

ARTICLE

# The Maximization of State Non-Tax Receivables Management at The Directorate General of Law Enforcement on Environment and Forestry

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## ABSTRACT

This research investigates the problems encountered in the receivables management process by outlining the main strategies at the Directorate General of Environmental and Forestry Law Enforcement (Dirjen PHLHK). This research uses a qualitative approach and case study method. The results of this study indicate that the process of managing receivables at Dirjen PHLHK has not been optimal due to the absence of a formal SOP for receivables management, limited human resources, inefficient coordination and cooperation between internal divisions and external institutions, ineffective internal control, and inadequate facilities. Therefore, the efforts to optimize accounts receivable management at Dirjen PHLHK include making formal SOPs, making operational guidelines and technical guidelines for the implementation of receivables management, compiling a more comprehensive workload according to position class, recruiting officers who meet the qualifications of tasks and functions related to accounts receivable management, increasing awareness among related parties, implementing a more active internal control system and developing facilities and infrastructure in the implementation of receivables management by implementing a more sophisticated and sustainable technology system. The implications of the study are thoroughly discussed.

## A. INTRODUCTION

The priority of economic policy is expected to move the wheels of development to accelerate the expansion of equitable growth. The availability of state revenue is crucial and has a very strategic aspect as a source of state revenue. Therefore, the development of state revenue cannot be separated from the financial system, which is expected to boost the rate of state revenue more optimally. In the case of Indonesia, the translation of income has been regulated in Law Number 17 of 2003 concerning State Finance, which describes that state revenues consist of tax revenues, non-tax revenues, and grants (Kementerian Keuangan, 2003). Nominally or in percentage terms, taxes dominate a very positive source of income for all state revenues because the basis of taxation is very reasonable. Still, in its implementation, taxes cannot finance all government expenditures.

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On the other hand, tax realization did not reach the target, so it is necessary to explore other state government sources more deeply. Non-Tax State Revenue (PNBP) is one of the most reliable state revenue sources. In 2020, the total contribution of PNBP provided around 26.75% of state revenue. PNBP also has the most significant income after tax, so it has a substantial and meaningful role in fiscal health supporting national development. Therefore, the government needs to optimize PNBP to promote economic growth.

In the National Public Procurement Agency (LKPP) data for 2020, there was a decline in state revenues, which impacted the growth of the state budget. The recorded decrease amounted to Rp 65,180,136,368,312 or 15.94% compared to the realization data for the 2019 fiscal year. All public sectors with existing resources must be more optimal to achieve more effective PNBP management, efficiency, and responsibility to provide economic climate change. In the implementation of PNBP activities, non-tax state revenue receivables often arise. Receivables from the government are accounting transactions originating from arrears of revenue collections that are legal according to laws and regulations. Receivables can harm the financial system if the management does not go well. Even these conditions will cause bankruptcy in the organization (Mesrawati et al., 2022)

In implementing non-tax state revenue (PNBP) activities, state receivables often arise, which are rights the state must receive from certain parties. A recording of accounts receivable within the scope of the government is an accounting transaction originating from arrears of revenue collection that is valid according to statutory regulations. Receivables can harm the financial system if the management does not go well. Even these conditions will cause bankruptcy in the organization (Mesrawati et al., 2022)

Lately, receivables have become an essential aspect of managing state finances. It demonstrates the importance of government financial structures and the challenges of standardizing the accounting policy framework in preparing public sector balance sheets (Bello & Martha, 2020). Government debt has also received special attention since the implementation of the accrual basis system in preparing government financial reports in Indonesia. The purpose of implementing the accrual basis is to improve the quality of the presentation of government financial reports and present accurate data for measuring government performance. So, the relevance of data in explaining the value of receivables listed in the government's financial statements must be considered to benefit its users.

Based on the LKPP of 2020, non-tax receivables from ministries and institutions amounted to Rp 54,609,431,065,961, an increase of Rp. 10,079,840,989,002 or 22.64 per cent higher compared to 2019. Based on the data presented in the LKPP, the number of non-tax receivables in ministries and institutions with a significant value, including the Ministry of Environment and Forestry, amounted to Rp. 4,998,679,633,980. Out of the non-tax receivables at the Ministry of Environment and Forestry as of December 31 2020, one of the non-tax receivables comes from Echelon I of the Directorate General of Environmental and Forestry Law Enforcement (Echelon I Dirjen PHLHK). The receivables are collected through fines or compensation for the settlement of environmental disputes, which include the consequences of exceeding environmental quality standards, substitution for the cost of implementing the settlement of environmental disputes, and the cost of loss to replace the prevention of pollution and environmental damage, environmental restoration and ecosystem loss. The balance of receivables managed by the Directorate General of PHLHK can be seen in table 1.

Table 1. Receivable Balance at the Directorate General of PHLHK

No.	Year	Accounts Receivable Balance Beginning of the Year	End of Year Receivable Balance	Subtraction/ Addition	(%)
1	2016	0	0	0	0
2	2017	0	35,209,253,105	0	0
3	2018	35,209,253,105	6,881,136,510	-28,328,116,595	-80
4	2019	6,881,136,510	35,903,407,921	29,022,271,411	422
5	2020	35,903,407,921	52,406,634,700	16,503,226,779	46

Source: Result of Data Analysis by Authors, 2022

Table 1 indicates that the potential for non-tax receivables at the Directorate General of Environmental and Forestry Law Enforcement (Dirjen PHLHK) over the next four years has encountered a significant increase from 2016 to 2020. The immense value of these non-tax receivables reflects the potential for uncollectible state receivables. Even though the realization of the obligation to pay receivables in 2018 has increased, it can be seen that the potential for receivables in 2019-2020 tends to rise, which reached Rp. 35,0903,407,921 in 2019, and Rp. 52,406,624,700 in 2020. Seeing this phenomenon, the potential for receivables from Dirjen PHLHK tends to have a rising trend of increasing receivables. This potential analysis is an initial description of the potential for receivables that can be maximized, which must be managed from now on. It could be a severe concern for Dirjen PHLHK to improve receivables management as a potential state revenue that is not yet optimized.

In 2019, the Audit Result Report (LHP) on the KLHK Internal Control System by the Audit Board of Indonesia (BPK RI) found a problem with receivables. It was discovered that the management of non-tax receivables at the Directorate General of PHLHK work unit was not optimal. In addition, the issues BPK RI uncovered from the audit results were related to weak internal control over the documentation of non-tax receivables due so far. These findings align with the research conducted by [Sutriani \(2017\)](#) and [Lazich & Popova \(2022\)](#), which stated that the ineffective management of account receivables is due to weak internal control and poor internal coordination and communication. Another finding showed weaknesses in the accounts receivable management officers at the Directorate General of PHLHK, whose management in administering accounts receivable was poorly organized and did not understand accounting standards. Delays in settlement of accounts receivable due to weak administrative systems and limited information technology systems, and receivables management activities carried out without implementing the Standard Operating Procedure (SOP) confused account receivable officers in carrying out their daily tasks ([Tarigan, 2021](#); [Adusei, 2017](#)).

The management of receivables in each ministry has not been comprehensive, causing this low amount of current receivables. In the initial observations at the Directorate General of PHLHK, it was found that there is a lack of supervision or monitoring of receivables management and a lack of human resources required to manage receivables management. This research attempts to answer the question: why is the management of receivables at the Directorate General of PHLHK not optimal?

## B. LITERATURE REVIEW

### State Receivables

State Receivables are the amount of money that must be paid to the Central Government and the rights, which can be valued in cash due to agreements or other consequences based on applicable laws and regulations or other valid effects State Receivables are an element of working capital which is always in a continuous state of rotation in the working capital turnover

chain, and receivables have a higher liquidity level than inventory (Yuesti & Kepramareni, 2019; Podile., Sree., & Rani, 2020). Meanwhile, according to Van Horne & Wachowicz (2008), account receivables mean money owed to a firm by customers who have bought goods or services on credit. A current asset, account receivables, is also called receivables. Receivables are sums of money borrowed from a company by its customers who have purchased goods or services on credit. Receivables are also referred to as current assets. Thus, receivables are claims or demands for money from a company to third parties that will result in future cash receipts. Therefore, receivables are rights that an organization must receive due to a legal agreement.

## Management of State Receivables

The management of state receivables is an inseparable part of managing state finances. Management of state receivables is a process of managing receivables carried out by the government against parties who have obligations to pay credit based on legal agreements so as not to cause difficulties in the future (Anugrah et al., 2021). Furthermore, according to Surindra et al., (2020), account receivables management is one of the crucial things that needs to be considered in company management. Not all transactions in a company are made in cash, but there are times when transactions that occur on credit require accounts receivable management. Meanwhile, according to Van Horne & Wachowicz (2008), "financial management is concerned with the acquisition, financing, and management of assets with some overall goal in mind". Thus, the decision function of financial management can be broken down into three major areas: investment, financing, and asset management decisions. This is in accordance with what was stated by Paul (2018) accounts receivable management incorporates all the various ways that the institutions use to ensure that customers pay their invoices. Good receivables management helps prevent overdue payment or non-payment and therefore a quick and effective way to strengthen the company's financial or liquidity position.

According to Sutrisno in Sarrono et al. (2015), effective management of accounts receivables is one of the things that the company hopes to gain profit through a credit sales policy. Effective management of receivables can be illustrated by the account receivables turnover ratio increasing yearly (the target expected by the company is right on target) and will ultimately affect profitability. In addition to management as a process, account receivables management is also considered an ongoing activation with a primary function.

According to Terry (1974), management is a continuous cycle according to the goals of an organization where the character of the process includes: 1) planning, which focuses on determining efforts to achieve various things and formulating actions for the future to reach the desired results. 2) Organizing focuses on the part of management that involves people in the organizational structure to establish the delegation of certain authorities and responsibilities to create business unity in achieving the goals that have been set. 3) Direction, meaning the involvement of leaders or managers to create effective communication as a means of motivation. Therefore, a manager must develop the ability to direct all existing resources to achieve goals. 4) Controlling focuses on measuring and correcting implementation activities.

Then, the purpose of managing receivables requires management of state receivables that applies the principles of good governance accordingly following the government environment. Good governance enhances transparency and accountability in managing state receivables in the government environment.

Several factors must be considered in carrying out the activities of managing account receivables. Five main factors significantly affect the size of receivables, according to Sutrisno in Methasari (2019), including (1) the size of the volume of credit sales, (2) terms of payment, (3) provisions regarding credit restrictions (credit ceiling), (4) customer payment habits, (5) policies in the collection of receivables. Apart from that, to optimize receivables turnover, it is

also necessary to restructure accounts receivable to overcome arrears on uncollectible receivables (Pavlova & Bikchantaeva, 2019).

In the public sector, it is hoped that the upgrade of the management of state receivables will run more effectively. The role of Ministries/Institutions in settling their debts is more significant because, as owners of receivables, Ministries/Institutions certainly know more about the ins and outs of the record of the formation of existing receivables before being handed over to the Directorate General of State Assets (DJKN). Currently, Ministries/Institutions have full authority to manage their receivables. Therefore, DJKN provides limitations regarding the criteria for state receivables that Ministries/Institutions can hand over to the State Receivables Committee (PUPN). In the Regulation of the Minister of Finance Number: 163/PMK.06/2020 concerning the Management of State Receivables at the Ministries/Institutions of the State General Treasurer and Simple Management by the Committee for State Receivables Affairs, it is hoped that it can improve the performance of Ministries/Institutions and PUPN's performance in resolving receivables which are more significant in number. The scope of accounts receivable management that must be carried out by each ministry/institution includes the following: 1) administration of Non-Tax Receivables, 2) collection of PNBPN receivables, 3) Optimization of PNBPN receivable, 4) settlement of PNBPN receivables, 5) update of receivables data and reconciliation

After recognizing the factors that affect trade receivables, it would be excellent for the organization to pay attention to them by managing them effectively and efficiently. Based on the descriptions above, it can be seen that there is a risk that several receivables cannot be realized due to several factors, for example, due to limits on the number of receivables, terms of payment, and policies in billing.

### **Internal Control System**

Internal control plays a crucial role in implementing receivables management because it can assist organizations in identifying, preventing, and mitigating risks associated with receivables. Internal control is a system and procedure the government implements to ensure that its operational activities run effectively, efficiently, and are well controlled. Five component elements must be known to provide solutions in accounts receivable management. If we look at the internal focus, the COSO Framework has a more comprehensive scope because it covers the entire organization, namely: control environment, risk assessment control activities, information and communication, and monitoring so that this COSO Framework can also be used in various types of organizations, both large, medium, small, profit and non-profit as well as government organizations (Mcnally, 2013).

The role of control over accounts receivable managers has to be increased so that they can maintain discipline and professionalism at work because internal control largely determines the quality of the results of the performance that has been carried out in overcoming the bad credit problem (Suryadinata et al., 2018; Selezneva et al., 2020). But then Adusei (2017) also added that poor monitoring and lack of adequate follow-up are the main challenges in managing receivables. In principle, the internal control system must minimize, detect and correct errors when in receivables management and produce certainty regarding all existing and accountable receivables transactions (Syahputri, & Firmansyah, 2019).

### **C. METHOD**

This study uses a qualitative method by collecting data through interviews, observation, and document studies (John & Creswell, 2018). This method is used so that researchers can interact directly with individuals or objects under investigation, be more intensive, and understand more deeply all the symptoms, facts, and realities regarding the management of

receivables at the Directorate General of PHLHK. Interviews were conducted with seven key informants with codes K1, K2, K3, K4, K5, K6, and K7. To select critical informants, the researcher uses a purposive approach by selecting informants who can represent and are directly related to the object under study. In addition, researchers also used secondary data obtained through studying documents related to receivables management at the Directorate General of PHLHK, such as the financial reports of the Ministry of Environment and Forestry (KLHK) for the year 2015-2020, 2018-2020, the Ministry of Environment and Forestry Government Financial Reports Center (LKPP) Audit Report by BPK. Next, data processing and data analysis are carried out by reducing the data in detail so that it can be presented, and the final step is to draw conclusions that are outlined in a structured form (Abdussamad, 2021).

#### **D. RESULT AND DISCUSSION**

The locus of this research is the Directorate General of Environmental and Forestry Law Enforcement. Based on technical and administrative tasks and functions, the Directorate General of Environmental and Forestry Law Enforcement is related to non-tax state revenues and state receivables. One of the echelon II specialized units that generate non-tax state revenues from environmental compensation fines is the Directorate for Environmental Dispute Resolution (Dit. PSLH), which is the implementer of policies in the environmental and forestry dispute resolution both outside the court and outside the court. Because there are PNPB receipts in a series of dispute resolution technical activities, revenue management is automatically attached as long as the issuance of structural arrangements is the basis for appointing the competent authority. In addition, the critical role that Dit.PSLH manages these receivables by receiving, recording, depositing, classifying, processing, archiving, compiling reports, and sending written information and data required by the organization and external parties. Furthermore, from the implementation of the job description above, some factors cause the non-optimum management of receivables at the Director General of PHLHK, among others.

#### **The Management of Receivables at the Directorate General of PHLHK**

Severe liquidity problems caused by so much funds held in accounts receivable may lead to total collapse in production since the firm can no longer meet its financial obligations, which in extreme cases may lead to the firm becoming insolvent and consequently being placed under receivership. Ultimately, the firm may be wound up (Gitahi et al., 2020) The problem faced by the Directorate General of PHLHK in the implementation of receivable management is that there is no segregation of duties where only one officer carries out the technical and the receivable management functions, so there is a high possibility of errors in the data presented. This is in line with the results of the interview with the Director of Environmental Dispute Settlement, who stated:

*"At this time, the treasurer is still a single fighter who only records those who enter, gives warnings, and makes reports."*

Regarding SOP related to receivables management at the Directorate General of PHLHK, information regarding receivable collection procedures is obtained, ensuring that the process has not been carried out following existing standards. The results of interviews with the Head of Program, Evaluation, Law and Technical Cooperation as the caretaker of The Directorate General of Environmental and Forestry Law Enforcement secretary (K1) explained:

*"So far, there is no SOP, so there should be every Directorate general, even a secretary general. In some cases, the KLHK PNPB is the one who manages the receivables, right at the Secretary-General."*

That statement showed that the process of implementing receivables management at the Director General of PHLHK is still being carried out to implement technical functions in the environmental dispute resolution unit. So, there is no more focus when problems occur during the receivable management activity process. For these challenges to be resolved, it is necessary to limit the division of affairs between implementing levels so that there is no potential for multiple interpretations. This is in line with the results of research [Liu \(2015\)](#), [Patricia & Pamungkas \(2020\)](#), which states that there is a regulatory vacuum related to the existence of factoring where, until now, a complete policy system has not been formed. Regarding receivables regulations, this is also confirmed in the research [Le & Phan \(2024\)](#) that formulating a receivables management policy is an important task in a company's financial strategy so that receivables management policies and activities must be based on special considerations for the company's financial situation.

### **Limited Human Resources (HR)**

The factors causing the non-optimum management of receivables in terms of potential human resources are the determining factors for the success of the receivables management objectives at the Directorate General of PHLHK. Inadequate human resources lead to various deficiencies and irregularities in implementing receivable management. These are reflected in BPK's findings in the financial statements, such as errors in recording PNPB receivables, miscalculation of allowance for PNPB receivables and erroneous understanding/perception of the applicable regulations. Thus, to better understand the qualifications of human resources available at the Directorate General of PHLHK, the researchers also conducted interviews with the Head of Finance, Personnel, Organization and Administration at the Directorate General of Environmental and Forestry Law Enforcement (K3), who stated as follows:

*"For HR, the qualifications for managers should be basic, accounting and then certification, which has yet to be realized".*

It can be seen in decrees issued by the head of the work unit within the Directorate General of PHLHK regarding the appointment of the revenue treasurer, Number: SK 16 /KPA/KP-DITJEN.PHLHK/01/01/2021. The decision letter does not follow the mechanism for implementing the management of state receivables. However, it is still combined with the provisions on the control of the APBN DIPA, which, in terms of the rules and structure of the implementation, are incompatible with the alignment of duties and functions of PNPB receipts. Following what has been stated above, the leadership controls PNPB receivables within the scope of the Directorate General of PHLHK and at the Ministry of the Environment and Forestry level. The next step is to discuss/study how to adequately qualify human resources to comply with state receivable management standards ([Liu, 2015](#); [Sutriani, 2017](#); [Tarigan, 2021](#)). HR problems should be resolved immediately in terms of quantity and quality. Therefore, to overcome this problem, it is necessary to be firm in follow-up by the parties responsible for not allowing this to drag on.

### **Weak Coordination and Collaboration Between Internal and External**

Another factor that causes weak management of receivables at the Directorate General of PHLHK is improper coordination in terms of organizational principles. Furthermore, it is also known that the internal coordination of the Directorate General of PHLHK and related externals is not running effectively. It is understood that the pattern of internal coordination between the Directorate General of PHLHK still reflects one-way coordination, so it is never known which receivables have been completed, which receivables have not been finished and

which receivables are still in the process stage. To improve an account receivables management system, in addition to compiling instruments such as laws, to overcome the problem of account receivables management, it is necessary to coordinate with professional experts or outsource the collection of accounts receivable to reduce the percentage of the number of receivables (Kubickova & Soucek, 2013).

### **The Role of Internal Control Is Not Influential Enough**

In general, the factors that influence the optimization of receivable management at the Directorate General of PHLHK are the role of internal control, which is carried out continuously by the leadership to achieve organizational goals, in this case, the management of receivables at the Directorate General of PHLHK. Based on the documents of the Performance Achievement Report of the Directorate General of Environmental and Forestry Law Enforcement, the Work Plan Report of the Directorate General of Environmental and Forestry Law Enforcement, and the Action Plan Report of the Directorate General of PHLHK, it is recognized that the role of internal control currently has not been functioned at all levels of the receivables management process at the Directorate General of PHLHK. The researcher knows this based on the document above because no section explains the preparation of targets for settling receivables at the Directorate General of PHLHK.

In addition, internal control (leadership) does not appear to be mastered. This can be seen through the absence of possible risk identification. At the same time, risk identification plays an extensive role in anticipating the tendency for receivables to occur and even assisting in the preparation of account receivables reports, which will be presented as legal reports in the process of administering the financial management of the Directorate General of PHLHK. Furthermore, the statement above is supported by the results of the interview with the Revenue Treasurer of the Directorate General of PHLHK (K6), who explained in detail that:

*"In reality, there is no risk identification from our leadership, so we, from the PNBPN receivables management officer, took the initiative to organize data to be submitted to our superiors".*

Another important thing, according to Renaldo et al. (2021), Nelima & Sindani (2018), in the implementation of internal control is the need to hold regular meetings to discuss existing problems and not wait for many new issues to be addressed at the same time.

### **Inadequate Facilities and Infrastructure**

So far, in implementing PNBPN receivables management at the Directorate General of PHLHK, the facilities and infrastructure used are still not optimal. In this study, it was found that in the results of the BPK examination, there were information problems regarding the error in calculating fines and allowances for receivables made by the manager of PNBPN receivables at the work unit of the Directorate General of PHLHK. This condition illustrates that no PNBPN receivable application system can assist the receivable management officer of the Directorate General of PHLHK in recording daily receivable transactions. This is in line with the information submitted by the Revenue Treasurer of the Directorate General of PHLHK (K6) according to the results of the interview, which stated that:

*"specifically for the management of receivables, the scope of PHLHK is still using the Excel system, there has not been an application built as a place for the accounts receivable database so that it needs development that makes it easy to manage receivables".*

The statement is in line with that conveyed by the Director of Environmental Dispute Resolution (K2) who further states that:

*"The facilities used are not adequate because if we talk about proper management, there are still many things that need to be provided, for example, the billing cannot be just a written reprimand, because we have to go to it later after we come, we also see the problems in the field and also anticipate if they happen. We are not doing at least what we want to do; at least, we know".*

In the current era, it is known that technology and information have an essential role, especially in public sector administration. The implementation of technology in the performance of receivables management at the Directorate General of PHLHK can be monitored in *real-time*, starting from the emergence of receivables, the registrar of receivables, to the end of making account receivables reports. Moreover, the current technology development facility for managing receivables does not yet exist. One factor that needs to be considered in managing receivables is the support from facilities and infrastructure. The availability of adequate facilities and infrastructure dramatically influences the success of receivable management. In contrast, the facilities and infrastructure owned by the Ditjen PHLHK unit in supporting the operationalization of management work include SIMPONI, Billing Documents (SPn), Tools (Telephone, Fax and Internet), Accounts Receivable Card with Excel.

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(Source: Simponi of the Directorate General of PHLHK (2022))

Figure 1. Display of the Online Non-Tax State Revenue Information System Application (SIMPONI)

In principle, implementing an information technology system supports the effectiveness of managing account receivables at the Directorate General of PHLHK. The development of a receivables management information system is a strategic plan related to the strategy for

achieving the activities of the agency entity (Asqolani et al., 2023). This is in line with the findings of research conducted by Almutairi (2021) that information systems can also increase organizational excellence (support decision-making, mandatory payments, quality of receivables, schedule of receivables payments and cost efficiency). The implementation of the assessment of receivables quality at each ministry/institution is intended to determine the maturity of non-tax state receivables. It can also be used as a tool for collection management officers to monitor or take necessary steps in collection efforts so that the collection results can always be reached. Moreover, the balance of receivables at the work unit of the Head Office of the Directorate General of PHLHK is PNPB receivables for fines/compensation or compensation due to pollution and/or environmental destruction at the Directorate of Environmental Dispute Resolution, the payment of which is in the form of instalments/instalments with specific accounting policies for determining the quality of receivables and the allowance will be further coordinated with the Ministry of Finance.

### **Strategy for Managing Uncollectible Receivables at the Directorate General of PHLHK**

To review the implementation of all lines at every level of management in an organization, especially to measure the direction of receivables at the Directorate General of the PHLHK unit, researchers need to study knowledge related to the internal control system that has been implemented. Implementing this internal control system is important to enforce the Standard Operating Procedure (SOP) or the existing account receivables management rules. Besides, the data obtained will be used to provide solutions in developing the management of uncollectible receivables at the Director General of PHLHK. So, based on the above statement, researchers are willing to look at the condition of the internal control system to answer problems that occur by implementing internal control components, according to the Committee of Sponsoring Organization of The Treadway Commission (COSO). From the results of the identification of existing factors and based on the analysis of the findings of the implementation of receivable management, according to the researcher, as the first step, it is necessary to develop a strategic design for PNPB receivables management internally in the Director General of PHLHK to assist the organization in achieving the objectives of the overall operation such as financial reporting and compliance with existing regulations as well as the tool to conduct evaluation/monitoring. This finding is in line with research by Sutriani (2017); Selezneva et al. (2020); Suryadinata et al., (2018).

In an organization, what determines whether state receivables management is effective or not is the internal control system. Internal Control System for Management of Non-Tax State Revenue Receivables at the Directorate General of PHLHK really needs to be implemented. The implementation of internal control is carried out to facilitate and provide definite direction in every process of organizational activities. The control system is expected to assist the implementation of routine receivable management tasks, and internal control can also be used as a guideline for the operational performance of the Directorate General of PHLHK. A national scale approach is used to analyze the interrelationships of all systems, namely regulations issued as a legal basis, in addition to other essential things that need to be carried out related to internal control presented by COSO, which includes 5 (five) components, namely: Control environment, Risk Assessment, Control Activities, Information and Communication, Monitoring. Implementing these five components is expected to help leaders, day-to-day officers, and external parties (stakeholders) support achieving the objectives of the Directorate General of PHLHK.

The implementation of receivables management carried out by the Directorate General of PHLHK has been based on applicable regulations, but the commission has not been effective. This can be seen from the absence of derivative regulations carried out in the organizational

structure. Because the certainty of the rules for implementing activities is critical, the leadership as the controlling environment must make a clear time target for issuing derivative forms of the regulation, which can be in the form of a formal mechanism or SOP as an initial instruction in the implementation of PNBP receivables management activities. Weak implementation of this internal control can trigger irregularities in the work process and responsibilities in the performance of receivables management at the Director General of PHLHK. The results of interviews with the Head of Program, Evaluation, Law and Technical Cooperation as Plt reinforce this. Secretary of the Directorate General of Environmental and Forestry Law Enforcement (K1) stated:

*"So far, there is no SOP, so there should be a director general and even a secretary general. Because of this, in some cases, the KLHK PNBP is the one who manages the receivables, right at the Secretary-General."*

## **E. CONCLUSION**

Based on the results of this study, it can be formulated that the causes of the non-optimal management of receivables at the Directorate General of PHLHK are first There is no single formal SOP for managing account receivables at the Directorate General of PHLHK. It is clear that in practice, in the implementation of receivables management, there is no segregation of duties where the technical and receivable management functions are carried out and have not been referred to using PMK Number 163/PMK.06/2020. The second Limited Human Resources (HR): It is known that the current condition of HR is only to fulfil administrative needs in organizational units but has not led to sufficient competence to carry out policies so that these tasks can be carried out correctly. The third Weak coordination and collaboration between internal and external. The reality is that the coordination built is only limited to discussions, so there has been no synergy between parties. The fourth The role of internal control is not yet influential. The role of internal control (leadership) also does not appear to exist, and this can be seen in the absence of possible risk identification. And the fifth Inadequate facilities and infrastructure. Until now, the support for facilities and infrastructure in managing PNBP receivables at the Directorate General of PHLHK has still been inadequate.

As the recommendation for improving the receivables management at the Directorate General of PHLHK, the suggestions given are (1) It is necessary to design a formal standard operating procedure (SOP) in the implementation of receivables management at the Directorate General of PHLHK which functions to assist all parties, especially account receivables management officers to perform routine tasks and at the same time comply with applicable policies and reduce miscommunication that occurs in the implementation of receivable management. (2) It is necessary to carry out thorough HR planning with the process of officer recruitment, regeneration, and competency development through education and training. It is necessary to be firm in follow-up by the parties in charge to avoid letting it drag on. (3) Developing a more proactive or aggressive attitude in coordinating with related parties is necessary. In addition to the main steps in the management of receivables, such as receivables administration and collection and reconciliation of receivables data, what must be done is to coordinate with related parties so that all complex processes can be completed together. (4) Implementing a more active internal control system is necessary. Internal control is implemented to facilitate and provide definite direction in every process of receivable management activities at the Directorate General of PHLHK. With the implementation of the internal control system, it is expected to carry out all routine receivable management tasks better. (5) It is necessary to utilize technology in the implementation of receivables management at the Directorate General of PHLHK so it can monitor in *real-time* every activity,

starting from the emergence of receivables, the registrar of receivables to the end of making accounts receivable reports. Then, it is urgent to develop supporting technology to help manage receivables that did not exist before.

The limitation of this research includes the scope of the observed vital informants. This study only observes one of the parties who represent the management of the receivables of the Directorate General of PHLHK. This research does not regard the obligatory party as a user in managing accounts receivable. There are some suggestions for further study. First, the researcher could further explore the measurement techniques of PNPB receivables management by using financial ratio analysis supported by quantitative data and considering the liberal and social ideological spectrum of non-tax revenue.

## Contributorship

The first and second authors contributed to the design and implementation of the research, to the analysis of the results and the writing of the manuscript.

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