

The Effectiveness Of The Internal Control System Of Trade Receivables On Msme Jamu Original Java

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Abstract

In principle, every company has one goal, which is to make a profit. Whether it's a trade industry or a service. Profit earned activities are carried out by sales activities, transactions made in cash will result in cash receipts. A credit sale will increase receivables. This makes the company's assets increase and can support the development of the company. This research method uses primary data and secondary data, where the object of this study is the original Java herbal medicine UMKM. Using the quantitative method of deskriptif and the sign test method. Based on the results of the interview conclusion with the conclusion of the theory can be known that the application of the internal control system of trade receivables in the original Java herbal medicine MSMEs is still very simple, because the medium to upper business is still small, so there are still many systems that have not been implemented. The data above shows that the test sign value of $0.065 < 0.05$ that H1 is accepted so there is a significant difference between internal control activities in MSMEs herbal medicine asli mbak Sum before and after being given the effectiveness of the internal control system.

Keywords: internal control system of trade receivables, MSMEs.

Abstrak

Pada prinsipnya, setiap perusahaan memiliki satu tujuan, yaitu mencari keuntungan. Baik itu industri perdagangan atau jasa. Aktivitas perolehan laba dilakukan dengan aktivitas penjualan, transaksi yang dilakukan secara tunai akan menghasilkan penerimaan kas. Penjualan kredit akan meningkatkan piutang. Hal ini membuat aset perusahaan meningkat dan dapat mendukung perkembangan perusahaan. Metode penelitian ini menggunakan data primer dan data sekunder, dimana objek penelitian ini adalah UMKM jamu asli Jawa. Menggunakan metode kuantitatif deskriptif dan metode uji tanda. Berdasarkan hasil kesimpulan wawancara dengan kesimpulan teori dapat diketahui bahwa penerapan sistem pengendalian intern piutang usaha pada UMKM jamu asli Jawa masih sangat sederhana, karena usaha menengah ke atas masih kecil, sehingga masih banyak sistem yang belum diimplementasikan. Data di atas menunjukkan bahwa nilai uji tanda uji $0,065 < 0,05$ maka H1 diterima sehingga terdapat perbedaan yang signifikan antara

kegiatan pengendalian intern pada UMKM Jamu asli mbak Sum sebelum dan sesudah diberikan efektivitas sistem pengendalian intern.

Kata Kunci : sistem pengendalian intern piutang usaha, UMKM.

INTRODUCTION

The strategy that companies do to attract consumers is to sell on credit. Through these sales the company earns indirect revenue (credit). So that the company gets a risk about the certainty of payments that will occur in the future. The existence of receivables in the company's activities has the risk of receivables not repaid (putra, 2018).

According to eka putri (2019) credit is the trust of the creditor (lending) to the debtor (loan recipient) will repay the loan according to the agreement between the two parties. But selling on credit without the firmness of granting a repayment period is not on time. The sale of credit for goods and services to debtors will be granted a demand for bills. The effect of receivables that are less of a concern of the company is that the number of receivables will increase, so this will lead to a decrease in the quality of the company, because the profit obtained is decreasing because the more burden the company spends to cover

the number of uncollected receivables so that profits are few. According to hery in audia (2018) uncollected receivables arise because customers cannot pay due to declining sales turnover as a result of sluggish economy and bankruptcy experienced by debtors, resulting in losses.

This research is a replication of the research conducted by us saadah, et al (2020). This difference in research lies in the test tools and research objects studied. Our research is saadah, et al. conducted research with descriptive quantitative test tools while this study uses descriptive qualitative test tools, for the object with MSMEs center of suropati t-shirt in Bandung. Meanwhile, the object in this study msme Jamu "Jawa Asli" addressed in the village of Semarang city.

The selection of objects here because of small businesses but uncollectible receivables on this business is enough for msme class in general. The following presented a table of receivable differences on MSMEs Jamu "Jawa Asli"

Table 1.1.
List of Difference in Receivables of MSME Jamu Jawa Asli mbak sum period
2017 - 2020

Keterangan	2017	2018	2019	2020
Pendapatan	42.370.000	41.749.230	43.677.342	38.567.345
Piutang tak tertagih	8.567.231	9.667.923	11.562.456	15.432.900
Selisih		-1.100.692	-1.894.533	-5.870.444

Source : process data on financial statements of MSME Jamu Jawa ASLI mbak sum

Based on table 1.1. this shows that the difference in uncollectible receivables in MSMEs of ASLI java herbal medicine experienced a very high increase in 2020 Rp. -5,870,444 at the time of the beginning of the covid 19 pandemic. If this continues to happen to the original Java herbal medicine MSMEs will reduce the company's profit. Profits earned at the end of the period will decrease because the greater the burden incurred by the company for uncollected receivables, the less profit is obtained. Based on this background, it is interesting for researchers.

METHODS

According to I Made Winartha (2006: 155), descriptive analysis method is to analyze, describe, and summarize various conditions, situations from various data collected in the form of interview results or observations about the problems studied that occur in the field.

Primary data: data that contains information related to the problem being researched and obtained directly from the source through interviews.

Secondary data: data obtained through intermediary media or indirectly. Whether in the form of records, existing evidence, or archives that are published or not published in general. This secondary data is in the form of internal data obtained from the objects studied in the form of documents - documents report data receivables uncollected on MSMEs Jamu jawa asli mbak sum. The location or place of research shows the understanding of the social location of the research.

The research was conducted at MSMEs Jamu Jawa Asli mbak sum located on jl. Sapta prasetya village pedurungan kidul subdistrict pedurungan city of

Semarang Central Java. Research from September 2021 – December 2021

Information is a party that is considered to understand, understand and master information related to problems that occur in research. As the subject of research the informant is expected to provide accurate information and information.

Informants have the following criteria:

1. Have the appropriate knowledge and experience studied in this study regarding receivables collected on MSMEs native Javanese herbal medicine.
2. Able to tell a good and correct story about the evaluation of the internal control system of trade receivables on MSMEs Herbal medicine native mbak sum.
3. Able to assist in the process of data collection - data needed in this study.

The object of this research is MSMEs Herbal medicine java native mbak sum jl. Sapta prasetya village pedurungan kidul subdistrict pedurungan city of central Java. The original herbal medicine MSMEs has been in operation for 30 years.

According to yin (2011) the implementation of data collection there are six sources, namely documents, recordings, archives, interviews, observations, observations, participation and physical devices. Data collection in this research is done in two ways, namely field research (field research) and literature research (Library Research). The analytical techniques used in this study are as follows:

This research using Paired T-Test is a parametric test that can be used on two paired data. The purpose of this test is to see if there is a difference in the mean between two paired or related samples.

The sign test method is a test that is intended to see differences rather than the magnitude of differences and is based on procedures on positive and negative signs of differences between pair data and ordinal data (Suhardi, 2009: 314). The sign test is divided into two, namely: The small pinrle test is a test that is done if the sample is smaller than or equal to 30. This test is done with the use of formulas:

$$P(r) = \frac{n!}{r!(n-r)!} p^r q^{n-r}$$

Where:

P = probability of sample results

r = the event that together used a positive sign value (+) and negative (-)

n = the number of samples used

p = probability of success

q = probability failed

A large sample mark test is a test that is done if the sample is more than 30. This test is done using the formula, as follows.

$$\text{Formula: } Z = \frac{r - n/2}{\sqrt{n/4}}$$

Where:

Z = calculated value

R = number of positive signs

N = the number of samples used.

Here are the steps needed in the test of small sample marks and rice, namely: (a) Determining the Hypothesis: The hypothesis is the first step that must be determined in this study. The hypothesis used is partially environmental control, risk determination, control activity, information and communication, monitoring on MSMEs. (b) Choosing a real level: The real level is the degree of cholera against errors in the sample. In general, the real level used is 1% 5% or 10% In this

study the real level used is 5% (0.05). (c) Calculate the frequency of the sign.

In this step, calculations are performed for the number of relevant observations (n) in the form of positive (+) and negative (-) signs. For the answer "YES" on the questionnaire that is given a positive sign (+) and a negative sign (-) for the answer "NO". After determining the observation value n the value r is selected based on the smallest positive (+) or negative (-) sign of the n relevant observation. (d) Perform Probability Testing.

Determining the conclusion: In the promotion of a small sample, if the real tariff is smaller than the probability ($\alpha \leq p$), then H_0 is accepted and if the real level is greater ($\alpha \geq p$), then H_0 is rejected. While in the test of a large sample, if Z calculates smaller than Z real level (1.65), then H_0 is accepted and if Z calculates greater than Z real level (1.65), then H_0 is rejected.

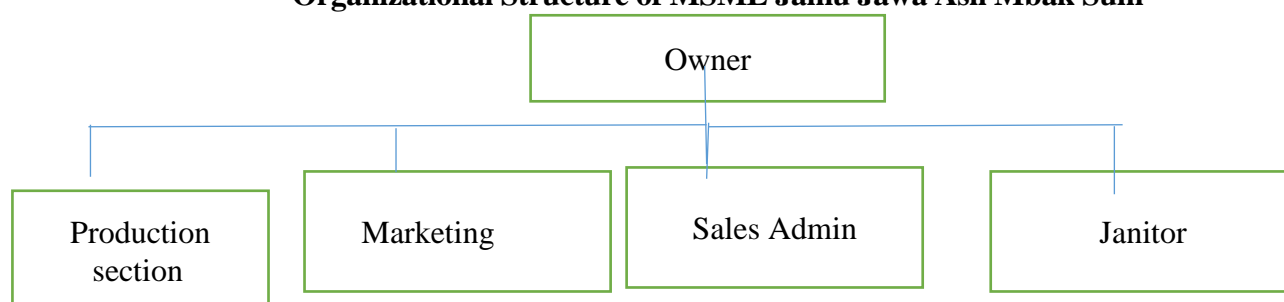
1. Descriptive analysis

Describes the effectiveness of the internal control system of trade receivables on the original Java herbal medicine UMKM..

RESULTS AND DISCUSSIONS

An organization is a group of two or more people who share the same goal and work together to achieve that goal. Organizational structure is how job tasks are formally shared, grouped and coordinated (Robbin & Judge, 2017). Organizational structure is an arrangement of various components or units of work in an organization that exists in the community. With the organizational structure, we can see the division of labor and how different functions or activities can be coordinated properly.

Figure
Organizational Structure of MSME Jamu Jawa Asli Mbak Sum



Job Description

Each section has different tasks and responsibilities between one section and another.

Division of duties and responsibilities as follows:

- Business owner or owner:
 - Decide and determine the highest rules and policies in MSMEs
 - Responsible for leading and running MSMEs
 - Responsible for the profits and losses faced by msm
 - Plan and develop sources of income and spending
 - Act as a representative related to the progress of MSMEs
 - Coordinate and supervise all MSMEs activities
- Sales Admin
 - Authorized in the matter of purchasing materials - MSMEs production materials
 - Tasked with making the
 - Schedule reseller shipments
 - Input sales returns
- Marketing Section
 - Plan promotions and introduce products to the wider community.
 - Promotion can be in the form of publication or introducing products by following certain events, such as Semarang specialty exhibition events

- Perform services to consumers
- Maintain good relations with consumers so that consumers still choose products that are promoted to their superiors. Petugas kebersihan
- The cleanliness section is tasked with cleaning every room before and after work hours are done
- Production part
 - Run the production process well
 - Process raw materials to become a product that is ready to be consumed.
 - Pack the product well
 - Provide brands and price tags in accordance with the regulations that have been determined
 - Sorting and sorting the raw materials to be used for production
 - Maintain the cleanliness of raw materials until the product is ready to be consumed.

Merchandise Overview of native Javanese herbal medicine Msme

MSME Herbal medicine native java has established a herbal medicine company since 1991, so it has been running for 30 years. With various types of herbal medicine ranging from rice herbs kencur, kunir asem, to corona repellent herbs are also available. The type of herbal medicine is liquid and some are instant. Herbal medicine is already famous in the city of Semarang, products can be found in large stores and small

grocery stores, even using Go food technology, Shopee food, and Grab Food.

As for some of the original Javanese herbal medicine packaging as follows:

Figure



Informant Profile

Data collection is done in three ways, namely interviews, namely asking directly to respondents. Observation is by observing activities or work procedures related to research objects. Such as receivable procedures and billing procedures. Questionnaire(questionnaire) is with a list of statements submitted to respondents.

The technique of data analysis is carried out with two stages, namely deskriptif analysis, namely the method of analysis by first collecting existing data and then classified, in subsequent analysis is interpreted so as to provide a clear picture of the circumstances studied. According to Sumarni (2005) the sign test is a test that is intended to see differences and not the magnitude of differences and is based on procedures on the sign (+) and negative (-) of the differences between ordinal data pairs.

In this study there were three informants who worked in MSMESnative Javanese herbal medicine for interviews.

1. Ibu suminah (Owner of MSMESnative Javanese herbal medicine)

Commonly called ibu sum is the owner of MSMESnative Javanese herbal medicine that has been established for 30 years from 1991. Since he decided to leave a convection factory in the city of Semarang.

2. Yuni Rodhiyah (Packaging production employee)

Can be called mbak yuni is an employee of MSMESherbal medicine native java who is 28 years old has worked for 4 years.

3. Erna mahmudah (Sales Admin)

Can be called mbak erna is a 35-year-old employee of MSMESjamu jawa native with a position as admin and concurrently the production admin section and has worked for 12 years in MSMESherbal medicine native Java.

Interview Results Summary

Here is the summary results of interviews with three informants who work in MSMEs in Native Javanese herbs

Table
Summary of Interview Results

No	Questions	Summary of Informant I - III
1	Sales methods such as what MSMEs do	The method of selling applied to these msm is the sale in cash or payment in cash. Customers take goods and sales on credit, namely with a time period that has been determined by MSMEs.
2	What documents are related in the sale?	Sales notes and copies of attachments and order letters in the form of orders from customers obtained from whatsapp or sms
3	How is the sales flow in the original Java herbal medicine MSME?	Some resellers come directly to the store then pick up some items that he will sell. After that get a note that matches the goods taken. Then pay in cash with the amount that is on the note. While the sale of credit is done when resellers there are ordering through whatsapp or sms. After that the admin will schedule the delivery of goods to resellers along with notes, after the goods are sold the reseller will pay all bills as in the note.
4	How is the procedure for selling credit to the original Javanese herbal MSMEs ?	Credit sales occur when the reseller comes to the store by taking some items that will be sold new after the goods are sold, he will pay off his merchandise according to the note that has been given to the MSME when taking the goods. There are also resellers who order via whatsapp or sms and then will be sent, only after the goods are sold, they will pay off according to the note to be sent. Credit sales also occur when MSMEs leave products to grocery stores on the side of the street or even new large stores that do not have similar products produced by MSMEs.
5	What documents are related to the sale of credit?	Order letter from the customer in the form of whatsapp proof or sms from the customer, customer address or customer store and credit sales note and copy of attachments
6	In such sales, can it be for returns?	Yes, in this MSME there is one type of return due to errors on the part of MSMEs usually new goods will be directly delivered to the address of the store or customer without waiting for the product to reach the MSME. Example. Bottle packaging is dented or leaking on the way to the reseller store.
7	What documents are used for the return of item?	Memo returns from customers as well as a list of goods to be returned and documents recording receipts of goods managed by the sales admin

No	Questions	Summary of Informant I - III
8	How do MSMEs find out whether a customer's bill is due or not?	Usually the customer will be notified of the time of payment to pay off the goods he took at the beginning when he took the merchandise at the MSME store and then if it is up to the deadline or tempo that has been agreed between the MSME and the customer is usually followed up via whatsapp or sms
9	Is there a document for recording the time or limit of receivables of each customer?	There are no documents for recording the time and limit of receivables in this KM, because usually the receivable limit is delivered directly when the customer comes and will be notified back via whatsapp or sms.
10	How do MSMEs in the credit collection process?	When the reseller will take the goods again for sale, at this time the admin section will also inform the bill according to the previous note he had received from the beginning when picking up the goods.
11	What documents are used when paying receivables?	Receivable notes, transfers if through transfer, as well as receivable forms that we have provided in MSMEs, receipts for customers and attachments.
12	What are the problems in MSMEs related to trade receivables to the effect of not collecting	A lesser sense of responsibility and discipline from resellers and a less effective way of charging without attaching strong evidence, as it only shows credit attachments.
13	What are the causes of the problem of trade receivables so that every year the percentage of receivables in MSMEs increases?	The lack of follow-up to resellers and correct selection in providing credit to resellers, as well as the increasing number of resellers who indeed make the bill on MSMEs is increasingly bloated.

Internal Control System of Trade Receivables

Based on the results of the interview conclusion with the conclusion of the theory can be known that the application of the internal control system of trade receivables in the original Java herbal medicine MSMEs is still very simple, because the medium to upper business is still small, so there are still many systems that have not been implemented. As seen in the table below.

Table

List of Organizational Structure Statement of Original Javanese Herbal Medicin

Information	YES answer	Answer NO	Sign test
Method of sale	Yes		(+)
Documents related to the sale	Yes		(+)
Sales flow	Yes		(+)

Credit sales procedure	No	(-)
What documents are related to credit sales	No	(-)
Whether or not the return of item	No	(-)
Documents used for returning item	No	(-)
MSME ways to manage customer bills are due or not yet	Yes	(+)
Documents used when paying receivables	Yes	(+)
Problems in MSMEs related to these trade receivables. So that every year the percentage of receivables in MSMEs is increasing.	Yes	(+)
	8	4

This shows that the implementation of receivable control system in MSMEs is still less effective, among which there is no recording document that records the limit of receivables of each customer, which is useful to monitor the deadline and limit receivables to customers. So that the original Java herbalist MSMEs experience problems where customer limits are not controlled, causing an increase in the percentage of receivables of each customer. As well as not implementing healthy credit practices according to the theory. Because of these discrepancies, the company's receivables can experience failure or risk of default from customers, such as bad receivables until the receivables are uncollected due to the absence of a special part that handles incoming orders from customers. To carry out healthy credit activities is known to be 5C. This principle is used to avoid or to minimize the risk of uncollectible receivables that may occur, which should be applied to customers before giving confidence before making a credit sale.

Data Analysis Results

From the results of data analysis for testing the effectiveness of internal control systems of trade receivables in the original Java herbal msme obtained the following results:

Table 5.5
Sign Test Results
Frequencies

		N
VAR00002 - VAR00001	Negative Differences ^a	2
	Positive Differences ^b	9
	Ties ^c	1
	Total	12

- a. VAR00002 < VAR00001
- b. VAR00002 > VAR00001
- c. VAR00002 = VAR00001

Source: Data processed with SPSS
Test Statistics^b

VAR00002 - VAR00001	
Exact Sig. (2-tailed)	.065 ^a

- a. Binomial distribution used.

Source: Data processed with SPSS

The data above shows that the test sign test value of $0.065 < 0.05$ that H1 is accepted so there is a significant difference between internal control activities in MSMEs before and after the effectiveness of the internal control system.

SOLUTION TO THE PROBLEM OF MSME ORIGINAL JAVANESE HERBAL MEDICINE

Based on the problem of the internal control system of trade receivables in the original Java herbal medicine MSMEs, which resulted in the percentage of uncollected receivables increasing every year. Then it is best to do the following steps:

1. Create a document that contains about the limit of receivables of each customer and the maturity date of each customer. This document makes it easier for MSMEs to minimize the risk of receivables that pass due to greatly affect the company's cash flow.
2. Save or delay incoming orders from customers who have a large record of receivables, by persuading customers to make payments in advance or implementing a system of installments every day for customers who have a large amount of receivables.
3. Make a selection for each customer's incoming order that will place an herbal order. By looking at the prospects and payment history of each customer. Not only to increase sales turnover but the opportunity to pay off the sale.
4. Be firm in making a policy for customers regarding payment terms so as not to change easily at any time for any reason.
5. Create a customer billing SOP.
6. Establish good communication with resellers, by always asking for the stock of goods in the reseller store every week.
7. Apply cash payment or initial payment for three or five times in advance. It serves as a disciplinary process for customers.
8. Limiting goods taken by resellers.
9. Must selectively assess the reseller who will take the goods with the credit system.

Conclusion

Based on the results of the interview conclusion with the conclusion of the theory can be known that the application of the internal control system of trade receivables in the original Java herbal medicine MSMEs is still very simple, because the medium to upper business is still

small, so there are still many systems that have not been implemented.

The data above shows that the test sign test value H1 is accepted so there is a significant difference between internal control activities in MSMEs before and after the effectiveness of the internal control system.

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