

ABSTRACT

Name : Dinda Alifa Rizki Aprillia
Study Program : Accounting
Title : The Analysis of the Implementation of Internal Control System over the Billing System of PT X and Its Impact on The Minimization Effort of Bad Debt Expenses byPT X from 2014 to 2016

The goals of this research are to evaluate and analyze the impact, in this case, the effectiveness level of the implementation of internal control over the billing system of PT X and its impact on the minimization effort of the bad debt expenses owned by PT X during the period of 2014 to 2016. This research is the kind of descriptive-qualitative research and using evaluative approach. Some findings from this research are as follows: (1) PT X has literally applied the internal control system, specifically over its billing system; the implementations can be manifested through the making of the aging schedule summary, the implementation of data restriction toward the data related to receivables, and the creation of Standard Operating Procedure (SOP) related to its billing activities; (2) There is a fluctuation or inconsistent change on the A/R ratio on given period as one of the main indicators; it indicates that the implementation is not effective enough; (3) some factors that cause the bad debt expenses at PT X are PT.X's inability to do creditworthiness analysis and the grace period policy that is easily given without restrictions as well as the tenants who fail to disclose the change in phone numbers or addresses to PT X so PT X has a hard time to collect the payment from them; and (4) PT X has not written of its bad debt expenses and it is unmatched with what is assigned on PSAK (Indonesian Accounting Standards adopted from IFRS) 55 that requires to write off the bad debt expenses. However, there are some limitations on this research such as the research period, indicators, and unconsidered factors such as the current state of economy and technology developments.

Keywords: Internal Control, Bad Debt Expenses, Accounts Receivable Ratio, Creditworthiness Analysis