and norms and compliant culture in paying taxes to various community groups, organizations, governmental and non-governmental institutions [23]. So the government through various efforts must insert strategies that can increase taxpayers trust in tax authorities, to realize voluntary tax compliance. In accordance with the statement of Desmayani and Budiarta (2018) that by offering various aspects of ease in tax administration will stimulate taxpayers in paying taxes [24].

3.2. *Contingent Liabilities after Tax Review*

One of the purposes of the tax review is to alert whether there is any contingent liability obligation that must be based on the company in the future due to an error in the process of fulfilling tax obligations [26]. In the tax review process carried out related to PT BCL's tax obligations during 2019, it was found that there were still some things that were not in accordance with the applicable regulations, especially in terms of tax deposits and reporting, as well as the results of reconciliation between the data reported in the reported SPT and the data in the financial statements. the emergence of contingent liabilities such as interest sanctions, penalties, and additional underpayments.

The potential amount of PT BCL's contingent liabilities is IDR 382,967,053.00. The potential for underpayment tax obligations results in contingent liabilities in accordance with PSAK 57 in the form of administrative sanctions in the form of interest or penalties. Administrative sanctions have been regulated in article 7 paragraph (1) and article 8 paragraph (2a) of the KUP Law. In article 7 paragraph (1) of the KUP Law if the tax return is not submitted within the time period or the deadline for the extension of the tax return is subject to administrative sanctions in the form of a fine of IDR1,000,000.00 for the annual corporate tax return, a fine of IDR500,000.00 for the VAT for the periodic tax return of VAT and IDR100,000.00 for other periodic tax return. In the case of taxpayers correcting their own annual tax return which results in greater tax debt, they are subject to administrative sanctions in the form of 2% interest per month for the amount of underpaid tax, calculated from the due date until the payment date. For income tax article 21 the amount of sanctions imposed is IDR3,388,095.00. Sanctions amounting to IDR11,304,772.00 arising from income tax article 23 which is underpaid, while income tax article 26 which is underpaid causes an interest penalty of IDR453,467.00. For income tax article 4 paragraph 2, the underpayment creates a sanction of IDR344,848.00 and for VAT on foreign services raises a sanction of IDR54,470,621.00 caused by potential underpayment tax and does not report the VAT for the VAT period. Further sanctions that arise are sanctions on corporate income tax of IDR3,776,865.00 assuming that all aspects of the tax are rectified in July 2020.

PT BCL should immediately make payments for the estimated obligations of the review. In particular, the payment of potential additional underpayments arising from the results of the reconciliation that has been carried out, considering that if the longer it is not paid, the potential interest sanctions imposed will also increase the amount which will have implications for an increase in the number of company losses. On the other hand, PT BCL must be prepared if the KPP later issues a tax collection letter (STP) for the interest or fine that must be paid by PT BCL or an inspection by tax audit.

4. Conclusions and Suggestions

4.1. Conclusions

The condition of PT BCL's tax compliance and find out the potential tax and company contingent liabilities. The tax review as an evaluation tool for tax liability at PT BCL can be concluded that the tax compliance conditions of PT BCL are classified as under compliance. The non-compliance is due to PT BCL not comply to the national assessment standards referring to PMK No. 39/PMK.03/2018 and SE No. 15/PJ/2018 as well as compliance assessment indicators issued by the international financial agency called OECD. This is due to the fact that PT BCL has not responded well to any renewal of tax regulations, there is a lack of understanding in understanding the rules, deliberate actions to minimize tax costs. On the other hand, the tax authorities implicitly influenced PT BCL's non-compliance due to the lack of direct assistance to PT BCL after the inspection. Failure to meet the assessment standards results in the arising of contingent liabilities.

Contingent liabilities arise marked by a mismatch between the value of the reported tax object and the value of the tax object based on the review until the delay in depositing and reporting tax obligations. The mismatch between tax reporting and conditions in the field has the potential to cause tax payable in its entirety in the amount of IDR317,705,514.00 and the existence of sanction tax administration in the amount of IDR73,738,668.00.

4.2. Suggestions

The advice can be given based on the results of research that has been done is as follows:

1. Taxpayers should conduct period tax reviews so that PT BCL's tax obligations are more measurable in reviewing the company's tax obligations and avoid tax audit by tax authorities. Correction of non-compliance is not only for PT BCL but also applies to the government, especially the tax authorities
2. Tax authorities are required to improve in realizing voluntary compliance. Suggestions that can be given are to provide guidance for business actors and more intense socialization through a

psychological approach. In addition, changes in culture and social norms are needed to increase the trust of taxpayers in tax authorities by prioritizing equity and equality.

This study has limitations on the subject and object of the tax studied. The tax subject is only one taxpayer entity so that it cannot be generalized, as well as the object is still limited to the center tax, not yet touched the local tax. In the future it is necessary to expand the subject and object so that the limitations of this study can be improved.

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Accounting Analysis in Accounts Receivable Management to Minimize the Risk of Uncollectible Receivables at ALS Hotel and Resort

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Abstract: ALS Hotel and Resort applies a credit policy in its operations. The high level of credit sales owned by the hotel, which is followed by the high number of delinquent receivables, has the potential to become uncollectible accounts. Therefore, proper management of accounts receivable is required. This research aims to determine the effect of the application of accounts receivable accounting treatment on the effectiveness of accounts receivable management in minimizing the risk of uncollectible receivables at ALS Hotels and Resort. This research used data obtained through unstructured interviews, observation, and documentation. The data analysis technique used was descriptive qualitative analysis technique and quantitative descriptive. The results of this research showed that the accounting treatment for ALS Hotel and Resort accounts receivable was following the Financial Accounting Standards. Accounts receivable management effectiveness was not yet effective because hotel management has not considered all 5C principles. The receivables collection policy has not been optimal due to the receivable turnover ratio and average collection period that show sub-standard results and impact on the arrears and billing ratios. The suitability of accounting treatment for accounts receivable provides relevant information that the management of accounts receivable to minimize uncollectible receivables has not been effective.

Keywords: Accounting Treatment, Accounts Receivable, Management, Uncollectible Receivables

1. Introduction

The development of the tourism sector in Bali has resulted in intense competition by several businessmen engaged in the hotel industry, thus requiring hoteliers to have a strategy to be able to win this competition. The strategy that can be applied by the company is to increase sales volume through the application of a credit policy. The implementation of this policy creates a claim or receivable.

Receivables are rights or claims to debtors (third parties) for products and services that have been enjoyed by the debtor concerned [1]. Receivables provide benefits for the company, but also have the risk of delays in cash receipts until uncollectible receivables arise. Therefore, it requires the management of accounts receivable. Accounts receivable management is the management of accounts receivable to optimize credit policy, namely achieving a balance between costs resulting from credit policies and

benefits derived from credit policies [2]. Account receivable management is needed to manage and control accounts receivable; thus, it can reduce the number of losses due to uncollectible accounts.

ALS Hotel and Resort, a hotel service company that has been established since 2015 and is experiencing a high level of competition located in Petitenget, Seminyak, Kerobokan Kelod, North Kuta, Badung. The hotel has 240 rooms, as well as other supporting facilities such as SPA, restaurant, boutique, kids club, meeting room, gym, bar, pool, and laundry. Facing fierce competition and maximizing profits, ALS Hotel and Resort implements a credit sales policy. ALS Hotel and Resort has three types of receivables, namely Guest Ledger, City Ledger (travel agent-overseas and travel agent-domestic), and Credit Card. The classification of accounts receivable at ALS Hotel and Resort 2017-2019 is presented in Table 1 as follows:

Table 1. Classification of Accounts Receivable at ALS Hotel and Resort in 2017-2019

Year	Amount Receivable	Not Yet Due	Account Receivable in Arrears
2017	8,771,932,857	4,415,109,655	4,356,823,202
2018	12,262,457,462	6,926,465,940	5,335,991,522
2019	12,152,433,052	6,196,096,462	5,956,336,590

Based on Table 1, it can be seen that the increase in the amount of arrears receivables over the last three years indicates an increase in credit risk, thus resulting in hotel operations being unable to operate optimally. Therefore, to minimize the risk of uncollectible receivables, hotel management must begin to increase the supervision of accounts receivable activity to the credit sales can run smoothly, and receivables can be immediately turned into cash. Besides, it is also deemed necessary to evaluate the accounting receivables treatment for accounts receivable to make in accordance with applicable accounting recording standards to the information on the presentation of receivables in the financial statements reflects the actual situation and produces information that is not misleading and influences decision making for management and other parties with interest in financial statements. Based on the description above, it is deemed necessary to raise accounting issues in accounts receivable management to minimize uncollectible receivables' risk.

2. Literature Review

2.1 Accounts Receivable

Accounts receivables are rights or claims to debtors (third parties) for products and services that have been enjoyed by the debtor concerned [1]. Receivables can be classified into two categories, namely for financial reporting purposes and classified in the balance sheet [3]. Receivables are arising from the existence of a credit sales policy that provides various benefits, namely increasing sales, increasing profits, and winning the competition [4]. The presence of receivables will cause risks such as the risk of not being paid for all receivables, not being paid part of the receivable, late settlement of accounts receivable, and risk of being capitalized [5]. The costs incurred include the cost of write-off accounts receivable, accounts receivable collection costs, and administrative costs [4].

2.2 Accounting Treatment

The accounting treatment for accounts receivable, the stages that regulate the requirements for the presentation of account receivables in the financial statements, thus accounts receivables can be presented fairly and in a relevant. Based on Financial Accounting Standards, the accounting treatment for accounts receivable is assessed by three factors: recognizing accounts receivable, measurement of accounts receivable, presentation, and disclosure of accounts receivable [6].

2.3 Accounts Receivable Management

Accounts receivable management is the management of accounts receivable to achieve optimal credit policy, namely making a balance between the costs resulting from the credit policy with the benefits obtained from the policy [2]. Credit analysis is an analysis used to assess whether or not credit is given [7]. The purpose of credit analysis is to ensure creditworthiness. Credit quality is strongly influenced by the five 5C variables, character, capacity, capital, collateral, and condition [1].

Sales on credit will affect the company's overall financial performance. Therefore, management needs to assess the performance of the accounts receivable [7]. Assessment of accounts receivable management performance can use several ratios that are directly related to accounts receivable. That is receivable turnover, average collection period, arrears ratio, and billing ratio.

2.4 Uncollectible Receivable

Uncollectible receivable is a loss of income that requires, through a proper entry in the article journal recording in the account, a decrease in trade receivable assets as well as a decrease related to profit and shareholder equity [3]. The recording method can be done in two ways, namely, the direct elimination method and the allowance method [3]. The calculation of uncollectible receivables using the allowance method can be done using the age of receivable analysis. The age receivables analysis is classified based on the age characteristics of each receivable based on the receivables' due date by applying different percentages to the age of the receivables. Recovery of uncollectible receivables can be in the form of rescheduling, reconditioning, and restructuring [8].

3. Research Method

This research used qualitative and quantitative data types sourced from primary data and secondary data. Primary data sources were data obtained directly by the writer in this research, including interviews with Credit Managers and observations related to credit policies and accounting treatment for accounts receivable at ALS Hotels and Resort, while secondary data or data obtained from other parties through documentation in the form of financial reports, aging schedule accounts receivable, total credit sales, total receivables, ALS Hotel and Resort credit policy for 2017-2019.

The data analysis technique used was descriptive qualitative analysis techniques and quantitative descriptive analysis. Qualitative descriptive analysis by analyzed the suitability of ALS Hotel and Resort's accounts receivable accounting treatment with Financial Accounting Standards, analysis of 5 credit criteria in providing credit facilities, and compliance with receivables collection. Quantitative descriptive analysis by analyzed the performance of ALS Hotel and Resort's accounts receivable through the calculation of financial ratios related to accounts receivable, including receivable turnover ratio, average collection period, arrears ratio, and billing ratio.

4. Result and Discussion

4.1 Suitability of Accounts Receivable Treatment with Financial Accounting Standards at ALS Hotels and Resorts

4.1.1 Recognition of Accounts Receivable

Recognition of receivables is closely related to the recognition of revenue. It is generally recognized and recorded when the process of generating profit is completed and realized. ALS Hotel and Resort recognizes receivables when the service delivery process has been completed and is recognized based on the exchange rate of the assets sold between the parties conducting the transaction. The exchange rate in question is the value to be paid by the debtor at a predetermined time and proven by documentary evidence called an invoice, such as the hotel recognizing a receivable for the transaction by Lotus Asia Tours in the amount of Rp17,323,667. This shows that the recognition of receivables at ALS Hotel and Resort in accordance with the applicable Financial Accounting Standards, namely PSAK No. 23, which states that revenue relating to sales of services transactions should be recognized by reference to the level of completion of the transaction at the transaction date [6].

4.1.2 *Measurement of Accounts Receivable*

The receivables' measurement includes when recognized and how much receivables must be recorded for the amount presented to show a reasonable value. Accounts receivable measurement at ALS Hotel and Resort measured at the amount stated on the invoice. The recognized receivables amount is the exchange price, or the contract rate agreed between the hotel and the debtor in accordance with the services provided.

Determine the net realization value, ALS Hotel and Resort each reporting has evaluated objective evidence of impairment of receivables by calculating the estimated uncollectable receivables using the allowance method or reserve method through the analysis of receivables age. Therefore, receivables contained in the financial position statements for the period 2017 amounted to Rp10,311,381,062, the period 2018 amounted to Rp15,191,175,176, and for the period 2019 amounted to Rp15,483,734,687 represents the amount receivable after the allowance of uncollectible accounts.

Based on the above discussion, if it is related to the applicable Financial Accounting Standards in PSAK No. 55, which states that financial assets measured at fair value for those recognized on initial recognition [6]. Fair value as the price to be accepted or price to be paid (PSAK No. 68) [6]. Accounts receivable are measured as the present value of the estimated future cash receipts, and accounting requires receivables reporting at their net realizable value or an amount that is expected to be collectible. Thus, in terms of measuring receivables, ALS Hotel and Resort has measured receivables in accordance with applicable Financial Accounting Standards.

4.1.3 *Presentation and Disclosures of Accounts Receivable*

ALS Hotel and Resort presents and discloses receivables in its financial position statements as part of its current assets in net amounts after deducting the allowance for uncollectible receivables by disclosing the impairment in a separate account. When linked with the applicable Financial Accounting Standards in PSAK No. 1, which states the entity classifies assets as current assets as if the entity expects to realize the assets within twelve months after the reporting period. PSAK No. 50, which explains that the presentation of financial assets and financial liabilities presented on a net or net realization value by disclosing impairments in separate accounts, therefore, in terms of presentation and disclosure of receivables at ALS Hotel and Resort has been in accordance with Financial Accounting Standards.

4.2 *Effectiveness of Accounts Receivable Management at ALS Hotel and Resort*

4.2.1 *Credit Policy at ALS Hotels and Resort*

4.2.1.1 *5C Analysis*

Credit standard is one of the company's criteria to select the subscribers who will be given credit and how much should be given [9]. Credit standards are used as a reference for screening prospective debtors in the process of providing credit facilities. Lending the credit to travel agents is carried out using the 5C analysis, namely character, capacity, capital, condition, and collateral [1].

ALS Hotel and Resort in providing credit facilities to prospective debtors only meets three C factors in providing credit facilities to travel agents. Two unfulfilled factors are capital and conditions. This is because supporting data in the form of the financial statement is optional to be attached; thus, prospective debtors are reluctant to provide supporting data, which makes the capital factor tends to be ignored and considered fulfilled. The condition factor is not considered because hotel management prioritizes receivables' smooth payment by looking at prospective debtors' ability to pay off their debts. Based on the three C factors analyzed showing that the entire travel agent has met the requirements of character, capacity, and collateral, so in terms of providing credit facilities to travel agents, ALS Hotel and Resort has not fully considered the 5C factor.

4.2.1.2 *Policy for Collection and Billing of Accounts Receivable*

Accounts receivable collection and billing policies fully implemented by the credit department, led by the Credit Manager, and assisted by Account Receivables with responsibility as part of administration and collection. The procedure for collecting and billing accounts receivable at ALS Hotel and Resort

begins by sending invoices to the travel agent who has obligations to the hotel. Invoice delivery is carried out once a week. This is in accordance with the invoicing policy owned by ALS Hotel and Resort, but not all invoices are sent, the payment received on time. This occurs because there are no strict sanctions for debtors who make payments past the due date, and there is also no discount for debtors who make payments before the due.

Based on the follow-up policy on accounts receivable that are due, sent a reminder letter consists of a reminder letter I, reminder letter II, reminder letter III, and final reminder letter—the sentence contained in the reminder letter made with strong warning words. Still, the realization is not in accordance with the policy, and the hotel only encourages the debtor to pay the receivables within the time limit set by the Credit Manager. This results in the debtor not responding and tends to ignore the reminder letter.

4.2.2 Performance Assessment of Account Receivable at ALS Hotel and Resort

4.2.2.1 Receivable Turnover Ratio

Table 2. Receivable Turnover
at ALS Hotel and Resort in 2017-2019

Year	Receivable Turnover (times)		
	Travel Agent- Overseas	Travel Agent- Domestic	Credit Card
2017	13.75	14.26	57.83
2018	10.83	11.53	49.58
2019	9.48	9.35	44.72

Based on Table 2, the accounts receivable turnover ratio calculation in 2017 - 2019 for travel agent-overseas sub receivables is 13.75 times; 10.83 times; and 9.48 times. The travel agent-domestic sub receivables have a turnover ratio of receivables in 2017 - 2019 of 14.26 times; 11.53 times; and 9.35 times, then for sub credit card receivables in 2017 - 2019 is 57.83 times; 49.58 times; and 44.72 times.

Accounts receivable turnover standard that has been set by hotel management, which is 12 times a year. Overall, the performance of accounts receivable turnover at ALS Hotel and Resort is below the established standards. The low realization of the turnover rate indicates the lack of an effective collection process at ALS Hotels and Resorts because the deviation of the receivables turnover rate from the set standard indicates that working capital remains longer. It is difficult to turn into cash; thus, it can disrupt hotel operations.

This is also shown in research that also obtained the results that the billing of Company X receivables calculated by the receivable turnover ratio does not show effective results due to the low turnover of receivables caused by poor receivables billing efficiency [10].

4.2.2.2 Average Collection Period

Table 3. Average Days of Receivables Collection
at ALS Hotel and Resort in 2017-2019

Year	Average Collection Period (days)		
	Travel Agent- Overseas	Travel Agent- Domestic	Credit Card
2017	27	26	6
2018	34	32	7
2019	39	39	8

Receivables collection is closely related to the accounts receivable turnover ratio. The higher the accounts receivable turnover, the faster the average days of collection of accounts receivable. Based on Table 3, the average days of collection of accounts receivable in 2017 - 2019 for travel agent-overseas sub receivables are 27 days, 34 days, and 39 days. The travel agent-domestic sub-accounts receivable in 2017 - 2019 are 26 days, 32 days, and 39 days, then for credit card sub receivables in 2017 - 2019 are 6 days, 7 days, and 8 days. Compared with the standards set by hotel management, the calculation results indicate that the billing policy at ALS Hotels and Resorts is less efficient. The realization of the average days for the collection of accounts receivable is slow because it does not reach the standard set, which is 30 days. Therefore, it has a bad impact on the company because the capital embedded in the receivables is getting longer; thus, it cannot be used in the company's operations [11].

4.2.2.3 Arrears Ratio

Table 4. Arrears Ratio
at ALS Hotel and Resort in 2017-2019

Year	Arrears Ratio		
	Travel Agent-Overseas	Travel Agent-Domestic	Credit Card
2017	5.16%	4.40%	0.66%
2018	2.49%	4.82%	1.23%
2019	7.09%	2.89%	0.91%

Based on Table 4, it can be seen that the arrears ratio fluctuates. The ratio of arrears for travel agent-overseas sub-accounts receivable in 2017 - 2019 is 5.16%; 2.49%; and 7.09%. Travel agent-domestic sub receivables in 2017 - 2019 in amount of 4.40%; 4.82%; and 2.89% thereafter, for credit card sub receivables in 2017 - 2019 in amount of 0.66%; 1.23%; and 0.91%. The fluctuation in the arrears ratio was caused by the receivables turnover ratio and the average collection period, which were still under the hotel management standard.

The result of the calculation of the arrears ratio on travel agent-overseas, travel agent-domestic, and credit card is not so large. Still, it shows there are still outstanding receivables at the end of the period to be charged in the financial position of the next period [12].

4.2.2.4 Billing Ratio

Table 5. Billing Ratio
at ALS Hotel and Resort in 2017-2019

Tahun	Billing Ratio		
	Travel Agent-Overseas	Travel Agent-Domestic	Credit Card
2017	90.76%	90.35%	98.54%
2018	92.26%	90.27%	97.26%
2019	87.00 %	93.31%	97.97%

Based on Table 5, it can be seen that the billing ratio also fluctuates. The billing ratio for travel agent-overseas sub-accounts receivable from 2017 to 2019 is 90.76%; 92.26%; and 87.00%. The travel agent-domestic sub-accounts have a collection ratio in 2017-2019 of 90.35%; 90.27%; and 93.31% later, for credit card sub receivables in 2017-2019 amount of 98.54%; 97.26%, and 97.97%. This fluctuating

collection ratio is due to the receivable turnover ratio and the average days of the collection, which are still under the standard set by hotel management.

The difficulty in collecting accounts receivable causes uncollectible receivables to become accumulate and results in high working capital embedded in the form of receivables. The increase in the number of receivables, which was not followed by good billing, resulted in the hotel management having difficulty converting receivables into cash; thus, the hotel operations became disrupted and hampered [13].

4.3 The Effect of Accounts Receivable Accounting Treatment at ALS Hotel and Resort on Accounts Receivable Management Effectiveness Assessment.

The appropriate accounting treatment of receivables applied by ALS Hotel and Resort supports the fairness of receivables value that has been presented in financial reporting reflected in the financial position report. The value of the receivables presented is used by the hotel management to assess receivables management's effectiveness to make further decisions for the company's sustainability.

The presentation of accounts receivable in the financial position statement is a net realizable value that will affect the assessment of the receivables' management effectiveness as measured by the performance of financial ratios related to receivables. The value of the receivables presented will affect the calculation of the accounts receivable turnover ratio and the average days of the receivables because the calculation of the two ratios uses the ratio of the value of the receivables presented in the statement of financial position.

The application of accounting treatment, in accordance with the Financial Accounting Standards, causes the receivables presented in the financial statements, showed the net realizable value, namely gross receivables reduced by the reserve for losses on accounts. Thus, the amount of final accounts receivable has decreased, followed by a decrease in the average receivables and will produce a receivable turnover ratio that is higher. The high receivable turnover ratio, then the average collection period of accounts receivable, will be faster, which indicates that the quicker the receivables turn into cash. Accounting Standards will show that the company's effectiveness in collecting its receivables is getting better; thus, the working capital invested in receivables is getting lower [14]. The suitability of the accounting treatment of accounts receivable owned by ALS Hotel and Resort with the Financial Accounting Standards has a positive effect on the assessment of the effectiveness of accounts receivable management at ALS Hotels and Resort and information regarding the activities and performance of accounts receivable is not misleading for users of financial statements.

5. Conclusions

Based on the results and previous discussions can be concluded that the accounting treatment of accounts receivable at ALS Hotel and Resort is fully in accordance with the Financial Accounting Standards indicated on the sales of recognized credits when the service delivery process has been completed and has been issued invoices, as well as recording receivables at the time of the transaction. The initial measurement of accounts receivable is measured by the amount that can be realized. The account receivables are presented to the current asset group at their net realization value after deducting the uncollectible receivables' allowance.

Accounts receivable management of ALS Hotel and Resort in 2017-2019 reflected the ineffective receivable management. This is shown from the crediting standards applied by the hotel management has not fully taken into account all the principles of 5C, namely only assessing from character, capacity, and collateral to accept the application of credit facilities from prospective debtors. The collection and billing receivables policy has less impact in the efforts to increase payments by debtors, namely the absence of strict sanctions for travel agents whose payments exceed the due date and the absence of discounting for travel agents who pay their bills on time. The accounts receivable performance at ALS Hotel and Resort as measured by the maximum unfulfilled ratio because it was caused by two of the three sub-accounts receivable that showed the receivables turnover ratio and the average collection period under the standard set by the hotel management.

The accounting treatment of accounts receivable at ALS Hotel and Resort has a positive influence on the assessment of the effectiveness of accounts receivable management. The suitability of the accounts receivable accounting treatment applied by hotel management affected the financial statements that value accounts receivable presented fairly and relevantly. Thus, the information about the activities and performance of accounts receivable is not misleading for the users of financial statements.

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Management Audit as a Basis to Assess the Efficiency and Effectiveness of Marketing Function at the Inaya Putri Bali Hotel

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Abstract: This study aims to assess the efficiency and effectiveness of the implementation of the marketing function at the Inaya Putri Bali Hotel and reveal the findings obtained during the management audit. Based on findings audit, it can be given right recommendations to make company's future performance better. The data analysis techniques used are quantitative and qualitative methods. Data used is sourced from primary and secondary data through interviews, observations, and documentation. The research begins with collection of data and information relevant to marketing function then processed and analyzed in conformity with the company's plans and guidelines as well as calculation of effectiveness and efficiency levels of Revenue and marketing costs. The results of this research show efficiency of marketing function in Inaya Putri Bali Hotel runs efficiently, but effectiveness marketing function is still under standards company caused by decrease in income room, food and beverage. The company needs to evaluate all sales and marketing management staff, make an innovative promotion programs, make all sales personnel to be active to attend exhibition, sales mission also hotel events and provide training to sales personnel periodically to support performance Inaya Putri Bali Hotel in maximizing the income of room, food and beverage for company.

Keywords: management audit, efficiency, effectiveness, marketing function

1. Introduction

Sales of hotel rooms constitute the largest revenue for hotels, amounting to 52.4% [1]. Room sales is an important element in hotel operational activities. The management in its operations makes room revenue targets to be achieved which are compiled in a budget format. The marketing function is concerned with satisfying customer needs and desires [2]. A good marketing function is a marketing function that can achieve company goals in terms of effectiveness, efficiency and economization in marketing its products. The achievement of these objectives is controlled through operational audits of the marketing function to evaluate the implementation of marketing function activities in order to achieve an effective, efficient and economical result [3].

Hotels that succeed in achieving their goals are strongly influenced by the company's ability to market their products. Hotel Inaya Putri Bali is a hotel with five-star accommodation which is strategically located in the center of tourist attractions in Bali. Competitive competition causes companies to be

required to improve their marketing function in order to meet the specified room revenue targets. Inaya Putri Bali Hotel occupancy rate has continued to decline in the last three years. The following is a table that shows the budget and realization of the occupancy rate of Hotel Inaya Putri Bali in 2017 - 2019:

Table 1. Occupancy Report Inaya Putri Bali Hotel in 2017-2019

Years	Budget	Realization	Variance
2017	87	79.52	7.48
2018	88	78.12	9.88
2019	89	80.87	8.13
Average	88	80	8

Based on Table 1, in 2017 occupancy realization experienced a decrease of 7.48% of the planned budget, as well as in 2018 occupancy realization experienced a decrease of 9.88% of the budget and in 2019 occupancy realization experienced a significant decrease, namely of 8.13% of the planned budget. The cause of hotel room revenue does not perform well is the occupancy rate that did not reach the target as a result of a decrease in the number of guests on the market segment who comes to Bali (Reza). The decline in occupancy rates has an impact on the decline in revenue which can be seen in table 2 below:

Table 2. Total Revenue Inaya Putri Bali 2017-2019

Years	Revenue	Growth
2017	311,500,195,983	-
2018	284,313,537,000	27,186,685,983
2019	302,569,727,764	18,256,190,764

Table 2 shows that the occupancy rate has a very influential on the revenue that will be obtained by the Hotel Inaya Putri Bali, in the last three years the occupancy rate has continued to experience a significant decline and an increase that is not too significant, this can be seen from the 2017 revenue that was obtained of IDR 311,500,195,983 with an occupancy rate of 79.52%, in 2018 the revenue obtained was IDR 284,313,537,000 with an occupancy rate of 78.12% and in 2019 the revenue received was IDR 302,569,727,764 with an occupancy rate of 80.87%.

According to Nofitasari (2013), the assessment of the efficiency and effectiveness of the success of marketing activities is assessed based on the scope of management audits as well as an assessment of plans and realization of revenue and marketing costs accompanied by a profitability ratio. The purpose of this study was to analyze the effectiveness and efficiency of the marketing function at Hotel Inaya Putri Bali.

2. Literature Review

2.1. Management Audit

A management audit is an implementation of a supervisory function that is carried out to ensure that these activities are carried out based on various principles such as efficiency, effectiveness, productivity, coordination, functionalization, and so on [5]. The scope of management audit is all aspects of the company's management activities. The objectives of management audits can be divided into 3, namely: Analytical review procedures, evaluation of management control systems, and compliance tests [6]. The

targets in a management audit are activities, activities and programs in companies that are identified as requiring improvement / improvement, both in terms of economization, efficiency and effectiveness [7]. The management audit stage consists of preliminary audits, review and testing of management controls, detailed audits, reporting, and follow-up.

2.2. Efficiency and Effectiveness

Efficiency is the achievement of maximum output with a certain input or the use of the lowest input to achieve a certain output. Efficiency is the ratio of output / input [8]. Effectiveness is the level of achievement of program results with the targets set. In simple terms, effectiveness is a comparison of outcomes with outputs. Effectiveness describes the entire input-process-output cycle. As for the effectiveness of organizational performance in carrying out work in essence the workers need a sense of security, which has to do with future guarantees, an organizational atmosphere that provides opportunities for growth, without any threats, the relationship between superiors and human subordinates [11].

2.3. Marketing

Marketing is the process of creating, distributing, promoting, and pricing goods, services, and ideas to facilitate satisfying exchange relationships with customers and to build and maintain positive relationships with stakeholders in the environment [2]. The marketing management process is a management process in analyzing the market opportunities of its products, selecting target markets then developing the marketing mix and managing the marketing efforts that will be carried out [7].

2.4. Marketing Management Audit

Marketing audits are comprehensive, systematic, independent, and periodic testing of the marketing environment, objectives, strategies and activities of companies or business units, to determine opportunities and problem areas that occur, and recommend action plans for improve the marketing performance of a company [7]. The scope of the marketing audit includes marketing environmental audits, marketing strategy audits, marketing organization audits, marketing system audits, marketing productivity audits, and marketing function audits.

3. Research Methods

The qualitative data used in this study were guidelines, procedures and police from the sales and marketing department and the results of interviews regarding the marketing function of the sales and marketing department based on company guidelines. The quantitative data used in this study are budget and revenue realization, budget and realization of marketing costs in 2017, 2018 and 2019. The methods used in data collection are interviews, observation and documentation. The data analysis technique used is quantitative and qualitative analysis techniques. Quantitative analysis techniques are used to calculate effectiveness and efficiency as well as calculate the difference between the realization and the budgeted budget. The formula used is as follows:

$$\text{Efficiency} = \frac{\text{Marketing Cost Realization}}{\text{Revenue Realization}} \times 100 \%$$

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

As for this qualitative analysis technique is carried out to analyse operational activities that are effective and efficient in marketing activities by conducting management audit stages such as preliminary audits, review and testing of management controls, detailed audits, reporting and follow-up.

4. Result and Discussion

4.1. Efficiency and Effectiveness

The efficiency of the marketing function at Inaya Putri Bali Hotel can be calculated by using a cost ratio analysis, namely by comparing the costs sacrificed with company revenues. The following is a calculation of the efficiency of the marketing function in 2017, 2018 and 2019 at Inaya Putri Bali Hotel.

Table 3. Marketing Cost Ratio

Year	Revenue Realization	Marketing Cost Realization		Desc
2017	311,500,195,983	8,679,369,462	2.786%	Efficient
2018	284,313,537,000	109,460,710	3.850%	Efficient
2019	302,569,727,764	109,872,850	3.631%	Efficient

The use of this fee based on the policy of the Inaya Putri Bali Hotel is said to be efficient because it is still below 4%. The calculation of the ratio of marketing costs in Table 4.1 shows the results for 2017, 2018 and 2019 the use of marketing costs at Hotel Inaya Putri Bali meets predetermined standards, so it can be indicated that the marketing function activities are running efficiently.

The effectiveness of the marketing function at Hotel Inaya Putri Bali can be calculated using revenue ratio analysis, namely by comparing the revenue realization with the revenue budget so that the calculation of the income ratio analysis for 2017, 2018 and 2019 is as follows:

Table 4. Revenue Ratio

Year	Revenue Budget	Revenue Realization		Desc
2017	314,487,760,304	311,500,195,983	99.050%	Effective
2018	295,189,981,293	284,313,537,000	96.315%	Ineffective
2019	310,946,270,996	302,569,727,764	97.306%	Ineffective

The data in Table 4.2 shows the analysis of the income ratio in 2017 to get a result of 99.050% based on the policy of the Inaya Putri Bali Hotel, this achievement has been effective because it is above 98%. In 2018 the results of the calculation of the income ratio analysis were 96.315% and in 2019 the results of the analysis of the income ratio of 97.306% of this achievement can be said to be ineffective because the achievements in 2018 and 2019 are below 98%.

The effectiveness of the marketing function in 2018 was not achieved because based on the analysis of variants, the overall income variant in 2018 experienced an unfavourable difference mainly in room, food and beverage revenue. This also happened in 2019 where the overall 2019 income variant experienced an unfavourable difference, mainly in room and food income.

The cause of this condition is known through interviews and observations with the sales section, public relations and reservations. Based on the results of observations and interviews conducted with the sales, public relations, and reservation sections, it can be seen that the findings that cause 2018 and 2019 are ineffective conditions. The reason for the occurrence of room income conditions in 2018 and 2019 has very unfavourable variants, one of which is because the evaluation of marketing achievements is not carried out to all sales and marketing departments. Research conducted by Aziz (2013), also found that evaluations that were not communicated appropriately and quickly would lead to suboptimal achievement of targets.

The causes of room, food and beverage revenue conditions in 2018 and 2019 have very unfavourable variants, one of which is the absence of innovative promotional programs related to rooms and the inactivity of sales personnel in participating in exhibitions, hotel events, and related sales missions. This activity is very important for companies to maintain relationships with other hotels, travel agents, and airlines that have worked with hotels for a long time and also expand the hotel distribution channels to get new clients to further expand the market share owned by Hotel Inaya Putri. Bali. In addition, there has not been any training for sales personnel, especially for new staff, which also causes room income, food and beverage conditions in 2018 and 2019 to have very unfavourable variants. Through interviews with the sales, it was found that the company had carried out training and coaching for sales personnel, but it was not done regularly, because it needed professional staff. Meanwhile, new sales personnel have not received training but coaching has been carried out in carrying out administrative work. This is in line with research conducted by Bety (2013) who found that there is no training for salespeople because they are not given a budget for training.

4.2. Recommendation

Recommendations that can be given to management where the company must evaluate all marketing functions without exception, this is because evaluation has an important role in assessing the performance of each marketing function that has been achieved or has not been achieved. Sales and Marketing Department should create new promotional programs that are unique and in accordance with the characteristics of the target market. In making promotional programs, it is better if market analysis is carried out in advance, both those in the Nusa Dua area and outside Nusa Dua to find out which guests are visiting a lot, the needs of these guests, knowing the weaknesses and strengths of competitors, and knowing opportunities that are still rare for competitors so that by knowing these things, the program that will be made will be right on target. In hotel events, exhibitions and sales missions, be it meetings, award awards, and seminars, new knowledge will be obtained which includes the development of other hotels, the way other hotels do marketing and promotional programs implemented by other hotels, so that by knowing this can provide ideas and foster creativity in carrying out activities related to bringing in guests after knowing what events have the potential. The important thing for the company to do is that the management must conduct training and coaching consistently for sales personnel, this is because sales personnel play an important role in conveying the quality of the products owned by the Inaya Putri Bali Hotel to buyers and prospective buyers. Sales personnel must master how to communicate and how to negotiate properly, this can be supported through training and coaching provided by management.

5. Conclusions and Suggestions

Based on the results of research and discussion, it can be concluded that: the efficiency of the marketing function in 2017, 2018, and 2019 runs efficiently based on the standards of the Inaya Putri Bali Hotel. This is because the results of the calculation of the ratio of marketing costs in 2017 were 2.786%, in 2018 was 3.850%, and in 2019 was 3.631% which was below the company's standard of 4%. The effectiveness of the marketing function in 2017 was effective due to the calculation of the income ratio of 99.050%, but it was not the same as in 2018 and 2019 which were ineffective, 96.315% and 97.306% where this achievement was not effective based on the standards of Inaya Putri Bali Hotel because it was below 98%. Effectiveness has not been achieved because based on the results of variant analysis, it is known that room, food and beverage income in 2018 has a very unfavorable variance and in 2018 room and food income also has a very unfavorable variance.

The cause of this condition is due to several internal factors such as lack of evaluation from the director of sales and marketing, lack of room promotion program innovation, food, and beverage, inactive sales personnel in participating in events related to sales and marketing, training and coaching are not carried out. periodically.

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Factors Affecting Accounting Conservatism in Manufacturing Companies Listed on the Indonesian Stock Exchange in 2017-2019

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Abstract. Conservatism is a precautionary principle that can be considered in accounting because a company has an uncertain or unexpected event. The purpose of this study was to determine the effect of company size, capital intensity, debt covenant, and litigation risk on accounting conservatism. This study uses secondary data in the form of annual financial statements of manufacturing companies listed on the Indonesia Stock Exchange with the study period in 2017-2019. The population in this study were 168 manufacturing companies using a purposive sampling method, there were 25 company data included in the criteria. The analysis technique used is to use multiple linear regression analysis. The results of the analysis in this study indicate that at the time of the F Test all independent variables simultaneously influence accounting conservatism, and after the T test is performed shows that company size and debt covenant variables partially affect accounting conservatism, while other independent variables do not influence conservatism accounting, manufacturing companies listed on the Indonesia Stock Exchange in 2017-2019.

Keywords: company size, capital intensity, debt covenant, litigation risk, accounting conservatism

1. Introduction

Global competition has begun to be felt by companies in Indonesia by the end of 2019. This is due to the large number of companies that are allowed to enter free of charge in Indonesia. However, companies in Indonesia are not quite ready to face this global competition. One consequence is the lack of awareness of companies to use international Financial Reporting Standards (IFRS). The purpose of the company is required to implement this IFRS standard is to equal the financial statements of all companies in Indonesia with the world [1]. Financial statements are an operational result of a company in a period [2].

In the creation of known financial statements a concept called conservatism. In general, conservatism is said to be a principle that acknowledge costs or expenses in advance of income at the back. Conservatism often said to be a pessimistic principle due to revenues recognized later than the load. But some say conservatism as a helpful principle company in anticipation of not being too optimistic, as any speculation of the company is not can always run smoothly [1]. The influence of accounting

conservatism can be measured through many factors including the size of the company, the intensity of capital, debt covenant and the risk of litigation [3].

2. Literature Review

2.1 Agency Theory

Agency theory explains that an agency relationship arises when one or more principals hire another person (agent) to provide a service and then delegate decision-making authority to the agent. The relationship between agency theory and accounting conservatism lies in the theory of agency forcing the company to explain all costs and revenues contained within the company [4]. Given where agency theory is one of the containers of direct interaction between the company and investors.

2.2 Accounting Conservatism

Conservatism is usually defined as a prudent reaction to uncertainty, aimed at protecting the rights and interests of shareholders and debtholders who determine a verification of higher standards for acknowledging good news than bad news [5]. Such uncertainties and risks must be reflected in financial statements in order for the predicted value and neutrality to be corrected. Careful reporting will provide the best benefits for all users of financial statements. In measuring accounting conservatism using [1].

$$\text{CONACC} = \frac{(\text{NIO} + \text{DEP} + \text{CFO})}{\text{TA}} \times (-1)$$

Description:

CONACC = Conservatism profit according to the item to be paid

NIO = Operating profit for the year

DEP = Depreciation of the year

CFO = Total net cash flow from operating activities

TA = Total Assets

2.3 Company Size

Based on its size the company can be divided into companies large and small. Where large companies must have more complex management systems and high profits. However, large companies have more complex problems and risks than smaller companies. The size of the company can be expressed in the total assets, sales and market capitalization. The larger the total assets, sales and market capitalization, the larger the size of the company. The larger the company's assets, the more capital invested, the more sales the faster the turnover of money and the greater the market capitalization, the larger the company is known to the public. The size of the company can be measured by the following formula [6].

$$\text{Company Size} = \text{Natural Log (Total Assets)}$$

2.4 Capital Intensity

A relative measure in the use of capital that will be compared to labour factors in the company's process, especially the production process and measurement that is often used is the ratio of labour capital or capital shares in payment factors. The assets here are such as factory equipment, machinery and other properties owned by the company [5]. What this means is that this ratio will be able to give an idea of how much of the company's assets are already invested in the form of fixed assets. The company's assets can be cash, cash equivalents and capital. It is expected that the fixed asset will generate an income that will later become the company's capital. The measurements used in measuring variable capital intensity are as follows [3].

$$\text{Capital Intensity} = (\text{Sale Value}) / (\text{Total Assets})$$

2.5 Debt Covenant

A debt covenant is a debt contract measured by leverage. Leverage itself is a ratio that calculates how much a company's assets can pay off a company's liabilities. With the debt covenant, managers will get a lot of assets that come from the loans provided by the creditors. measurements used in this study to

measure debt covenant using leverage ratio. Leverage ratio has the purpose of analysing the spending made by the company in a way to pay off the composition of debt, capital as well as the ability of the company to pay interest and other fixed expenses [6]. The measurements used as debt covenant measurements are as follows:

$$\text{Debt Covenant} = (\text{Total Debt}) / (\text{Total Assets})$$

2.6 Litigation Risk

Litigation risk is a risk already attached to the company and may allow for the threat of litigation or law posed by the affected parties with the company feeling harmed. Risk comes from investors and creditors who feel losses due to companies that cannot pay debts or dividends to third parties that they eventually report to the authorities and the company feels the risk of such litigation [7]. To find out the risk of corporate litigation measured from the following formula:

$$\text{Debt to Equity Ratio (DER)} = (\text{Total Debt}) / (\text{Total Capital})$$

3. Methodology

This study uses a type of quantitative and qualitative data. this data uses secondary data which is the annual report of manufacturing companies listed on IDX. data retrieval procedure by taking several samples using purposive sampling method i.e. sample selection using criteria total of 168 manufacturing companies registered with IDX and after the selection of samples that entered into the criteria as many as 25 companies that will be used as observation data for 3 years. The analytical techniques used are quantitative and qualitative which are calculated using the SPSS program. Will be conducted classic assumption test (normality test, multicollinearity test, heteroskedasticity test, autocorrelation test), regression test and hypothesis test.

4. Result and Discussion

Before conducting the hypothesis, test using multiple linear regression analysis, the classic assumption test is carried out with the following results:

1. Normality Test, the results of the normality test in this study state that with a significance of $0.109 > 0.05$, this means normal distributed residual data.
2. Multicollinearity Test, the results from the multicollinearity test showed that the Tolerance coefficient for independent variables X1, X2, X3, and X4 > 0.10 (10%) and the VIF (Variance Inflating Factor) value of all these independent variables < 10 . So, it can be stated that there is no multicollinearity between independent variables in the regression model, so no independent variables are excluded from the model.
3. Heteroskedasticity Test, the results of this test show that none of the statistically significant independent variables affect dependent variables. This is seen from the probability of its significance > 0.05 , so the regression model does not contain the absence of Heteroskedasticities.
4. Auto correlation Test, results from an auto correlation test showed a Durbin Watson (DW) value of 1,653. The D_l and d_u values in the table at $k = 5$ and the sample number 25, are 0.9530 and 1.8863, then DW of 1,653 is greater than the upper limit (d_u = 1,877) and less than 4-d_u (4-1.8863) then there is no positive or negative auto curation, this means there is no auto correlation so that it qualifies the classic assumption.

After passing the classic assumption test, it is followed by regression analysis regression equations obtained from the test results as follows:

$$\text{CONACC} = -0.233 + 0.006 X1 + 0.042 X2 + 0.110 X3 + 0.026 X4$$

Explanations that can be given related to the regression model that is formed are:

1. The constant resulting from the hypothetical test result of -0.233 means that if all independent variables are worth 0, then the company's accounting conservatism will be -0.233.

2. The regression coefficient of X1 (Company Size) was obtained by 0.006, the result shows if the size of the company rises by 1 unit it will be followed by an increase in accounting conservatism of 0.006.
3. The regression coefficient of X2 (Capital Intensity) obtained by 0.042 the result indicates that if the capital intensity increases by 1 unit it will be followed by an increase in accounting conservatism of 0.042.
4. The regression coefficient of X3 (Debt Covenant) was obtained by 0.110, the result shows if the debt covenant rises by 1 unit it will be followed by an increase in accounting conservatism of 0.110.
5. The regression coefficient of X4 (Litigation Risk) was obtained by 0.026, the result indicates if the risk of litigation increases by 1 unit it will be followed by an increase in accounting conservatism of 0.026.

4.1 Statistic Test T

Table 1 Statistical Test Results T

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.233	.148		-1.571	.121
	Company size	.006	.005	.147	1.277	.006
	Capital intensity	.042	.018	.278	2.349	.222
	Debt Covenant	.110	.040	.425	2.741	.008
	Litigation risk	.026	.017	.244	1.581	.118
a. Dependent Variable: CON ACC						

Variable X1 (Company Size) shows a coefficient yield of T of 1,277 at a significance of $0.006 < 0.05$ this means X1 (Company Size) has a significant positive effect on variable Y (Accounting Conservatism). Variable X2 (Capital Intensity) shows a coefficient yield of T of 2,349 at a significance of $0.222 > 0.05$ this means X2 (Capital Intensity) has no significant effect on variable Y (Accounting Conservatism), variable X3 (Debt Covenant) shows a coefficient yield of T of 2,741 at a significance of $0.008 < 0.05$ this means that X3 (Debt Covenant) has a significant positive effect on variable Y (Accounting Conservatism) while variable X4 (Litigation Risk) shows a coefficient yield of T of 1,581 at a significance of $0.118 > 0.05$ this means X4 (Litigation Risk) has no significant effect on variable Y (Accounting Conservatism). So, the results showed that only independent variables X1 (Company Size) and X3 (Debt Covenant) individually had a significant effect on variable Y (Accounting Conservatism), while other independent variables had no individual effect on profit management.

4.2 Statistic Test F

The test results the F coefficient of 2,843 at a significance of 0.030 means > 0.05 , which means the company size variable (X1), capital intensity (X2), Debt Covenant (X3) and Litigation Risk (X4) simultaneously or together have a significant effect on accounting conservatism variables (Y).

Table 2 Statistic Test Result F

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.059	4	.015	2.843	.030 ^b
	Residual	.363	70	.005		
	Total	.422	74			
a. Dependent Variable: CON ACC						
b. Predictors: (Constant), Litigation risk, Company size, Capital intensity, Debt Covenant						

4.3 Correlation and Determination Coefficients

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.374 ^a	.540	.491	.0720398	1.653
a. Predictors: (Constant), Litigation risk, Company size, Capital intensity, Debt Covenant					
b. Dependent Variable: CON ACC					

Based on the results of this statistical test the size of Adjusted R is 0.491, which means only 49.1% of Variable Conservatism Accounting (Y) is affected by corporate size variables (X1), capital intensity (X2), Debt Covenant (X3) and Litigation Risk (X4) as well as 50.9% influenced by other variables.

5. Conclusion

Based on the results of the analysis and discussion in the previous chapter, it can be concluded as follows:

1. The variable size of the company has a significant effect on the conservatism of accounting with a positive coefficient direction, it means the larger the size of the company, the greater the action of accounting conservatism carried out by the company the larger the. The higher the size of the company or in other words the larger the company will be the higher the level of prudence of the company in reporting their finances, so that it is easy to understand and trust.
2. Variable capital intensity has no significant effect on accounting conservatism because managers will take accounting policies that generate high returns in order to gain trust and great capital from investors.
3. Variable debt covenant has a significant effect on accounting conservatism with a positive coefficient direction, it means the higher the debt covenant, the higher the act of accounting conservatism carried out by

4. The company is getting bigger. A debt covenant is a debt contract measured by leverage. Leverage itself is a ratio that calculates how much a company's assets can pay off a company's obligations. With a debt covenant, managers will get a lot of assets that come from loans and those provided by creditors. This fund loan demonstrates the ability of managers who manage all of the company's assets
5. Variable risk litigation has no significant effect on accounting conservatism. The risk of litigation has no effect on accounting conservatism due to the weak legal force that exists in Indonesia. Weak legal powers will keep companies from considering the threat of lawsuits. Companies that do not consider the threat of lawsuits will continue to report financial statements carefully or accounting conservatism because the company must continue to take responsibility for the company's financial statements so as to keep attracting investors.
6. Variable company size, capital intensity, debt covenant, and litigation risk simultaneously have a significant effect on accounting conservatism in manufacturing companies listed on the Indonesia Stock Exchange (IDX) in 2017-2019.

6. Acknowledgment

Investors may consider factors that influence accounting conservatism in decision-making to invest. To be more careful and wiser in dealing with all the problems that occur. Especially related to accounting practices, one of which is accounting conservatism by not committing irregularities with respect to the threat of applicable legal provisions.

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The Effect of Budget Participation, Budget Emphasis, and Compensation on Budget Slack at Le Grande Bali

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Abstract: Managers and supervisors at Le Grande Bali participate in preparing company budgets and pressured to be able to achieve budget targets, so managers and supervisors make it easier to achieve budget targets through budgetary slack to get compensation in the form of bonuses but also offset by penalties to managers and supervisors and all existing employees at Le Grande Bali a truth inducing system. This study aims to determine the effect of budget participation, budget emphasis, and compensation on budgetary slack both partially and simultaneously on Le Grande Bali. The type of data used in this study is primary data obtained by distributing questionnaires to respondents. The questionnaire was distributed to the Head of Department and supervisors of each section department and subordinates who were involved in the budgeting process at Le Grande Bali. The sampling method in this study uses saturated samples using multiple linear regression analysis techniques. The results of this study indicate that: (1) Budget participation does not affect budgetary slack. (2) Budget emphasis has a significant positive effect on budgetary slack. (3) Compensation has no effect on budgetary slack. (4) Budget participation, budget emphasis, and compensation simultaneously have a significant positive effect on budgetary slack.

Keywords: budget participation, budget emphasis, compensation, budget slack.

1. Introduction

The development of tourism in Bali has a direct impact on increasingly fierce hotel business competition. One of the famous five star hotels in Bali is Le Grande Bali which is located at Jalan Pecatu Indah Resort, Blok 5, South Kuta, Bali. To be able to compete with other hotels in Bali, Le Grande Bali has a good company performance and is able to work effectively and efficiently in order to survive amid the competition. To achieve these goals, companies must compile good planning and planning. One of the important components of planning and control is a budget that provides information about the company's operational activities in a certain period so that the company's goals can be achieved. The budget is a plan that is prepared systematically, which includes all company activities, which are stated in monetary units (unity) and agreements for a certain future period (period). A budget is a plan that will be used as an innovative way of carrying out operational activities [1]. In the process of compiling and implementing it, Le Grande Bali prepares and executes a budget involving the director of each department and a manager in each section per department. The involvement of subordinates in the

preparation of the budget is known as budget participation. The existence of authority in preparing the budget and determining the contents of the budget will provide opportunities for participants to abuse the authority they get by facilitating budget achievement so that it can harm the company, this abuse is done by creating budgetary slack. Budgetary slack occurs when the revenue realization tends to exceed the revenue budget or the cost realization tends to be lower than the cost budget [2]. Based on the data obtained, the budget from the realization of Le Grande Bali 2017-2019 revenues reflects an indication of budgetary slack.

Le Grande Bali makes budget the most dominant factor used in measuring the performance of subordinates. A state or condition known as budget emphasis if within a company is the most dominant factor used in measuring the performance of subordinates [3]. This budget emphasis occurs when the performance of the agent (director of each department and manager of each section per department) is assessed based on the achievement of the company's budget targets, the directors and managers will try to obtain profitable variance by creating a budgetary slack. Budgetary slack or budgetary slack in the budget preparation process can also be caused by compensation. Compensation is a reward that is given by the company to employees as a form of remuneration. This of course will encourage the manager, who has a bonus program, will tend to create a budget that is easily achieved or in other words, to take a budget slack in order to get a bonus when the budget target is reached.

Le Grande Bali was chosen as the object of research because this company is engaged in room service, food and beverage services which in its operational activities use a reporting system to the owner or owner of Le Grande Bali itself. Le Grande Bali was chosen as the object of this study because employee performance is assessed based on the level of achievement of the budget that has been determined in other words only the final result is considered.

1. Literature Review

1.1 Budget participation

Budget participation is a process where individuals are directly involved in and have an influence on the preparation of budget targets whose performance will be evaluated and likely to be rewarded on the basis of achieving their targets [4]. Budget participation is a process of joint decision-making by two or more parties that have a future impact on the decision maker, participation in budgeting means the participation of the operating manager in deciding together with the budget committee regarding a series of activities that will be taken by the operating manager in the future achievement of budget targets [5].

1.2 Budget emphasis

Budget emphasis is a condition where within a company or organization, the budget is the most dominant factor used as a measurement of the performance of subordinates. A person's performance appraisal is determined based on whether or not the budget target is achieved where subordinates are stimulated by a reward if budget planning is achieved, and sanctions if budget planning is not achieved [6]. The emergence of budgetary slack in budget emphasis is encouraged or motivated by the desire or interest of each individual by making budgetary slack, the individual concerned can facilitate the achievement of the budget target itself.

2.3 Compensation

Compensation is an amount of money or awards given by a company or organization to employees in return for services in carrying out the duties, obligations and responsibilities charged. The company or organization will give compensation itself when the employee's performance is considered good [7]. Compensation is a service fee or remuneration provided by the company to its workers because the workforce has contributed energy and thoughts for the progress of the company in order to achieve

predetermined goals [8]. Compensation is also aimed at providing stimulation and motivation to the workforce to improve work performance, efficiency and effectiveness.

2.4 Budgetary slack

Budgetary slack is a budgeting process where there are deliberate distortions by reducing budgeted revenues and increasing budgeted costs. Budgetary slack in practice, from the perspective of agency theory, is influenced by a conflict of interest between the principal and the agent itself that arises when each party is determined to maintain its desires and goals [2]. There are five important conditions that cause budgetary slack. First, there is information asymmetry between agents and principals. Second, the manager's performance is uncertain. If there is certainty, then superiors can predict the manager's efforts through their output, making budgetary slack difficult. Third, managers have personal interests. Fourth, there is a conflict of purpose between managers and their superiors. And the fifth condition is the importance of the role of managers in their participation in the budgeting process. Based on these five factors, three factors, including budgetary participation, budget emphasis, and personal interests (in this case including achieving compensation), have a major influence on budgetary slack [9].

2. Research Method

The type of data used in this research is quantitative data. The quantitative data referred to is budget data and company budget realization collected from the Accounting Department as well as the results of a questionnaire in the form of scores from respondents' answers or quantification of assessment indicators from variables calculated using a Likert scale. The data source of this research consists of primary data. Primary data in this study consisted of survey results using a questionnaire distributed to respondents who then used a Likert scale of 1 to 5, by strongly disagreeing with strongly agree, where the respondents were managers and supervisors (who were involved in budget planning) every time department at Le Grande Bali.

The data collection method used in fulfilling the data required in this study is through field research (Field Research), namely research conducted by interviewing techniques and questionnaires. The population in this study were all department managers and supervisors who participated in the preparation and implementation of the budget at Le Grande Bali. Determination of the sample in this study using saturated samples, which means the technique of determining the sample when all members of the population are used as samples. As for who will be the population as well as the research sample in this study, about 27 people consisting of 1 General Manager, 9 Head of Department, 17 Supervisors at Le Grande Bali.

Technical analysis of the data used is multiple linear regression testing aims to determine the effect simultaneously (simultaneously or simultaneously) between budget participation, budget emphasis, and compensation for budgetary slack. Multiple linear regression analysis will be conducted if the number of independent variables is at least two [10]. The regression equation model is as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

The analytical tool used is the research instrument test, classical assumption test, hypothesis testing.

3.1 Research instruments test

The instrument used to collect primary data must meet two criteria, namely validity and reliability. Validity testing aims to determine whether the instrument used is valid (valid) or not. Testing is done by calculating the correlation between the scores of each question item with the total score in order to obtain Pearson Correlation. If the correlation score of each question item with the total score shows a

positive value and the amount is ≥ 0.3 , then each question item can be said to be valid [10]. Reliability testing was conducted to test whether the data collected through the research instrument showed adequate internal consistency. This research will use the Cronbach Alpha statistical test with the Statistical Package of Social Science (SPSS). A variable is said to be reliable if the Cronbach Alpha value is > 0.70 .

3.2 Classic assumption test

The classic assumption tests used in this study include the normality test, heteroscedasticity test, and multicollinearity test. The normality test aims to determine whether each variable is normally distributed or not [11]. The normality test for the variables in this study used the Kolmogorov-Smirnov statistical test. The data is said to be not normally distributed if it has a significance level below 0.05. Heteroscedasticity testing aims to test whether the regression model has an inequality of variants from the residuals of one observation to another [11]. Heteroscedasticity testing is done by making a Scatterplot (distribution path) between the residuals and the predicted values of the dependent variable that have been standardized. Multicollinearity test aims to test whether the regression model found a correlation between independent variables [11]. To test for multicollinearity, it is done by looking at the VIF value of each independent variable, if the VIF value is less than 10 ($VIF < 10$), then the data is free from symptoms of multicollinearity.

3.3 Hypothesis test

The test of the coefficient of determination is used to measure the proportion or percentage of the contribution of the independent variables under study to the fluctuation of the dependent variable. This test uses the Adjusted R Square value when evaluating which is the best regression model. To test the hypothesis in this study, the feasibility test value of the model (F) was also measured. The F test is carried out to show whether all the independent variables included in the model have a joint influence on the dependent variable [11]. The test criteria for the F test is to show the magnitude of the F value and the significance value of p. If the analysis results show a p value ≤ 0.05 , the regression equation model is significant at the alpha level of 5%, so it can be concluded that the model formulated in the multiple linear regression equation is correct. To test the hypothesis in this study partially the value of the variable significance test (t test) was also measured. The significance level less than 0.05 indicates a significant influence between the independent variables and the dependent variable.

3. Result and Discussion

3.1 Research instruments test

Table 1. Validity test results

No	Variable	Instrument Code	Pearson Correlation Score	Information
1	Budget Participation	X11	0,867	Valid
		X12	0,857	Valid
		X13	0,859	Valid
		X14	0,697	Valid
		X15	0,901	Valid
		X16	0,773	Valid
2	Budget Emphasis	X21	0,813	Valid
		X22	0,811	Valid
		X23	0,735	Valid

		X24	0,781	Valid
		X25	0,634	Valid
		X26	0,839	Valid
		X31	0,552	Valid
		X32	0,812	Valid
3	Compensation	X33	0,685	Valid
		X34	0,656	Valid
		X35	0,546	Valid
		X36	0,812	Valid
		Y1	0,675	Valid
		Y2	0,788	Valid
4	Budgetary Slack	Y3	0,630	Valid
		Y4	0,820	Valid
		Y5	0,675	Valid
		Y6	0,788	Valid

Based on Table 1, the results of the validity test state that all statement items are valid because they have met the criteria in the validity test, namely the Pearson Correlation value ≥ 0.3 .

Table 2. Reliability result test

Variable		Cronbach Alpha	Information
Budget Participation	(X1)	0,908	Reliable
Budget Emphasis	(X2)	0,860	Reliable
Compensation	(X3)	0,765	Reliable
Budgetary Slack	(Y)	0,822	Reliable

Based on Table 2, the reliability test results state that all variables are reliable because they have met the criteria in the reliability test, namely the Cronbach's Alpha value of each variable exceeds the requirement > 0.70 .

3.2 Classic assumption test

Table 3. Normality test

Variable		Sig.	Information
Budget Participation	(X1)	0,015	Normal
Budget Emphasis	(X2)	0,390	Normal
Compensation	(X3)	0,107	Normal
Budgetary Slack	(Y)	0,877	Normal

Based on the results of the normality test above, the variable budget participation (X1), budget emphasis (X2), compensation (X3), and budgetary slack (Y) have a Sig. above 0.05. It can be concluded that the data tested by the Shapiro-Wilk normality test is normally distributed and can be tested further on classical assumptions.

From the heteroscedasticity test with the Scatterplot, it was stated that the data did not occur heteroscedasticity symptoms and could be continued with further testing of classical assumptions.

Table 4. Multicollinearity test

Variable		Tolerant	VIF
Budget Participation	(X1)	0.450	2,223

Budget Emphasis	(X2)	0,363	2,752
Compensation	(X3)	0,634	1,578

Based on Table 4, it can be seen that the tolerance value of the variable budget participation, budgetary emphasis, and compensation is greater than 0.10 and the VIF of each of the independent variables is less than 10. This means that the regression equation model is free from multicollinearity.

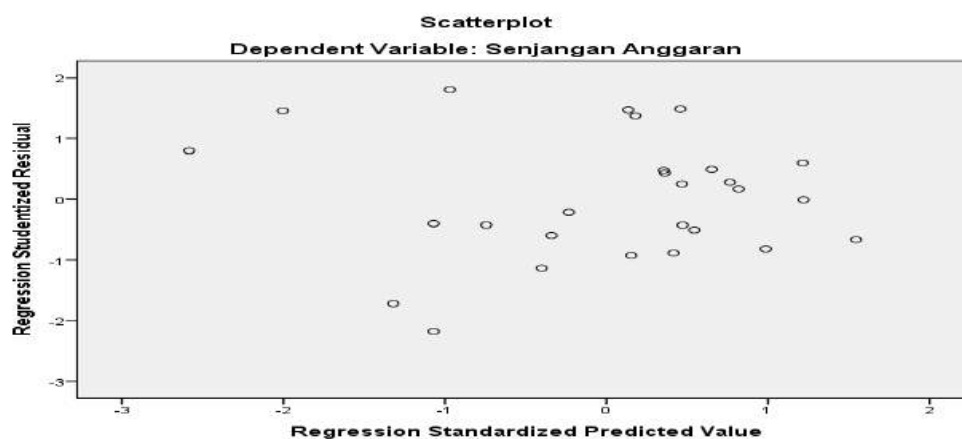


Figure 1. Heteroscedasticity test

3.3 Multiple regression analysis test

3.3.1 Hypothesis test

Table 5. The results of multiple regression analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,887	0,788	0,760	1,769

Table 6. F test analysis

Model	Sum of Squares	df	Mean Square	F	Sig
1 Regression	266,717	3	88,906	28,420	0,000

Table 7. t test analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std. Error	Beta		
1 (Constant)	7,047	1,929		3,653	0,001
Budget Participation	0,023	0,101	0,032	0,225	0,824
Budget Emphasis	0,584	0,126	0,738	4,628	0,000
Compensation	0,172	0,112	0,186	1,544	0,136

Based on Table 7, the multiple linear regression equation can be arranged as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

$$Y = 7,047 + 0,023X_1 + 0,584X_2 + 0,172X_3 + e$$

3.3.1.1 Test the coefficient of determination (R^2)

Adjusted R Square shows a result of 0.760 means that 76% of the variation in budgetary slack is influenced by variations in budget participation, budget emphasis and compensation, while the remaining 24% is explained by other factors not included in the model.

3.3.1.2 Model feasibility test (F)

Based on Table 6, it is known that the calculated F value is 28.420 with a significance of 0.000, which has a significant probability smaller than the significant criterion, namely 0.05. This shows that the model used in this study is feasible. Budget participation, budget emphasis, and compensation can be used to predict budgetary slack or it can be said that budget participation, budget emphasis, and compensation simultaneously or simultaneously have a positive and significant effect on budgetary slack.

3.3.1.3 Variable significance test (t)

Based on the test results shown in Table 7, it is known that the significant level of t is 0.824 for budget participation (X1), 0.000 for budget emphasis (X2), and 0.136 for compensation (X3). In reference to t-test decision making, it can be seen from the significance value that it must be smaller or below the probability value of 0.05. This shows that partially or the t test only budget emphasis has a positive and significant effect on budgetary slack, while budget participation and compensation do not partially affect budgetary slack.

4. Conclusion

4.1 The effect of budget participation on budgetary slack

In a partial test using the t test shows that budget participation has no effect on budgetary slack. This can be seen from the significance value that must be less than or below the probability value of 0.05, namely $0.824 > 0.05$. This means that increasing or decreasing budget participation in the company budgeting process accompanied by negative or positive behavior to facilitate the achievement of budget targets will not affect the occurrence of budgetary slack.

4.2 The effect of budget emphasis on budgetary slack

Budget emphasis has a positive and partially significant effect on budgetary slack, this conclusion can be proven from the significance value that must be smaller or below the probability value of 0.05. For budget emphasis, the t test results are $0.000 < 0.05$, meaning that the higher the emphasis from the principal on the performance of the agent in achieving the targeted budget will tend to increase the occurrence of budgetary slack.

4.3 The effect of compensation on budgetary slack

In a partial test using the t test shows that compensation has no effect on budgetary slack. This can be seen from the significance value that must be less than or below the probability value of 0.05, namely $0.136 > 0.05$. This means that the higher or lower the compensation in the form of bonuses or commissions given on the basis of achieving budget targets will not affect or lead to tips from the company in facilitating the achievement of budget targets through budgetary slack due to penalties given to subordinates.

4.4 The effect of budget participation, budget emphasis, and compensation on budgetary slack simultaneously

Budget participation, budget emphasis, and compensation together (simultaneously) have a positive and significant effect on budgetary slack, where when the variables of budget participation, budget emphasis, and compensation are constant or have a value of 0, the budgetary slack increases by 0.747 units. This means that the higher the participation of the agent in preparing the budget which is followed by negative or positive behavior and the higher emphasis on achieving budget targets to obtain compensation in the form of bonuses, the higher the budgetary slack that occurs.

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Management Audit of Purchasing Function on the 1st Semester of 2020 in Jimbaran Bay Beach Resort & Spa Hotel

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Abstract. This research aims to determine whether management audit can detect weaknesses that occur in the purchasing function at the Jimbaran Bay Beach Resort & Spa Hotel and provide recommendations for these weaknesses. This research uses descriptive qualitative methods, namely the stages of management audit. The results of the management audit of the purchase function showed that there are weaknesses such as the price of goods not following the purchase order (PO), the supplier does not send the goods under the purchase order (PO), late payment of the debt to the supplier, the process of releasing goods without store requisition (SR), and the difference in the number of items in the store physically with the visual hotel program (VHP) system. The recommendations regarding to these weaknesses are by (1) selecting suppliers that/which are fit to the required criteria, and (2) do not just choose more than one supplier, (3) conduct meetings with suppliers regularly, and (4) tighten in releasing goods in stores.

Keywords: Management audit, purchasing function, and standard operating procedure.

1. Introduction

Jimbaran Bay Beach Resort & Spa Hotel is one of the 4 (four) star hotels located in the Kedonganan beach area. This hotel has a written procedure that are outlined in Standard Operating Procedures (SOP). However not all activities in the purchasing function are carried out in accordance with the SOP during the first semester of 2020. The purchasing function is chosen because every operational activity requires goods obtained through the purchasing process. Purchasing function has a very important role in supporting the company's operational activities. Purchasing is a series of actions to obtain goods and services through exchange with the intention of being used for themselves or resold[4]. Standard Operating Procedures as standardization of the way employees complete the work that completes their duties[2].

The purchasing process needs to go through several procedures, starting from submitting a starting from submitting a purchase requisition, placing a purchase order in accordance with the standards, receiving all ordered items, ensuring that the goods received are in good condition, maintaining the goods, recording the purchase transactions that occur, until the goods are paid for. In order for the purchasing process to run well, the company must establish a purchasing procedure. The procedure has a standard of work which is written in the standard operating procedure (SOP). Every activity carried out by the company must be in accordance with established procedures[5]. Jimbaran bay Beach Resort & Spa Hotel is a company that uses SOPs as a reference in carrying out its business activities.

The process of purchasing goods at the Jimbaran Bay Beach Resort & Spa Hotel has several problems such as shipments being held by suppliers due to late payment and there was a problem when making a market list by the user. The reason is because the physical inventory available at the store at that time did not match the inventory available in the system. Besides that, the prices of the goods sometimes do not match the PO. When there is an urgent collection for goods at the store, sometime doesn't use store requirements, which resulted in a difference between the system and the manual recording. The purpose of this study is to find out how management audits can be used to detect weaknesses that occur in the purchasing function at Jimbaran Bay Beach Resort & Spa Hotel.

2. Literature Review

2.1 Management Audit

To conduct a management audit, there are five stages of a management audit that must be passed. First, a preliminary audit is carried out to obtain background information of the object that being audited. Second, review and testing of management controls, with the aim of assessing the effectiveness and efficiency of management controls in supporting the achievement of company goals. The third stage is a detailed audit, which aims to collect competent and sufficient data to support the audit objectives. The fourth stage is reporting, which aims to communicating the results of the audit and the recommendations given to interested parties. And the last one is a follow-up that aims to encourage the authorities to follow up or improve based on the given recommendations[1].

2.2 Purchasing Function

The purchasing function is responsible for obtaining information about the price of goods, determining the selected supplier in the procurement of goods, and issuing purchase orders to the selected supplier[3]. The purchasing function referred to here is the whole activity in the purchasing process as well as all parts involved in the purchasing process, such as purchasing receiving, store, cost control, and account payable sections.

2.3 Standard Operating Procedure (SOP)

SOP is a guide used to ensure that the operational activities of an organization or company run smoothly[6].

3. Research Methods

This research uses a qualitative approach with a case study method to focus the research, and to highlight the processes and meanings contained in the phenomenon under study. Primary data used in this study are data in the form of results from interviews in the purchasing process guided by standard operating procedures (SOP). Secondary data in this study are in the form of standard operating procedures (SOP) from the purchasing, receiving/store, cost controller, and account payable sections. The analysis technique used in this research is descriptive qualitative analysis technique. The stages of data analysis in this study are as follows.

3.1 Preliminary audit

The preliminary audit in this study was carried out to obtain information about the purchasing process carried out at the Jimbaran Bay Beach Resort & Spa Hotel and its standard operating procedures (SOPs), as well as analyzing various information that has been obtained to identify potential weaknesses during the purchase process at the Jimbaran Bay Beach Resort & Spa Hotel.

3.2 Review and Testing of Management Control

At the review and testing stage of management control, the author reviews and tests the purchasing process whether it is according to the established SOPs, with the aim of assessing the effectiveness of

management controls in supporting the achievement of company goals. In the results of this test, the author can have better understanding of the controls that apply to the purchasing process, so that the author can easily find potential weaknesses in the purchase process.

3.3 Detailed Audit

In the detailed audit stage, the author gathers sufficient and competent evidence to support audit objectives relating to the purchasing process. The evidence in question is purchases orders, invoices, supplier lists and lists of articles goods. At this stage, the development of findings is also carried out to find a connection between one finding and another in examining problems related to purchasing activities at the Jimbaran Bay Beach Resort & Spa Hotel.

3.4 Reporting

The reporting stage aims to communicate the results of the audit including the recommendations given to the interested parties. This is important to convince the management of Jimbaran Bay Beach Resort & Spa Hotel about the validity of the audit results and to encourage the authorities to make improvements to weaknesses found in the purchasing process.

3.5 Follow-up

Follow-up aims to encourage the authorities to carry out follow-up (improvements) in accordance with the recommendations given. The author does not have the authority to require the management of the Jimbaran Bay Beach Resort & Spa Hotel to carry out a follow-up in accordance with the recommendations given.

4. Result and Discussion

The preliminary audit was carried out using the observation method in the purchase function to determine whether it's already conduct according with the SOP or not. At the detailed audit stage, the author gather evidence and describe the audit findings.

4.1 The price of goods does not match the purchase order (PO)

Table 1. Comparison of the price in the system with the note

No.	Name of goods	Price in system	Price on note	Difference
1	ARTISS Tissue	115,000	105,000	(10,000)
2	Gelato tags	385	193	(192)
3	Bombay	35,000	70,000	35,000

Source: Jimbaran Bay Beach Resort & Spa Hotel.

Based on Table 1, it shows the goods purchased from suppliers. The table contains price in system and price on note. The price in the system obtained through the last price from the supplier and the price on the note obtained through the transaction. It can be seen that there are items that are obtained cheaper than the previous price and there are items that can be more expensive than the price given by the previous supplier by a fairly high difference.

The price of the goods is not in accordance with the purchase order. Because the supplier doesn't deliver the goods so when there are urgent needs of goods the company choose a new supplier. The increase in the price can also be caused by the fact that these goods are difficult to find so the market will increase the price twice than the normal price. As a result of price changes, expenses that should be avoided will turn into unexpected expenses, purchasing should be able to negotiate so that the price given by the new supplier can be cheaper.

Each supplier that provides an offer is classified based on categories such as the groceries, seafood, fruit and vegetable suppliers, beverage, material supplies etc. When looking for a new supplier can be checked through the data in the filling.

4.2 Suppliers do not send goods in accordance with purchases order (po)

Based on Table 2, it contains the quantity ordered based on the purchase order (PO). In the table, it can be seen that there is a difference between the quantity ordered and the quantity on the note brought by the supplier of Sumar Abadi. Based on the table, the supplier does not deliver one of the goods ordered and some of the weight of the goods is or more than the purchase order. This difference occurs because the Purchasing department does not carry out the procedure for ordering goods as stated in the standard operating procedure (SOP). The consequence is the Purchasing section have to purchase the goods that not delivered by the supplier using cash or looking for a new supplier who is able to bring the goods at the specified time. This difference usually occurs in goods of vegetables, meat, fruit and fish.

Table 2. Comparison of the quantity of goods and goods received

Description	Quantity At PO	Quantity on the Note
Shrimp paste	2 pcs	2 pcs
Brown sugar	1 kg	1 kg
Bombay	2 kg	-
White cabbage	4 kg	(3.7 kg)
Pineapple	15 pcs	15 pcs
Green paprika	1 kg	1 kg
Green vegetables	3 kg	(2.5 kg)
Red watermelon	3 kg	3.5 kg

Source: Jimbaran Bay Beach Resort & Spa Hotel.

When choosing suppliers, they should conduct a meeting first. At the time of the meeting, the purchasing department must know the criteria to choose a supplier. If the supplier is in accordance with the provisions, then a written cooperation contract is made by the Jimbaran Bay Beach Resort & Spa Hotel and the supplier.

To be able to control the supplier every month, the purchasing department must review and evaluate whether the supplier is still feasible or not to work with. Furthermore, what must be done is to find new suppliers and the suppliers that are not feasible can be replaced so that problems that can hinder operational activities does not arise in the future.

4.3 Late payment of debt to suppliers

Table 3. List of suppliers that are holding and blocking

No.	Supplier Name	Status
1	Bhineka Jaya	Hold
2	Centralsari	Hold
3	Dimatique	Hold
4	Coca Cola	Hold
5	Fanny Jaya	Hold
6	Kumda	Hold
7	Multipillar	Hold
8	Sababay	Blocking

Source: Jimbaran Bay Beach Resort & Spa Hotel.

Based on Table 3, it is a table that lists the names of suppliers who hold deliveries and block cooperation with Jimbaran Bay Beach Resort & Spa Hotel which occurred during the first semester of 2020. Some suppliers will continue to send goods ordered after the account payable department made payments. There are several reasons that cause the late payments such as lack of white invoices as the supporting data for making payment transactions, lack of cash flow makes it impossible to make payments and difficulty to meet with general manager to withdraw funds through check or current account.

The amount of money that goes out must all be approved by the General Manager of Jimbaran Bay Beach Resort & Spa Hotel. The supplier holds the delivery of goods, the goods are out of stock in the store. As the result, where there are urgent needs of goods, the purchasing department must immediately look for new suppliers or make cash purchases made by the purchasing department itself. If this continues, it will affect company's reputation to other suppliers so it will be difficult to find the desired supplier in the future.

Jimbaran Bay Beach Resort & Spa Hotel must make a policy regarding payment, if payment is not able to be made according to the due date, then the purchasing department must develop a strategy that is to have more than one supplier. If one supplier holds the delivery then the other supplier is able to handle the order and know the criteria for the items needed at the Jimbaran Bay Beach Resort & Spa Hotel.

4.4 Process of releasing goods without store requirements (SR)

The user department does not bring a store requirement, because the inventory in the system is different from the inventory in the store. In the system, the goods needed are empty or the quantity is less than what is needed by the User, but after confirmation is made directly to the store, it turns out that the items needed are available. So that the user cannot print the store requisition.

The release of goods without a store requisition's number cause a difference in the number of goods physically at the store compared to the system. The reason is because the goods that taken from the store are not recorded in the system, so the number of inventories in the system exceeds the physical inventory in the store which has an impact when ordering goods by the user. In addition, when the inventory is carried out by the cost control department, there is a difference between the inventory in the system and the inventory in the store so its needs to be adjusted again. The reason is because when doing inventory there will be a difference between the number of items in the store, bin card, and recording in the visual hotel program system.

That's problem happened as a result of delayed incoming, it is necessary to first make improvements to the store requisition printing process so that incoming goods do not experience obstacles and the inventory of goods can be adjusted according to their physical appearance. With side note that if there is no store requirement then the goods will not be issued and this must be known by every department that requires goods from the store.

4.5 Physical differences in the amount of goods in the store and the visual hotel program (VHP)

Table 4. List of items in the store with the hotel program visual system

No.	GOODS	VHP SYSTEM	STORE	DIFFERENCE
3301138	Double Tape ½	2 rollers	3 rollers	1 roller
3301133	Double Tape 1	13 rollers	14 rollers	1 roller
3302030	Luggage Tag Green	271 pcs	250 pcs	(21 pcs)
3302002	Transfer Form	22 pad	22 pad	-
3302022	Spa Bill Form	20 pads	19 pads	1 pad

Source: Jimbaran Bay Beach Resort & Spa Hotel.

Based on table 4, it is a list of items found in the Jimbaran Bay Brach Resort & Spa Hotel store. The table contains the article number of the goods in the system, the name of the goods, the number of items available in the VHP system, the number of items available in the store physically which is held an inventory every month. It can be seen that there is a difference in the amount of goods in the VHP system and in the store.

The number of items in the system is physically different due to an error in taking goods from the user, causing a difference between the notes on the bin card, physical, and visual hotel program system that it is not according with the store requirements. Confiscation of similar goods occurs on double tape ½ with double tape 1 so there is difference in the records of the VHP system with the bin card and the physical. Sometime when there are urgent needs of goods, the user doesn't use SR which result in the goods taken doesn't recorded in the VHP. Due to the difference between the number of goods in VHP system and physically, it raises doubts from the user to print a requisition to request goods from the store so it is necessary to confirm the number of items available.

Differences can also be caused by errors in writing on the bin card so that in writing in the bin card, note how many items are taken and how many items come out and fill in the amount column so that you know how many items are available in the store, in writing it is also necessary to pay attention to the names and the code of the item so that there is no typo. In issuing goods, it is important accompanied by the receiving/store so that errors can be minimized.

5. Conclusion

Based on the results and discussion presented, it can be concluded that management audit is able to detect weaknesses that occur in the purchasing function. Jimbaran Bay Beach Resort & Spa Hotel has a written procedure as outlined in Standard Operating Procedures (SOP), but there are several SOPs that are not implemented so that there are several problems in the purchasing process as follows:

1. The price of goods is not in accordance with the purchase order (PO), because the goods are difficult to obtain, which causes the cost of goods to be higher than the price in the PO.
2. Suppliers do not send goods in accordance with purchases (POs) because of a lack of reviews by the purchasing department against suppliers.
3. Delay in paying debts to suppliers due to lack of complete documents such as white invoice, insufficient cash flow to make payments and bureaucracy to withdraw funds through the check/current account experienced problems so Jimbaran Bay Beach Resort & Spa Hotel had not made payments, so the debt owed reach the limit set by the supplier. The consequence is some suppliers held back the delivery.
4. Issuance of goods without store requirements (SR) due to differences in store, bin card, and Visual Hotel Program (VHP) inventory systems.
5. The difference in the number of items in the physical store with the VHP system is due to an error in picking up goods that are not in accordance with the store requirements.

Recommendations that can be given are when determining suppliers, it is better if you conduct a meeting first. The hotel and supplier should make an agreement regarding the payment including the debt limit given by the supplier. When receiving an offer from a supplier, all bid documents should be filled based on the lowest price from the supplier and the issuance of goods must be tightened.

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Analysis of Uncollectible Receivables and Their Impact on Profitability at The Legian Bali

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Abstract. The application of a credit system is one strategy that could be used by a company to increase sales. Sales made on credit will automatically increase account receivable and if accounts receivable not appropriately managed, it can become uncollectible accounts. This study aims to determine the condition of uncollectible accounts and their impact on profitability at The Legian Bali. The data used in this research are credit sales, account receivable aging schedule, accounts receivable policy data, and profit/loss data. The data collected by conducting interviews, documentation and observation. The analysis technique used descriptive/qualitative analysis techniques using financial ratio formulas. The results of this study indicate the number of account receivables that are due and not yet collected is still relatively large. The large number of uncollectible accounts results in less turnover of accounts receivable into cash and this causes the average collection days for accounts to be longer. The longer time for collecting accounts receivable will produce a higher risk of bad debts due to the increasing number of outstanding accounts receivable and lowering the hotel receivables collection ratio. In 2017, 2018, and 2019 the arrears ratio calculation results are 8%, 12%, and 11%. Meanwhile, the results of the calculation of the billing ratio in 2017, 2018, and 2019 are 92%, 88% and 89%. The existence of uncollectible accounts which is quite large from year to year has a bad effect on profitability because of the inefficient collection of accounts receivable by hotels which causes the capital invested in receivables to be higher.

Keywords: Uncollectible Accounts Receivable, Profitability

1. Introduction

The intense competition in running a business makes every company have to be able to dominate the market in an effort to increase sales. The Legian Bali is a five-star hotel in the Seminyak area. In order to increase sales, The Legian Bali gives an offer by making sales on credit. Credit sales will automatically increase accounts receivable. If the receivables are not managed properly, there is a risk of becoming uncollectible accounts. Therefore, in order for credit sales to continue to provide profit, The Legian Bali created a credit policy to regulate everything regarding credit sales. However, in reality internal control over accounts receivable has not worked well, resulting in ineffective collection of accounts receivable resulting in increased risk of bad debts. The higher the bad debts, the higher the working capital needed to finance the company's receivables. The greater the expense, the greater the value of the income deduction which will result in the smaller the profit generated [1]. Table 1 shows the accounts receivable from The Legian Bali in 2017, 2018 and 2019.

Table 1. Account Receivable
At The Legian Bali in 2017, 2018, and 2019

Year	Amount of Receivable	Allowance for Bad Debt	Uncollected Receivable
2017	5.374.139.570	268.706.979	738.889.862
2018	7.944.972.183	397.248.609	1.470.259.261
2019	6.276.836.069	313.841.803	976.073.334

In table 1 can be seen in 2017 the amount of receivables is Rp5,374,139,570 and amounts to Rp738,889,862 is uncollectible receivables, in 2018 the amount of receivables was Rp7,944,972,183 and amounted to Rp1,470,259,261 was uncollectible receivables, and in 2019 the total receivables amounted to Rp6,276,836,069 and Rp976,073,334 were uncollectible receivables.

2. Literature Review

2.1 Account Receivable

Receivables are claims to other parties due to the delivery of goods or services made on credit [2]. Receivables are classified into two events, that are for financial reporting purposes and in the balance sheet [3]. In addition to providing benefits, receivables can also provide losses due to risks that may arise such as the risk of not paying all receivables, the risk of not paying some receivables, the risk of late settlement, and the risk of investing in capital in the form of receivables [4]. The costs arising from the existence of accounts receivable are receivable write-off fees, accounts receivable collection costs, administrative costs, and source funds costs [5].

2.2 Uncollected Receivable

Bad debts came from customers who cannot pay due to decreased sales turnover [3]. The write-off of bad debts can be done using two methods, that are the direct method and the indirect method [6]. To minimize the existence of uncollectible accounts, it is important for companies to conduct credit analysis to assess whether or not a credit is given to debtors [7].

2.3 Profitability

Profitability is the company's ability to earn profits in relation to sales, total assets, and own capital [8]. A high level of profitability indicates that the company's business continuity is going well.

3. Methodology

This study use two types of data, namely qualitative and quantitative data. Qualitative data is data in the form of sentences obtained by conducting interviews with several employees at the Finance Department, especially employees in charge of account receivables regarding accounts receivable policies, credit standards, debt collection and collection policies at The Legian Bali. While quantitative data is data in the form of numbers [9]. This data is in the form of cash sales records, credit sales, and a list of receivables from The Legian Bali. The analysis technique used in this study is a qualitative descriptive analysis technique, namely the technique of describing, explaining, and drawing conclusions from the data obtained [9]. The tools used to analyze are by using the formula for calculating the accounts receivable turnover ratio, the days of receivable ratio, the arrears ratio, and the billing ratio.

1) Receivable Turn Over

$$\text{Receivable Turn Over} = \frac{\text{Credit Sales}}{\text{Receivable Average}}$$

Calculate receivable average:

$$\text{Receivable Average} = \frac{\text{Receivable Beginning Balance} + \text{Receivable Ending Balance}}{2}$$

2) Days of Receivable

$$\text{Days of Receivable} = \frac{365}{\text{Receivable Turn Over}}$$

3) Arrears Ratio

$$\text{Arrears Ratio} = \frac{\text{Receivable arrears at ending period}}{\text{Receivable total at the same period}} \times 100\%$$

4) Billing Ratio

$$\text{Billing Ratio} = \frac{\text{Billing Receivable Total}}{\text{Receivable Total}} \times 100\%$$

The results of the next calculation will be used to analyze the condition of uncollectible accounts and their impact on profitability at The Legian Bali. To calculate the amount of profitability generated by the hotel the formula used is:

$$\text{Net Profit Margin} = \frac{\text{Profit After Tax}}{\text{Net Sales}} \times 100\%$$

The calculation of the net profit margin ratio is used to measure the net profit after tax and then compared with the sales volume [10].

4. Result and Discussion

4.1 Credit Policy at The Legian Bali

4.1.1 Credit Standards

Credit facilities are only given to travel agents who meet the credit requirements set by The Legian. Travel agents applying for credit facilities must fill out a credit form and attach the necessary supporting documents. Furthermore, the Accounts Receivable section will conduct a review of the travel agent by looking at the performance of the travel agent to the hotel and looking for information from other hotels regarding the smooth payment of accounts receivable by travel agents who apply for credit facilities. If after conducting a review and the credit facility is approved, the prospective debtor will be asked to sign a cooperation agreement letter as proof of agreement between the prospective debtor and the hotel.

4.1.2 Credit Payment Standards

The payment standard for credit sales at The Legian Bali is 30 days from the issuance of the invoice. These payment terms apply to collection of accounts receivable originating from credit cards, travel agent ledgers, and company ledgers. However, in reality there are still debtors who do not make payments according to predetermined standards. There are some receivables whose payments exceed the age of the accounts receivable 60 days, and some even reach the age of receivables more than 90 days. The cause of late payment of invoices which payments invoice are often jump over by the debtor and error documents letter of guarantee provided by the airlines and less strict sanctions for late payment of cause debtors to feel safe as long overdue.

4.1.3 Receivables Billing and Collection Standards

Billing and collection of accounts receivable is carried out by the accounts receivable department. If after 30 days after the invoice is received the debtor has not made a credit payment, these section *account receivable* will contact the debtor by phone and send a billing letter via email. Even though they have been contacted, in fact there are still some debtors who do not fulfill their obligations in making credit payments. The delay in the collection and collection of accounts receivable at The Legian Bali resulted in more and more assets being embedded in the form of receivables so that this affected cash turnover.

4.2 Assessment of Uncollectible Account Receivable at The Legian Bali

4.2.1 Account Receivable Turn Over

Accounts receivable turnover is the ratio used to measure the number of times the funds invested in these receivables rotate in one period [7].

Table 2. Account Receivable Turn Over
At The Legian Bali in 2017, 2018, and 2019

Year	Credit Card	Travel Agent	Company	Total
2017	28	9	16	13
2018	21	7	13	10
2019	23	6	9	8

Accounts receivable turn over ratios in 2017, 2018, 2019 for credit card receivables are 28 times, 21 times, and 23 times. Travel Agent shows the calculation of accounts receivable turnover ratio in 2017, 2018, and 2019 are 9 times, 7 times, and 6 times. Receivables from the company in 2017, 2018 and 2019 are 16 times, 13 times, and 9 times. Overall, receivables turnover in 2017, 2018, and 2019 occurred 16 times, 10 times, and 8 times.

4.2.2 The Days of Receivable

The days of receivable ratio functions to find out the average days it takes to collect receivables and convert them into cash [7].

Table 3. The Days of Receivable Ratio
At The Legian Bali in 2017, 2018, and 2019

Year	Credit Card	Travel Agent	Company	Total
2017	13	41	22	27
2018	18	49	29	35
2019	16	51	39	40

The average days to collect accounts receivable from credit cards from 2017 to 2019 are 13 days, 18 days, and 16 days. For accounts receivable from travel agents, the average days for collection of accounts receivable from 2017 to 2019 are 41 days, 49 days, and 51 days. The average days for collection of accounts receivable from the company in 2017, 2018, and 2019 are 22 days, 29 days, and 39 days. Overall, the average days for collection of accounts receivable from 2017 to 2019 are 27 days, 35 days, and 40 days.

4.2.3 The Arrears Ratio

The arrears ratio is the ratio used to find out how much receivables are due from a number of credit sales that have not been collected [7].

Table 4. The Arrears Ratio
At The Legian Bali in 2017, 2018, and 2019

Year	Credit Card	Travel Agent	Company	Total
2017	4%	12%	6%	8%
2018	5%	16%	11%	12%
2019	4%	14%	7%	11%

The ratio of arrears for receivables from credit cards in 2017, 2018 and 2019 are 4%, 5% and 4%. For receivables from travel agents in 2017, 2018, and 2019 the arrears ratio are 12%, 16%, and 14%. Receivables from the company in 2017, 2018, and 2019 resulted in an arrears ratio calculation of 6%, 11% and 7% arrears. Overall, from 2017 to 2019, all receivables owned by the hotel are 8%, 12%, and 11% arrears.

4.2.4 The Billing ratio

The billing ratio is the ratio used to determine the extent of the billing activity carried out by the company [7].

Table 5. The Billing Ratio
At The Legian Bali Pada in 2017, 2018, and 2019

Year	Credit Card	Travel Agent	Company	Total
2017	96%	87%	94%	92%
2018	95%	84%	89%	88%
2019	96%	86%	93%	89%

In 2017, 2018, and 2019, the calculation of the collection ratio for receivables from credit cards are 96%, 95%, and 96%. Receivables sourced from travel agents from 2017, 2018, and 2019 show collection ratios amounted 87%, 84% and 86%. In 2017, 2018, and 2019 receivables originating from the company can be collected as much as 94%, 88%, and 89%. Overall, from all receivables owned by hotels that came from several sources in 2017, 2018, and 2019 the receivables collection ratios are 92%, 88% and 89%.

4.2.5 Profitability Ratio

Table 6. Profitability Ratio
At The Legian Bali in 2017, 2018, and 2019

Year	Net Profit Margin
2017	13%
2018	17%
2019	15%

In 2017 the profitability ratio was 13%. In 2018 the number of uncollectible receivables increased from the previous year, but profitability also increased to 17%. This is due to the increase in sales volume. And in 2019 the profitability decreased again amounted 15% which was also caused by a decrease in sales volume but a decrease in the collection rate of accounts receivable from the previous year.

5. Conclusion

Based on a discussion of the results of the analysis that has been done, it can be concluded that the management of accounts receivable at The Legian Bali has not been going well. This is proven after analyzing the receivables at The Legian Bali by using financial ratios, the results show that the amount of accounts receivable that are due and not yet collected is still large. The large number of uncollectible accounts receivable results in less turnover of accounts receivable into cash and this causes the average collection days for accounts to be longer. This condition has a bad influence on the resulting profitability. Where profitability has decreased due to the increase in the number of uncollectible accounts that occur from year to year.

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Analysis of the Effectiveness and Efficiency of Working Capital on LPD in Dalung Village

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Abstract: The purpose of this study was to determine the effectiveness of working capital use in terms of cash turnover ratios and receivable turnover ratios and to determine the efficiency of working capital use in the LPD Dalung Village. The analysis technique used in this study is quantitative and qualitative analysis. Based on the results of the analysis conducted shows the effectiveness of working capital use when viewed from the ratio of cash turnover, which in 2015 was considered less effective, in 2016 was considered quite effective, in 2017 was considered very effective, and in 2018-2019 it was considered quite effective. Meanwhile, if seen from the receivable turnover ratio, where in 2015 was considered very effective, in 2016, 2017, 2018 was considered quite effective, and in 2019 it was considered less effective. The efficiency of using working capital from 2015-2019 when viewed from the working capital turnover ratio, where in 2015 was considered very efficient, in 2016, 2017, 2018 and 2019 it was considered quite efficient. Whereas if seen from the profit ratio, which in 2015 was considered very efficient, in 2016, 2017 and 2018 it was considered quite efficient, and in 2019 it was considered less efficient.

Keyword: Effectiveness, Efficiency, Working Capital

1. Introduction

Village Credit Institutions is established to support the increase in economic growth of indigenous village communities in the Province of Bali. Based on the Bali Governor Regulation No. 44 of 2017 concerning Village Credit Institutions outlines that the Village Credit Institutions are financial institutions owned by Pakraman Village, which are domiciled in the authority of the Pakraman Village [1]. Seeing the important role of LPD that are able to support the economy of rural communities, the current LPD performance should receive more attention. LPD performance evaluation cannot be separated from its ability to manage its working capital. Having sufficient working capital is very important for LPD to operate as economically as possible and not experience financial difficulties, so that concentration can be focused on achieving even higher results [3]. Errors in working capital management can cause predetermined goals not to be achieved. If the LPD uses excessive working capital to operate, it will result in an excess of funds which shows unproductive funds, it will result in a loss of opportunity to get profit, but if the provision of working capital is deficient, it will have an impact on the company's inability to fulfil its financial short term, this could be a main cause of failure of a company [4].

The following provides information on financial reports for the last 5 years at the LPD in Dalung Village from 2015-2019 as shown in Table 1 and Table 2.

Table 1. The Development of Current Assets and Current Debt at LPD in Dalung Village

Year	Current Asset	Current Asset Development	Current Debt	Current Debt Development
2015	Rp53.887.316.386	-	Rp42.795.625.537	-
2016	Rp59.222.653.749	9,90%	Rp45.911.381.531	7,28%
2017	Rp67.281.652.676	13,61%	Rp52.025.721.046	13,32%
2018	Rp75.541.277.335	12,28%	Rp61.025.634.918	17,30%
2019	Rp83.589.475.081	10,65%	Rp67.083.883.906	9,93%

Based on Table 1, it can be concluded that the development of current assets and current debt from 2015 to 2019 has always increased every year.

Table 2. The Development of Account Receivables and Net Income at LPD in Dalung Village

Year	Account Receivables	Account Receivables Development	Net Income	Net Income Development
2015	Rp41.681.088.200	-	Rp3.121.772.082	-
2016	Rp45.028.940.900	8,03%	Rp3.400.366.452	8,92%
2017	Rp48.918.375.400	8,64%	Rp3.451.567.106	1,51%
2018	Rp53.064.703.500	8,48%	Rp3.145.952.216	-8,85%
2019	Rp55.478.460.250	4,55%	Rp3.222.487.175	2,43%

Based on Table 2, it can be concluded that the development of accounts receivable in the LPD of Dalung Village from 2015 to 2019 has always increased every year, while the development of net income from 2015 to 2019 has fluctuated. The purpose of this study is to determine the effectiveness and efficiency of the use of working capital in the LPD of Dalung Village.

2. Literature Review

1.1. Village Credit Institutions (LPD)

Village Credit Institutions or LPD is financial institutions belonging to Pakraman Village which are domiciled in the authority of Pakraman Village [5]. The LPD is one of the elements of the Pakraman village institution that carries out the financial function of the Pakraman village to manage the financial potential of the Pakraman village. This institution has great potential and has been proven in advancing the welfare of the village community and fulfilling the interests of the village itself.

1.2. Financial Statement

The financial statement is a structured presentation of the financial position and performance of an entity [6]. Financial statements are basically the result of an accounting process that can be used as a means of measuring communication between financial data or activities of a company and parties with an interest in the company's data or activities [7]. The purpose of financial statements is to provide information about the financial position, financial performance and cash flow of an entity that is useful for most users of financial statements in making economic decisions [6]. Complete financial statements consisting of: 1) financial position report at the end of the period; 2) statement of profit or loss and other comprehensive income during the period; 3) change in equity during the period; 4) cash flow statement during the period; 5) notes to financial statements. The parties with an interest in financial reports, namely: owners, management, creditors, government, and investors [8].

1.3. Capital

Capital is defined as all concrete goods contained in the debit balance sheet and the purchasing power or exchange rate of these goods that are recorded next to credit [9]. Capital according to its form is known as active capital consisting of current assets and fixed assets. Based on the functioning function of assets in active capital, they are divided into working capital and fixed capital. Meanwhile, according to the source, capital is referred to as passive capital, consisting of own capital and foreign capital.

1.4. Working Capital

Working capital is defined as an investment that is invested in current assets or short-term assets such as cash, banks, securities, accounts receivable, inventories, and other current assets [8]. Working capital is a company's investment in short-term assets in the form of cash, marketable securities, inventories, and accounts receivable [10]. There are several factors that can affect working capital, namely: 1) type of company; 2) credit terms; 3) production time; 4) the rotation rate of the preparation. The source of the company's working capital consists of the results of the company's operations, profits from the sale of securities, sale of shares, sale of fixed assets, sale of bonds, loans and grant funds [8].

1.5. Effectiveness of Working Capital

Effectiveness is a condition in which in choosing the goals to be achieved and the means or equipment to be used, along with the desired goals can be achieved with satisfactory results [11]. Effectiveness refers to the accomplishment of objectives, whereas efficiency refers to the resource used to achieve those objectives. An example of effectiveness is the production of parts without defects. Efficiency concerns whether those parts are produced at minimum cost [12]. As for the effectiveness of organizational performance in carrying out work in essence the workers need a sense of security, which has to do with future guarantees, an organizational atmosphere that provides opportunities for growth, without any threats, the relationship between superiors and human subordinates [18]. To measure the effectiveness of using the working capital of a company can use the following ratios: cash turnover ratio and accounts receivable turnover ratio [13].

1.6. Efficiency of Working Capital

Working capital efficiency is the optimal use of working capital in the company's operational activities to increase prosperity for the company itself [14]. Efficiency is the best ratio between input and output (the result between profits and the sources used), as well as optimal results achieved with the use of limited sources [15]. To measure the efficiency of using the working capital of a company, it can use the working capital turnover ratio and the operating profit ratio [16].

3. Research Methods

The quantitative data used in this study are financial statements consisting of balance sheets and income statement at the LPD in Dalung Village for the 2015-2019 period. The qualitative data used in this research is the working capital management policy at the LPD in Dalung Village. Data collection techniques in this study through interviews and documentation. The analysis technique used is quantitative and qualitative analysis techniques.

3.1 Effectiveness of Working Capital

$$\text{Cash Turnover} = \frac{\text{Revenue Total}}{\text{Average Cash}}$$

$$\text{Accounts Receivable Turnover} = \frac{\text{Credit Sales}}{\text{Average Accounts Receivable}}$$

3.2 Efficiency of Working Capital

$$\text{Working Capital Turnover} = \frac{\text{Sales}}{\text{Average Working Capital}}$$

$$\text{Operating Profit Ratio} = \frac{\text{Earning Before Tax}}{\text{Average Working Capital}} \times 100\%$$

3.3 Statistics Analysis

This analysis is used to return an assessment of the effectiveness and efficiency of the use of working capital. To calculate the average value of each ratio, the formula used is [17]:

$$\bar{X} = \frac{\sum X_i}{n}$$

To calculate the standard deviation, the formula used is [17]:

$$S = \sqrt{\frac{\sum (X_i - \bar{X})^2}{n - 1}}$$

1. If the ratio is above $(\bar{X} + S)$, then the use of working capital is effective/very efficient.
2. If the ratio is between $(\bar{X} - S)$ dan $(\bar{X} + S)$, the the use of working capital is quite effective/quite efficient.
3. If the ratio is under $(\bar{X} - S)$, then the use of working capital is less effective/less efficient.

4. Result and Discussion

4.1 Effectiveness of Working Capital

To measure the effectiveness of using the working capital of a company, it can use the cash turnover ratio and the accounts receivable turnover ratio. The following is the result of calculating the cash turnover ratio which can be seen in Table 3.

Table 3. Cash Turnover Ratio in LPD Dalung Village

Year	Revenue Total	Average Cash	Cash Turnover
2015	Rp7.560.096.395	Rp960.592.322	7,87
2016	Rp8.097.546.207	Rp664.929.081	12,18
2017	Rp8.342.571.756	Rp524.039.726	15,92
2018	Rp8.752.045.851	Rp686.435.951	12,75
2019	Rp9.883.325.111	Rp985.229.234	10,03

To provide an assessment of the results of the cash turnover ratio above, a statistical analysis is carried out using the historical ratio standard which can be seen in Table 4.

Table 4. Effectiveness of Working Capital from Cash Turnover Ratio Based on Historical Ratio Standard

Year	Cash Turnover	Historical Ratio Standard	Desc
2015	7,87	8,73...14,77	Less Effective
2016	12,18	8,73...14,77	Quite Effective
2017	15,92	8,73...14,77	Very Effective
2018	12,75	8,73...14,77	Quite Effective
2019	10,03	8,73...14,77	Quite Effective

Accounts receivable turnover is a ratio used to measure how long it takes to collect accounts receivable during a period. The higher the ratio indicates that the working capital invested in receivables is lower and of course this condition for the company is getting better. The results of the calculation of the account receivable turnover ratio at the LPD Dalung Village can be seen in Table 5.

Table 5. Accounts Receivable Turnover Ratio in LPD Dalung Village

Year	Credit Sales	Average Accounts Receivable	Account Receivable Turnover
2015	Rp41.681.088.200	Rp39.143.057.413	1,06
2016	Rp45.028.940.900	Rp43.355.014.550	1,04
2017	Rp48.918.375.400	Rp46.973.658.150	1,04
2018	Rp53.064.703.500	Rp50.991.539.450	1,04
2019	Rp55.478.460.250	Rp54.271.581.875	1,02

To provide an assessment of the results of the accounts receivable turnover rate above, a statistical analysis is carried out using the historical ratio standard which can be seen in Table 6.

Table 6. Effectiveness of Working Capital from Accounts Receivable Turnover Ratio Based on Historical Ratio Standard

Year	Accounts Receivable Turnover	Historical Ratio Standard	Desc
2015	1,06	1,03...1,05	Very Effective
2016	1,04	1,03...1,05	Quite Effective
2017	1,04	1,03...1,05	Quite Effective
2018	1,04	1,03...1,05	Quite Effective
2019	1,02	1,03...1,05	Less Effective

4.2 Efficiency of Working Capital

To measure the efficiency of using the working capital of a company, it can use the working capital turnover ratio and the operating profit ratio. The higher the rate of working capital turnover, the more efficient it is in the use of working capital. The results of the calculation of the working capital turnover ratio are Table 7.

Table 7. Working Capital Turnover Ratio in LPD Dalung Village

Year	Sales	Average Working Capital	Working Capital Turnover
2015	Rp41.681.088.200	Rp10.057.373.837	4,14
2016	Rp45.028.940.900	Rp11.646.586.191	3,87
2017	Rp48.918.375.400	Rp12.965.094.058	3,77
2018	Rp53.064.703.500	Rp13.925.440.541	3,81
2019	Rp55.478.460.250	Rp14.718.028.668	3,77

To provide an assessment of the results of the working capital turnover rate above, a statistical analysis is carried out using the historical ratio standard which can be seen in Table 8.

Table 8. Efficiency of Working Capital from Working Capital Turnover Ratio Based on Historical Ratio Standard

Year	Working Capital Turnover	Historical Ratio Standard	Desc
2015	4,14	3,71...4,03	Very Efficient
2016	3,87	3,71...4,03	Quite Efficient
2017	3,77	3,71...4,03	Quite Efficient
2018	3,81	3,71...4,03	Quite Efficient
2019	3,77	3,71...4,03	Quite Efficient

Operating profit ratio measures the efficiency of working capital by looking at the amount of working capital's ability to generate operating profits. The results of calculating the operating profit ratio at the LPD in Dalung Village can be seen in Table 9.

Table 9. Operating Profit Ratio in LPD Dalung Village

Year	Earning Before Tax	Average Working Capital	Operating Profit Ratio
2015	Rp3.121.772.082	Rp10.057.373.837	31,04%
2016	Rp3.400.366.452	Rp11.646.586.191	29,20%
2017	Rp3.451.567.106	Rp12.965.094.058	26,62%
2018	Rp3.145.952.216	Rp13.925.440.541	22,59%
2019	Rp3.222.487.175	Rp14.718.028.668	21,89%

To provide an assessment of the results of the operating profit ratio above, a statistical analysis is carried out using the historical ratio standard which can be seen in Table 10.

Table 10. Efficiency of Working Capital from Operating Profit Ratio Based on Historical Ratio Standard

Year	Operating Profit Ratio	Historical Ratio Standard	Desc
2015	31,04%	22,27%...30,27%	Very Efficient
2016	29,20%	22,27%...30,27%	Quite Efficient
2017	26,62%	22,27%...30,27%	Quite Efficient
2018	22,59%	22,27%...30,27%	Quite Efficient
2019	21,89%	22,27%...30,27%	Less Efficient

5. Conclusions and Suggestions

Based on the results of research and discussion, it can be concluded that the effectiveness of the use of working capital when viewed from the cash turnover ratio, where in 2015 it was considered less effective, in 2016 it was considered quite effective, in 2017 considered very effective, and in 2018-2019 considered quite effective. Meanwhile, if you look at the accounts receivable turnover ratio, which in 2015 was considered very effective, in 2016, 2017, 2018 it was considered quite effective, and in 2019 it was considered less effective. Efficient use of working capital from 2015-2019 when viewed from the working capital turnover ratio, where in 2015 it was considered very efficient, in 2016, 2017, 2018 and 2019 it was considered quite efficient. Meanwhile, if viewed from the profit ratio, where in 2015 it was considered very efficient, in 2016, 2017 and 2018 it was considered quite efficient, and in 2019 it was considered less efficient.

As for the suggestions that can be given, the LPD should better optimize cash management so as to prevent unused cash and increase revenue or profit for the LPD. In addition, it is also hoped that the LPD will pay more attention to the amount of credit disbursed because LPD income is very dependent on the interest revenue that given from credit to customers.

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