Evaluating the internal control system for managing PBB-P2 receivables in Majene Regency, West Sulawesi Province

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Abstract

Purpose: This study aimed to evaluate the effectiveness and examine the efforts made to overcome potential internal control system constraints in managing PBB-P2 Receivables in Majene Regency.

Research methodology: Data collected through interviews and questionnaire distribution were analyzed using qualitative descriptive analysis to assess the effectiveness of SPI. The analysis also evaluated the constraints and efforts made to overcome SPI’s weaknesses in managing PBB-P2 Receivables in Majene Regency.

Results: The results showed that the internal control system of BAPENDA Majene Regency was not effective in managing PBB-P2 Receivables because of weaknesses in the control and monitoring of environment elements. The implementation of internal controls is hindered by low taxpayer compliance due to inadequate information regarding PBB-P2 Receivables. Another obstacle is the inaccurate calculation of receivables, because it is not supported by clear details. In addition, internal control is hindered by the absence of an up-to-date NJOP.

Limitations: This study was limited to the value of PBB-P2 Receivables for Majene Regency during 2016-2020.

Contribution: The results are expected to provide additional information regarding the factors influencing the management of PBB-P2 Receivable collection. The findings also provide advice and evaluation for regional governments, especially the Regional Revenue Agency of Majene Regency.

Keywords: PBB-P2 Receivables, COSO SPI Elements, SPI Effectiveness


1. Introduction

The Central Government authorized Regional Governments to increase the potential of their regional tax revenues. This authority was given through Law Number 28 of 2009 concerning Regional Taxes and Regional Levies. One of these revenues is the Rural and Urban Land and Building Tax (PBB-P2) implemented by the Ministry of Finance on January 1, 2011, with a transition period no later than January 1, 2014. Authority delegation has been conducted in various regions. One of the regions is Majene Regency, which received receivables data worth IDR 718,632,543.00 from KPP Pratama on January 24, 2014.

been adequate. This is because the recording of PBB-P2 Receivables worth Rp.718,632,543.00 lacks clear and valid details based on object tax, name, and address. In addition, the PBB-P2 value of Rp. 3,997,653,076.00, is not based on the correct Sales Value of Taxable Objects (NJOP) and cannot be used as a basis for billing PBB-P2. Inadequate implementation of the internal control system in the Majene Regency resulted in an unreliable presentation of the receivables’ value in financial reports. Moreover, the increase in PAD through the payment of PBB-P2 Receivables could not be achieved.

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) (Commission, 2013) introduced a conceptual framework as a guideline for internal control to achieve an organization’s goals. COSO 2013 explains that internal controls must fulfill five components to be effective. These components include the control environment, risk assessment, control activities, information and communication, and monitoring.

COSO 2013 internal control was also adapted to Indonesia’s government system. It is stipulated in the Government Regulation of the Republic of Indonesia Number 60 of 2008 concerning the Government Internal Control System (SPIP). These five SPI elements must be implemented together and become an integral part of Government Agencies’ activities to ensure the effective and efficient achievement of state administrative goals. In addition, government agencies must ensure reliable financial reporting, safeguard state assets, and comply with laws and regulations.

Mulyati (2018) conducted a qualitative descriptive analysis of SPIP PP No. 60 of 2008 in managing BPHTB Taxes in Langkat Regency. The results showed the non-fulfillment of several sub-elements: environmental control, risk assessment, information and communication, and supervision. Consequently, these weaknesses make BPHTB receivable management ineffective. This was indicated by the yearly increase in uncollectible receivables, which caused a mismatch between BPHTB revenues and planned targets.

The object of this study is BAPENDA, an Echelon II unit that manages PBB-P2 receivable control in the Majene Regency. The effectiveness of internal control in management affects the optimality of Regional Government revenues from the receipt of PBB-P2 Receivables. The study used the SPI COSO 2013 adopted by PP No. 60 of 2008 to identify the factors causing problems in receivables management and measure the effectiveness of internal controls in the Majene Regency Government. Furthermore, an evaluation based on Ellet was chosen to examine the achievements and obstacles experienced by the Majene Regency Government in managing the PBB-P2 Receivables.

2. Literature review
2.1. Internal Control System According to COSO
The effective achievement of organizational goals is significantly influenced by the effectiveness of implementing a control system. According to COSO 2023, an effective internal control must fulfill five SPI components. First, a controller environment implies how Top Management applies integrity and intolerable, unethical activities. Second, risk assessment involves identifying, analyzing, and managing the factors that create business risk. Third, control activities aim to reduce fraud and implement policies and procedures needed to identify risks. Fourth, the information and communication components regulate communication and information in the internal control system for all employees. Fifth, monitoring was performed under regular supervision. Figure 1 illustrates the conceptual framework of COSO control.
The figure shows a close relationship between objectives, SPI components, and the organizational structure in which internal control is implemented. This means that an effective internal control system is realized when all management levels implement the five SPI components together to achieve their goals. The goals include effective and efficient operational activities, reliable financial reporting, and regulatory compliance.

2.2. Previous Studies
Several concepts relevant to COSO SPI assessments have been examined in previous studies. Laksana, Putra, Jayantara, and Badriyah (2017) used a descriptive qualitative approach to test the central government's tax administration internal control system. The study found weaknesses in transaction recording errors, invalid documents, and accounts receivable managers who carelessly administer tax receivables. These weaknesses make financial reports irrelevant, because they do not reflect actual transactions. Moreover, the supervision of tax receivables was incomplete, and officers had not mastered their role in handling tax receivables. The officers were negligent in performing their management duties. This has resulted in suboptimal financial reports with hard-to-understand characteristics, as stipulated in the Government Accounting Standards. Additionally, the weak internal control of tax administration at the Central Government level caused uncommunicative and uninformative financial reports.

Taroreh, Warongan, and Runtu (2016) evaluated the receivables internal control system at PT. Mandiri Tunas Finance Cab. Manado using COSO elements. The results showed that the internal control system was more effective when applying the COSO principles in administering accounts receivable. This effectively eliminated errors in recording the receivables.

Aksoy and Mohammed (2020) used descriptive statistical analysis to assess the effectiveness of internal control based on the COSO's SPI elements of environmental control, risk assessment, and training activities. The findings indicated that implementing the three elements was effective, but conclusions could not be drawn because of SPI’s weaknesses of SPI. Additionally, the five COSO framework components and other factors can measure the effectiveness of a bank's internal control.

2.3. The study's conceptual framework
This study aims to assess the effectiveness of PBB-P2 in managing receivables based on Government Regulation Number 60 of 2008, which adopted the COSO Internal Control Framework. It also intends to identify the obstacles and causes of the increase in potentially uncollectible receivables. The increase was 69% of the total PBB-P2 Receivables in the Majene Regency Government Financial Report for the 2020 FY. Figure 2 shows the schematic of the study framework.
PP 60 of 2008 explains that the SPIP comprises the five components necessary for the internal control system to work effectively. The study questions were answered by conducting tests using the five SPIP components. The tests aimed to measure the effectiveness of the controls in managing PBB-P2 Receivables in Majane Regency. Data were collected through interviews, questionnaire distribution, and documentation studies. The objective of this study was to assess SPI’s effectiveness of SPI, as well as the constraints encountered and potential remedy efforts. In addition, the evaluation results were interpreted to draw conclusions.

3. Research methodology

This qualitative case study examined the causes and efforts made by the Majene Regency Government to manage PBB-P2 Receivables effectively according to the regulations in PP 60 of 2008. A qualitative descriptive method was used with interviews and questionnaires to collect data on the Management and Staff of BAPENDA, Majene Regency, West Sulawesi Province. Furthermore, primary data were obtained through observations and interviews to obtain a detailed description of the information. The interviews were conducted through virtual, face-to-face, and telephone applications. This approach allowed for the development of the list and sequence of the questions discussed.

Respondents comprised the Head of the Regional Revenue Agency, who stipulated the SOP for managing PBB-P2 Receivables. The respondent also determined the technical policies to be used in the management. Another respondent was the Head of Revenue Division II, who assisted the Head of BAPENDA in formulating technical operational policy programs. The two heads also formulated methods and coordinated the provision of technical services regarding regional financial administration when implementing PBB-P2.

The interview questions were guided by BPKP Head Regulation No. 4 of 2016 concerning the complete guidelines and strategies for increasing SPIP maturity. Data were also collected using questionnaires distributed through Google Forms. The aim was to examine the entity and activity level of internal controls at the BAPENDA Majene Regency. This evaluation focused on five SPI elements, according to Government Regulation Number 60 of 2008. The questions referred to BPK (2016) Decree Number 3/K/I-XIII.2/3/2016 dated March 3, 2016, concerning the Guidelines for Examining Regional Government Financial Statements. Furthermore, the study used secondary data on the realization of PBB-P2 Receivables for 2010-2020. The data also included details and documents on the internal control system for PBB-P2 management obtained from Revenue Sector II and SISMIOP application. The information comprised the main tasks and functions of BAPENDA, Regent Regulations on PBB-P2, SOP on PBB-P2 collection, reports on the number of SPPT, and SSPD issued by BAPENDA.

Documentation techniques were also employed to collect data on:

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1. Duties of BAPENDA Kab. Majene, Organizational Structure, and Regent Regulations on the management of PBB-P2. The aim was to determine the roles of the parties involved in managing the PBB-P2 Receivables and their flow.

2. The SOP for PBB-P2 collection and taxation regulations to assess the mechanism for implementing PBB-P2 collection in the Majene Regency.

3. The report on the number of SPPT and SSPD issued by BAPENDA compares SPPT data issued, paid, and payable by 2020.

Direct in-depth interviews were conducted through discussions with the Head of BAPENDA and Head of Revenue II. Information gathering was also conducted to test the effectiveness of the five SPIP elements according to Government Regulation Number 60 of 2008. This was performed through a questionnaire via the Google form application sent to the Head of BAPENDA and all Employees in the Revenue Sector II, including the Head of the Division and three staff members.

Data were analyzed using the descriptive analysis method, referring to the Miles and Huberman model. The analysis was performed through data reduction, presentation, conclusion, and verification with the following explanation:

1. Data reduction entailed sharpening and classifying the results of the interview transcripts, questionnaires, observations, and documents used in managing PBB-P2 Receivables.

2. The presentation involves providing the results obtained through data reduction and analysis in the discussion. The results were compared with the theory of an Internal Control System for the Management of PBB-P2 Receivables in the Majene Regency.

Testing was conducted by assigning scores to the items in the questionnaire. The internal control score referred to BPK (2016) Decree Number 3/K/I-XIII.2/3/2016 dated March 3, 2016, concerning the Guidelines for Examining Regional Government Financial Statements. In this case, the answers to each question were in the form of numbers 1, 2, and 3, with the following explanation:

1. This means not appropriate indicating that it was not implemented and not supported by any documents.

2. It means doubtful, indicating that the respondent conducted the activity without supporting documents or vice versa.

3. This means appropriate, showing that the respondent used supporting documents.

The SPIP was assessed to determine the effectiveness of its implementation, and was classified as follows:

<table>
<thead>
<tr>
<th>No</th>
<th>Score</th>
<th>Conclusion of COSO SPI Effectiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>2.34 - 3.00</td>
<td>Effective</td>
</tr>
<tr>
<td>2.</td>
<td>1.67 - 2.33</td>
<td>Not Fully Effective</td>
</tr>
<tr>
<td>3.</td>
<td>1.00 - 1.66</td>
<td>Ineffective</td>
</tr>
</tbody>
</table>

Source: BPK RI Inspection Guide

The assessment was followed by a discussion to identify the obstacles faced by the SPI in managing PBB-P2 receivables.

3.1. General Description of Management of Pbb-P2 Collection, Majene Regency

PBB-P2 is the largest source of local revenue in the Majene Regency, but the transfer of management to the Regency Government in 2014 prevented revenue from reaching the target. The unpaid and defaulted revenue reached 61.29% with the potential to become a regional loss. From 2014 to 2020, the majority of the government did not resolve problems with the management of PBB-P2 Receivables. As a result, the amount of non-performing and unpaid revenue increased.
3.1.1. Business Process Management of PBB-P2 Majene Regency

Figure 3. Administration of PBB-P2
Source: processed

Figure 3 shows that PBB-P2 tax management is in the form of registration or data collection, assessment and determination, billing, and payment, with the following description:

a. Registration
Taxpayers (WP) register a tax object at Bapenda Majene Regency or the UPT PBB in Kelurahan by filling out a Tax Object Notification Form (SPOP). The taxpayers also submit copies of the Tax Subject's KTP, proof of land ownership, and the IMB. The file was submitted to the Data Collection and Registration Section to conduct a study and produce a Field Research Report. Furthermore, the report and its complete files are submitted to the Assessment and Determination Section to be inputted into SISMIOP, which prints the SPPT. Specific or potential tax objects are not submitted directly to the data collection officer. These objects were submitted to the analysis officer for calculation and determination of the NJOP. In addition, the Majene Regency Government works with the Kelurahan/District/Village Office to collect data and register new and changed tax subjects and objects. They also register changes in the merger and split SPPT PBB-P2 by completing the SPOP/LSPOP with the necessary attachments. The attachments include taxpayer identity and proofs of land certificates, transitions, and permits. These documents were used as the results of the PBB-P2 data collection for evaluation and determination.

b. Data collection
Data were collected or updated based on new registrations or mutations. Updating is performed when a taxpayer reports a change in the Tax Object data. This was performed by the Majene Regency Government working with the Kelurahan/District/Office.

c. Counting
The calculation determines the value of the tax object through mass and individual assessments. Mass assessments were conducted on standard land and buildings at the beginning of the year when SPPT was printed using SISMIOP application. Meanwhile, individual assessments are carried out for special buildings above two floors, such as guesthouses, hotels, apartments, shopping centers, and malls. Data
collection and registration are conducted when printing mass SPPT and additional SPPT when new taxpayers are registered. This is because there is no separation of functions in SISMIOP application.

3.2. Infrastructure Support in PBB-P2 Management
The Regional Revenue Agency has human resources and is supported by the following IT infrastructure.
1. Hardware
The hardware includes one unit of the IBM System x3500 M3 server for installing the Oracle database and SISMIOP applications, as well as ten units of HP All In One Design PCs for installing PBB-P2 applications. The units were connected to the intranet network to access the database on the server. One unit of the Printernix P7215 printer was used for mass SPPT printing.

2. Software
Majene District Bapenda manages PBB-P2 using the following software:

a. The Oracle Database version 11. g is a database that stores and maintains the structural Tax Object data.

b. Oracle Form and Report execute database queries Oracle to facilitate reporting.

The SISMIOP application is built using the Developer 2000 program and uses the Procedural Language (PL) or Structured Query Language (SQL) programming language. It is the main application for processing the PBB-P2 database from collection to reporting.

SISMIOP or the Tax Object Information Management System is a tax administration system that integrates all computer-based PBB activities. These activities included data collection, identification, processing, maintenance, and output printing. Figure 4 shows the flow of SISMIOP application.

![Figure 4. Flow of Using the SISMIOP Application](image)

Majene Regency has developed an integrated information system on the [http://bapenda.majenekab.go.id](http://bapenda.majenekab.go.id) website. The system was connected to the SISMIOP application, as shown in Figure 5.
This integrated application is expected to assist Majene Regency Bapenda in preparing real-time data.

3.2.1. Development of PBB-P2 Receivable Data Majene Regency

In 2014, the KPP Pratama Majene Regency handed over PBB-P2 receivable data to the Government of Majene Regency according to the Minutes of Handover Number BA-29/WPJ.15/KP.12/2014. The transfer indicates that the remaining receivables were Rp. 718,632,543.00. However, this balance is not accompanied by accounts receivable per taxpayer with a name per address. This means that the data cannot be used as a database for PBB-P2 Receivables for Majene Regency.

The Financial Report of the Regional Government of Majene Regency for the 2020 Fiscal Year showed that data on PBB-P2 Receivables for Majene Regency in eight districts amounted to IDR 535,486,886.00. The details are presented in Table 2.

Table 2. Details of PBB-P2 Receivables for 8 Districts as of 31 December 2020

<table>
<thead>
<tr>
<th>No</th>
<th>Subdistrict</th>
<th>Amount (IDR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Banggae</td>
<td>150,850,278.00</td>
</tr>
<tr>
<td>2</td>
<td>Banggae Timur</td>
<td>295,850,119.00</td>
</tr>
<tr>
<td>3</td>
<td>Pamboang</td>
<td>11,274,453.00</td>
</tr>
<tr>
<td>4</td>
<td>Sendana</td>
<td>39,887,539.00</td>
</tr>
<tr>
<td>5</td>
<td>Tammerodo Sendana</td>
<td>10,362,342.00</td>
</tr>
<tr>
<td>6</td>
<td>Tubo Sendana</td>
<td>3,498,459.00</td>
</tr>
<tr>
<td>7</td>
<td>Ulumanda</td>
<td>9,412,011.00</td>
</tr>
<tr>
<td>8</td>
<td>Malunda</td>
<td>14,351,685.00</td>
</tr>
<tr>
<td></td>
<td><strong>Amount</strong></td>
<td><strong>535,486,886.00</strong></td>
</tr>
</tbody>
</table>

Source: processed data

The progress chart comparing the number of SPPT and SPPD 2016-2020 in eight districts is shown in the following graph.
The graph shows that the percentage of revenue declined from 2016 to 2020, with a target remaining in the range of IDR 1,300,000,000.00. However, the realization rose by 74.84% or IDR 1,122,534,212.00 in 2020, and the target increased to IDR 1,500,000,000.00.

In 2020, Bapenda issued 28,760 SPPTs worth IDR 1,500,000,117.00. However, 8,912 of the total SPPT issued were not paid for by December 31, 2020. The unpaid SPPT was worth IDR 377,485,903.00, or 25.16% of the total value issued by the SPPT. Furthermore, 131 of the 8,912 SPPTs were obstacles to billing, as shown in Table 3.

Table 3. Obstacles Faced in PBB-P2 Billing

<table>
<thead>
<tr>
<th>No.</th>
<th>Constraint</th>
<th>Number of SPPT</th>
<th>SPPT value (Rp)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>No Objects</td>
<td>35</td>
<td>1,654,926.00</td>
</tr>
<tr>
<td>2.</td>
<td>Double SPPT</td>
<td>12</td>
<td>706,173.00</td>
</tr>
<tr>
<td>3.</td>
<td>Change Owner</td>
<td>14</td>
<td>493,481.00</td>
</tr>
<tr>
<td>4.</td>
<td>Solving</td>
<td>6</td>
<td>802,414.00</td>
</tr>
<tr>
<td>5.</td>
<td>Change Region</td>
<td>6</td>
<td>76,988.00</td>
</tr>
<tr>
<td>6.</td>
<td>WP and OP data do not match</td>
<td>1</td>
<td>1,395,120.00</td>
</tr>
<tr>
<td>7.</td>
<td>Unpublished SPPT</td>
<td>57</td>
<td>2,712,765.00</td>
</tr>
<tr>
<td></td>
<td><strong>Amount</strong></td>
<td><strong>131</strong></td>
<td><strong>7,841,867.00</strong></td>
</tr>
</tbody>
</table>

Source: BAPENDA Kab. Majene

4. Results and discussions

4.1. Analysis of the Internal Control System for the Management of PBB-P2 Receivables in Majene Regency

The assessment of the five SPIP components was based on 53 questions asked by the five respondents. The results of this study are presented in Table 4.

Table 4. Results of Evaluating the Implementation of SPIP for Management of PBB-P2 Receivables in Majene Regency

<table>
<thead>
<tr>
<th>No</th>
<th>Elements of Control</th>
<th>Weight (%)</th>
<th>Score</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Control Environment</td>
<td>30</td>
<td>1.28</td>
<td>0.38</td>
</tr>
<tr>
<td>2</td>
<td>Risk Assessment</td>
<td>20</td>
<td>2.00</td>
<td>0.40</td>
</tr>
<tr>
<td>3</td>
<td>Control Activity</td>
<td>25</td>
<td>2.29</td>
<td>0.57</td>
</tr>
<tr>
<td>4</td>
<td>Information and Communication</td>
<td>10</td>
<td>1.70</td>
<td>0.17</td>
</tr>
</tbody>
</table>

Source: BAPENDA Kab. Majene

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The final score for implementing the SPIP for the Management of Receivables PBB-P2 in Majene Regency is 1.68, as detailed in Appendix 3. The classification of the SPI assessment according to the BPK RI quality scores was 1.68, ranging between 1.00-1.66. This value indicates that internal management is ineffective. Table 5 presents an assessment of the five SPIP elements.

<table>
<thead>
<tr>
<th>No</th>
<th>Elements of Control</th>
<th>Weight (%)</th>
<th>Score</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Monitoring</td>
<td>15</td>
<td>1.00</td>
<td>0.15</td>
</tr>
<tr>
<td></td>
<td>SPIP Rating Score</td>
<td>100</td>
<td>1.68</td>
<td></td>
</tr>
</tbody>
</table>

Source: Processed Data

Table 5. Assessment of Each SPIP Element

<table>
<thead>
<tr>
<th>No</th>
<th>Elements of Control</th>
<th>Score</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Control Environment</td>
<td>1.28</td>
<td>Ineffective</td>
</tr>
<tr>
<td>2</td>
<td>Risk Assessment</td>
<td>2.00</td>
<td>Not fully effective yet</td>
</tr>
<tr>
<td>3</td>
<td>Control Activity</td>
<td>2.29</td>
<td>Not fully effective yet</td>
</tr>
<tr>
<td>4</td>
<td>Information and Communication</td>
<td>1.70</td>
<td>Not fully effective yet</td>
</tr>
<tr>
<td>5</td>
<td>Monitoring</td>
<td>1.00</td>
<td>Ineffective</td>
</tr>
</tbody>
</table>

Source: Processed Data

The analysis of implementing the five elements of SPIP PP No. 60 in 2008 is explained as follows.

1. Control Environment

This element gained a weight of 30%, with a value of 1.28, indicating that the control environment element was ineffective. Seven subelements must be fulfilled in the control environment. These sub-elements include upholding integrity and ethical values, commitment to competence, conducive leadership, establishing an organizational structure that suits the needs, appropriate delegation of authority and responsibility, policy formulation and implementation on human resource development, and the realization of an effective APIP (PP 60.2018)

The control environment is weak because it lacks rules and sanctions that apply to staff in Revenue Sector II BAPENDA. Revenue Sector II has one civil servant working as the Head of the Sector, in charge of three non-PNS staff. The collection of PBB-P2 Receivables shows undisciplined behavior by non-PNS staff in their management roles. The staff do not seek permission for absenteeism, reports late on duty, and takes a long time to deposit the results of the PBB-P2 collection to the local treasury. Undisciplined employee actions impact the management of PBB-P2 Receivables. Consequently, receipts are inconsistent with the time the payment is received. Monthly reports of receipt often experience delays, resulting in inaccurate receivable data.

BAPENDA lacks a program to develop employee competencies to improve their abilities and expertise. Interviews with three PBB-P2 management staff showed that they were untrained in competency development. This low employee competence causes mistakes because of a lack of understanding of the management of PBB-P2 Receivables. In 2020, 131 incorrect SPPTs, 35 tax objects, 12 multiple SPPTs, and 14 owners changed SPPTs. Furthermore, six SPPTs were split, six changed areas, one Taxpayer and Tax Object data did not match, and 57 SPPTs were not issued. These errors in issuing incomplete and correct SPPTs make billing difficult and result in inaccurate PBB-P2 receivables calculations.

A weak sub-element also occurs in the weak organizational structure, which only has three staff members conducting all activities from data collection to reporting. The structure has limitations in forming special units to monitor PBB-P2 receivables management activities.
2. Risk Assessment
The element of risk assessment weighed 20% with a value of 2.00 obtained by calculating the answers to the questionnaire. These values indicate that this element is effective and supported by BAPENDA in identifying and minimizing the risk of not achieving goals. IT tools have been developed to support determination activities, calculate the amount of tax payable, and report by updating the data every month.

3. Control Activities
The weight of the control activity elements was 25%, with a calculated value of 2.29. This means that the control activity elements have been implemented effectively. BAPENDA routinely evaluates the achievement of planned targets. SOP Number 11 of 2017 also contains all the Registration, Determination, Billing, and Reporting procedures used by Revenue Sector II in executing the responsibilities given.

4. Information and Communication
The element of information and communication control scored 1.70 out of 10%, indicating that it was not fully effective. The weakness of this element is that the tax returns payable (SPPT) in previous and current years is not known. The absence of information regarding PBB-P2 payable to the tax object made it difficult for the appointed collector to properly record the payment received. This means that some information causes communication to be ineffective. Furthermore, BAPENDA lacks a forum that helps people submit complaints regarding their problems.

BAPENDA has a SISMIOP application integrated with the Perception Bank for receipt of PBB-P2 Receivables. However, the database in the application has not been updated, as indicated by unclear data on PBB-P2 Receivables worth Rp. 718,632,543.00. This has made BAPENDA unable to provide clear information to taxpayers regarding PBB-P2 Receivables still in arrears.

When making PBB-P2 payments, people come directly to the BAPENDA office or pay through the Bank Sulselbar. However, taxpayers do not know the PBB-P2 Receivables in the arrears, indicating that many unreceivable values cannot be settled.

5. Monitoring
The questionnaire results were tested using SPIP PP Assessment Method Number 60 of 2008. The monitoring element scored 1.00 out of a weight of 15%, indicating that it was ineffective. PBB-P2 Receivables are supervised only once a year when preparing the Financial Report. In this case, the inspectorate tests the suitability of the receivable figures presented in the financial statements with the collected STS. BAPENDA has also not conducted verification or validation to determine the exact tax object data.

4.2. Analysis of Obstacles to Implementing SPIP in Managing PBB-P2 Receivables in Majene Regency
The obstacles to implementing SPIP in managing PBB-P2 Receivables in Majene Regency are as follows.

1. Taxpayers are less compliant in paying taxes, including acceptable sanctions
The low compliance of taxpayers in the Majene Regency in paying off their obligations is caused by a lack of a forum that helps people know information about PBB-P2 Receivables and submit complaints. The Collecting Officer also collects only PBB-P2 payments for the current year and does not record a list of taxpayers with arrears.

2. Inaccurate calculation of PBB-P2 Receivables
LHP BPK on Kab. Financial Report. Majene (2020) stated that receivables worth Rp. 718,632,543.00, and on the balance of receivables worth Rp. 3,997,653,076.00; however, the details are unknown. BPK's LHP of the BPK also showed a difference between the balance sheet and the detailed balance according
to the general ledger of Rp. 117,294,875.00. Additionally, the settlement value for PBB-P2 Receivables for 2019 is worth Rp. 18,448,026.00 was recorded for 2018.

BAPENDA lacks an up-to-date NJOP for calculating PBB-P2 in Majene Regency. The existing NJOP contradicts the applicable laws and regulations because it has no calculations for commercial areas and the rates have not been adjusted. The absence of an updated NJOP makes BAPENDA unable to calculate the actual value of PBB-P2 Receivables and classify them according to the age of the receivables. Consequently, the receivables presented are not recorded as actual, making BAPENDA unable to calculate those that had expired.

5. Conclusion
The COSO 2013 adopted in PP No. 60 of 2008 stipulates the requirements to be met for internal controls to be effective. These requirements are the fulfillment of the five SPI elements: control environment, risk assessment, control activities, information and communication, and monitoring. The assessment of the five elements showed that the internal control system implemented by BAPENDA Majene Regency in managing PBB-P2 Receivables was ineffective. The weaknesses of SPIP exist in the control environment, information and communication, and monitoring, as follows:

1. Control Environment
BAPENDA Majene Regency has rules used in implementing a code of ethics and employee discipline. However, this does not apply to employees without civil service status. The absence of rules governing the code of conduct for Non-PNS Employees has implications for recording receipt of PBB-P2 Receivables, contrary to the time of payment. Also, there are delays in monthly reporting on receipt of PBB-P2 Receivables, making the data inaccurate.

The organizational structure of the small PBB-P2 Receivables management by Revenue Sector II comprises one Head of Field with PNS status and three employees with non-PNS status. This small number of executors makes it difficult for the division head to delegate authority. The management of PBB-P2 Receivables is jointly performed by three employees with insufficient competence. Consequently, BAPENDA cannot calculate receivables accurately, as indicated by the number of multiple SPPTs and those unsupported with clear names and addresses. The role of the APIP is suboptimal because the evaluation process has never been conducted. Therefore, unidentified risks hinder the achievement of PBB-P2 Receivable management objectives.

2. Information and Communication
The weakness of this element is that the tax returns payable (SPPT) on bills for previous and current years is unknown. The absence of information regarding PBB-P2 payable to the tax object made it difficult for the appointed collector to correctly record the payment received. This indicates that the information results in ineffective communication.

3. Monitoring
The lack of supervision over the management of PBB-P2 Receivables made the BAPENDA of Majene Regency unable to identify problems and their resolution through effective actions.

The management of internal control could also be hindered by low taxpayer compliance caused by the lack of sufficient information on PBB-P2 Receivables to Taxpayers, especially regarding payments. In addition, the bills that do not arrive through the SPPT result in taxpayers not knowing the remaining unsettled bills.

Another obstacle is the inaccuracy in calculating the PBB-P2 Receivables. This occurs because the PBB-P2 Receivable data are not supported by clear details. Another obstacle is the absence of an up-to-date NJOP used to determine the PBB-P2 rates in SPPT.

The Majene Regency Government has made efforts to overcome the obstacles encountered when collecting PBB-P2 Receivables. However, these efforts still require improvement regarding the
validation and verification of PBB-P2 receivable data by name and address. Valid data helps ensure that the value of receivables recorded in financial reports is accurate.

Bayyinah (2019) stated that the Collection of Land and Building Tax for weaknesses in internal control of the management of PBB-P2 Receivables could be optimized by (1) Expanding the revenue base through outreach to Taxpayers and Stakeholders, (2) Strengthening the collection process through counseling or outreach to taxpayers (WP) that do not understand the obligation to pay land and building tax, (3) Improving supervision through cooperation with all parties, especially the Government's internal control apparatus. Certain obstacles interfere with the internal control system in managing the PBB-P2 Receivables. Therefore, BAPENDA should update the PBB-P2 data through verification and validation to establish the right tax subject and object data to obtain correct, complete, and accountable data.

Expanding the acceptance base by identifying new or potential taxpayers, improving the database of objects and assessments, and calculating the revenue capacity of each levy. This would ensure that PBB-P2 for the Rural and Urban Sectors would become a Regional Tax.

References