

Analysis Of Audit Procedures On Receivables at BHK Foundation By KAP Djoko Soerjadi

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Abstract. Accounts receivable are one of the most liquid and crucial assets for businesses, impacting their long-term survival. Therefore, the examination and testing of these accounts receivable balances are mandatory for every public accounting firm. The objective of this research is to determine the accounts receivable audit procedures implemented by KAP Djoko Soerjadi and to evaluate these procedures. This research employs a qualitative approach with a descriptive analysis method, which involves collecting, classifying, organizing, presenting, and analyzing data obtained by the author from the BHK Foundation. The results of this research can be concluded that the accounts receivable audit process carried out by KAP Djoko Soerjadi is in accordance with applicable audit theories and standards, starting from accounts receivable audit planning, accounts receivable audit execution, reporting and concluding the results of the accounts receivable audit, and finally archiving. Despite the constraints related to data submission delays, KAP Djoko Soerjadi maintains communication and maintains good relationships while assisting the client.

Keywords : Accounts Receivable, Audit, and Audit Procedures on Receivables

1. INTRODUCTION

Djoko Soerjadi Public Accounting Firm (KAP) is an official accounting firm recognized by the Indonesian government through the Minister of Finance. The firm facilitates public accountants to provide services related to the analysis, examination, and assessment of financial and tax reports to various parties. In addition, this KAP also provides a variety of other financial services, such as providing financial consulting, tax consulting, and consulting in the field of management. One of the clients of KAP Djoko Soerjadi that will be discussed here is the BHK Foundation. This foundation plans to switch from a College to a University. Before registering as a University, the foundation needs to go through an audit process for the 2020 to 2022 financial statements. By completing this audit process, the BHK Foundation will demonstrate its commitment to good and accountable financial management, as well as its readiness to transition into a quality and trusted University.

One of the accounts in the financial statements that has significant value and is very important in determining the fairness of the presentation of financial statements is trade receivables (Akbar, 2022). According to (Zahara, 2021) trade receivables are bills for consumers who have made sales transactions of goods or services on credit. Receivables are one of the most liquid and crucial business assets, which results in the survival of the business over a long period of time. Inaccurate presentation of accounts receivable can result in an

incorrect determination of the foundation's current assets, resulting in inaccuracies in the statement of financial position and potentially harming the BHK Foundation in the future.

Given the important role of accounts receivable, in accordance with the roles and responsibilities of each Public Accounting Firm must examine and test the accounts receivable balance (Akbar, 2022). The purpose of conducting an audit of accounts receivable is to ensure that the accounts receivable data recorded in the financial statements are in accordance with the sales transactions that occur and reflect their actual conditions through the underlying evidence. In addition, auditors need to ensure that the receivables are not pledged to other parties or engineered to increase the value of the company's assets. The presentation of receivables in the financial statements must also be in accordance with applicable accounting standards. This is important to ensure transparency and comparability of the company's financial information.

The auditing process of accounts receivable must also be considered properly. If not, it can lead to the issuance of an erroneous audit report. In addition, the auditing process becomes ineffective and inefficient so that it can cause audit delay or delay in completing the independent audit report. If such problems occur, it will hamper other audit procedures and have an impact on decision-making, such as investment decisions by investors or lending for creditors. If the results of the audit report are proven to be erroneous, the severity of the error will be the basis for determining sanctions for the Public Accounting Firm. Sanctions that can be given by the Center for Financial Professional Development (P2PK) can be in the form of written warnings, restrictions on providing audit services, temporary license suspension, to license revocation. This sanction aims to protect the public interest, maintain the credibility of the public accounting profession, and improve audit quality (Mahendra & Soediby, 2023). Thus, problems like this not only have an impact on the damage to the image of the Public Accounting Firm, but also on the clients they work for.

Not only ensuring the certainty of accountability and fairness of the presentation of receivables in the financial statements, but the audit procedures for receivables also need to be considered by each Public Accounting Firm. Therefore, to ascertain whether the accounts receivable audit procedures at KAP Djoko Soerjadi have been carried out properly and correctly according to the applicable auditing standards of the Indonesian Institute of Certified Public Accountants (IAPI), the authors are interested in discussing a research topic entitled "Analysis of Audit Procedures on Receivables at the BHK Foundation by KAP Djoko Soerjadi".

2. LITERATURE REVIEW

2.1 Audit

Independent examination by public accountants of company financial statements is usually carried out to improve the quality and reliability of financial information. According to (Refitasari, 2019), audit is the collection and evaluation of evidence about information to determine and report the degree of conformity between that information and predetermined criteria. Audit criteria can be financial accounting standards, laws and regulations, or internal organizational policies. Audited information can be financial statements, accounting records, contracts, and other documents. Meanwhile, according to (Nisa et al., 2022), a structured and neat inspection process is carried out to collect and assess information related to statements regarding economic activities. The aim is to ensure conformity between these statements and applicable standards. The results of this examination are then communicated to interested parties to encourage appropriate decision making.

Based on the opinions of the experts above, it can be concluded that audit is a process of in-depth examination of a company's financial statements, along with supporting evidence, to ensure their accuracy and fairness. Auditors, both internal and external, perform various verification procedures, such as interviews, record checks, and observations, to match the balances in the financial statements with physical evidence. Audits provide many benefits, such as increasing accountability, detecting fraud, and providing suggestions for improvement. The results of these audits are important for various parties, such as management, shareholders, creditors, and regulators, to make informed decisions.

During the audit process, auditors collect evidence to support their opinion. Audit evidence can be collected from a variety of sources, including accounting records, supporting documents, observations, interviews, and confirmations. Auditors should properly document the evidence collected and explain how it is used to support their opinion. This audit evidence must be appropriate and sufficient. Appropriateness refers to the relevance and validity of the evidence in achieving the audit objectives, while sufficiency relates to an adequate amount of evidence (Thian, 2021).

Audit standards in Indonesia are set by the Indonesian Institute of Certified Public Accountants (IAPI). According to (Ruchmawati, 2016), audit standards are guidelines for auditing historical reports and include ten standards that are more detailed than the Statement of Auditing Standards (PSA). Among the auditing standards that have been regulated and ratified by the Indonesian Institute of Certified Public Accountants are general standards, field

work standards, and reporting standards. The ten auditing standards have been separated into these three groups.

2.2 General Standard

- a. An audit is to be performed by one or more persons who meet the technical requirements and have the skills required to be an auditor.
- b. In situations involving engagements, auditors must maintain independence of thought.
- c. When working on audits and creating reports, professional skills are to be applied carefully and completely.

2.3 Fieldwork Standards

- a. If an assistant is hired, the task should be carefully planned and the assistance should be adequately supervised.
- b. An understanding of how to use the Internal Control System is necessary to decide what, when, and how much testing to perform.
- c. It is necessary to have sufficient reliable audit evidence obtained from inspection, observation, questioning, and confirmation before providing a conclusion regarding the opinion on the audit report.

2.4 Reporting Standard

- a. The audit report must state whether or not generally accepted accounting principles (GAAP) were followed in preparing the financial statements.
- b. The audit report shows the consistency of the preparation of financial statements with the previous year.
- c. Formative financial statements must be adequately disclosed.
- d. A comprehensive statement of opinion on the financial statements is contained in the audit report.

2.5 Receivables

Receivables are one of the most important accounts in the financial statements and have an impact on the long-term viability of the company. Accounts receivable are only counted as financial assets if the company is a party to a credit sales contract (Affan, 2021). Likewise, according to (Sari, 2020), trade receivables are debts from clients who have purchased goods or services to the company that arise as a result of these sales.

According to the various points of view of the experts above, it can be concluded that receivables are bills arising from credit sales transactions between sellers and buyers. The seller recognizes the bill as a receivable by making an invoice containing transaction details,

including the amount of the bill to be paid by the buyer. Meanwhile, the buyer recognizes it as a debt because he has an obligation to pay the bill within the agreed period.

According to (Juniantari et al., 2023), receivables can be divided into three types, namely:

1. Accounts Receivable

Accounts Receivable is the result of credit sales that must be repaid within 1-2 months, included in assets that are easily cashed or current assets.

2. Notes Receivable

Notes Receivable is a client's debt agreement with interest and maturity date, which is included in assets that are easily cashed or current assets.

3. Other Receivables

This type of receivable is generally other bills such as interest, taxes, and employee salaries, separate from trade receivables because it is not from business activities. If it can be repaid within 1 year, it is included in assets that are easy to cash or current assets.

2.6 Audit Procedures on Receivables

According to (Arum Ardianingsih & CA, 2021), the audit procedure for receivables can be divided into four steps, including the following:

1. Audit strategy preparation

Before starting the audit, we can develop an optimal audit approach with reasonable costs in mind. This allows the collection of complete and valid audit evidence, especially related to receivables, and minimizes waste during the audit process.

2. Control evaluation and balance check

Auditors perform checks on the internal control of receivables to assess the impact that will occur. This is done on a verification basis, where the auditor may scrutinize the transaction files to ensure verifiability. On the other hand, substantive testing aims to ensure that the transactions recorded by the client are in accordance with the evidence. The auditor can detect any nominal recording errors that may impact the client's financial statements.

3. Uncovering the truth behind numbers

Preliminary checks are carried out by analyzing changes in the value of accounts receivable over a certain period. Comparisons and relationships between data are used to determine the reasonableness of the balances. Next, an in-depth examination is performed to detect material errors in the accounts receivable balance in the financial statements. One way is to conduct a meeting with the client to verify the accuracy of the recorded amount.

4. Audit finalization and submission of audit results

This stage includes:

a. Conduct additional testing

The auditor will carry out further tests to ensure the completeness and accuracy of the presentation and disclosure of the audited information.

b. Collecting final evidence

Documents that have been obtained during the inspection will be archived and printed to strengthen the audit findings.

c. Evaluate audit results

All audit findings on receivables will be thoroughly evaluated to draw conclusions and formulate appropriate recommendations.

d. Issuing the audit report

An audit report containing findings, conclusions and recommendations will be prepared and issued for distribution to relevant parties.

e. Communicating audit results

Audit findings and recommendations on receivables will be communicated to management and those responsible for governance for follow-up.

5. METHODS

This research uses observational-based qualitative methods to understand phenomena in depth in their original context (Auliya et al., 2020). The data analysis technique used is qualitative descriptive analysis, in which data is collected, classified, explained, and analyzed to produce information and descriptions that are relevant to the problem under study. The data used in this study are primary data obtained directly from the first source at the BHK Foundation during the 2020-2022 period.

6. RESULTS

Some of the audit procedures for receivables performed by KAP Djoko Soerjadi can be described in the following chart:

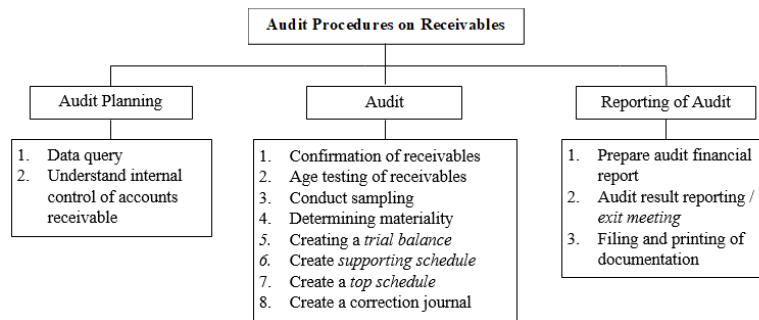


Figure 6.1 Schedule of Audit Procedures on Receivables

(Source: KAP Djoko Soerjadi)

6.1 Data Request

Before starting the audit, an auditor first discusses and makes a recap of what data will be requested to the client. The list of data must be complete and comprehensive, covering all information relevant to the audit objectives (Sari, 2020). The data required for conducting an audit of accounts receivable include the following:

1. Financial report
2. Accounts receivable subsidiary ledger
3. Evidence of receivables settlement transaction
4. Debt and credit agreement letter
5. Bank statement

However, not all data they have will be sent such as proof of receivable repayment transactions, but auditors only ask for some of them by determining the number of samples. The minimum number of samples taken is 20% of the total and this applies to each type of receivable. The main obstacle in this procedure is the delay in submitting data, especially proof of receivable repayment transactions. The reason for this delay is because the foundation's financial staff have not prepared the necessary data because they are not familiar with the audit process. In addition, the large number of students in the foundation makes the number of data samples needed very large. This delay and lack of data could potentially hamper the entire accounts receivable audit process.

6.2 Understand Accounts Receivable Internal Control

BHK Foundation is a company engaged in Health Education, so the receivables used to support their daily operations are classified as follows:

1. Student receivables
2. Employee receivables
3. Receivables from special relationships

This classification is based on the financial position report data that has been obtained from the client. This type of student receivable is the main source of income for the BHK foundation through the Education Development Contribution (SPP) program. This program is an education fee for students intended to support the needs of universities in organizing the education process. Meanwhile, employee receivables and special relationship receivables are receivable and payable transactions to internal people in the foundation that are not subject to interest and have no specified period. The following is a recap of the total receivable balance on the BHK Foundation's statement of financial position for the 2020-2022 period:

Table 6.1 Balance of BHK Foundation Receivables

Description	Total Balance (Rp)		
	2020	2021	2022
Student Receivables	4.115.510.000	3.482.827.000	2.873.133.000
Employee Receivables	95.737.900	368.913.500	462.567.000
Special Relationship Receivables	471.960.000	700.861.700	-

(Source: BHK Foundation Financial Report)

Ensuring the correctness between the accounts receivable control system and its accounting records, the auditor must ask questions that are structured, comprehensive, and relevant to the audit objectives. Thus, the auditor can provide appropriate recommendations to improve the effectiveness of the accounts receivable control system, thereby assisting the company in strengthening its accounts receivable control system, increasing the efficiency and effectiveness of accounts receivable collection, and ultimately, reducing the risk of loss.

6.3 Confirm Receivables

With the intention of validating the accuracy of information related to the nominal amount, the auditor of KAP Djoko Soerjadi will send a confirmation letter to the debtor. After the auditor receives the confirmation answer, a *cross check* is carried out again whether there is a difference between the Accounting records and the confirmation answer. KAP Djoko Soerjadi uses a type of positive confirmation letter that requires the debtor to provide an answer whether the balance of receivables from the client is correct or not. Some things that must be included in making a confirmation letter include the name, address, date, invoice / agreement number, and the remaining amount of receivables. Not all debtors need to be sent an accounts receivable confirmation letter. Only 20% are selected as a sample.

6.4 Conduct Age Testing of Receivables

Testing the age of receivables is needed by the auditor to determine whether the BHK Foundation's financial condition is healthy or not and to assess the debtor's ability to pay his debt to the Foundation. There are two main reasons for the importance of testing the age of receivables. The first is *tracking* accounts receivable that are due or in arrears so that the BHK Foundation can continue to pursue old debts. The second reason is so that the foundation can calculate the amount of receivable balances that are not expected to receive payment, so that the foundation can reserve these receivables in a timely and accurate manner to maintain the health of the balance sheet. The following are the results of the calculation of the age of student receivables from KAP Djoko Soerjadi:

Table 6.2 Calculation of Age of Student Receivables

Year	Description	Age of Receivables (Days)						Total
		0-30	30-60	60-90	90-180	180-360	>360	
2020	Accounts Receivable Balance	3.302.329.000					813.181.000	4.115.510.000
	Percentage of Reserves						2%	
	Allowance for Loss on Receivables						16.263.620	16.263.620
2021	Accounts Receivable Balance	2.621.616.000					861.211.000	3.482.827.000
	Percentage of Reserves						2%	
	Allowance for Loss on Receivables						17.224.220	17.224.220
2022	Accounts Receivable Balance	2.273.654.000					599.479.000	2.873.133.000
	Percentage of Reserves						2%	
	Allowance for Loss on Receivables						11.989.580	11.989.580

(Source: Auditor Processed Data KAP Djoko Soerjadi)

Based on this table, it can be obtained that the amount of student receivable loss reserves for 2020 is IDR 16,263,620, 2021 is IDR 17,224,220, and 2022 is IDR 11,989,580. So it can be concluded that the financial condition of the BHK Foundation is quite good because students are quite enthusiastic about making payments (SPP payments) for three years, so that the reserve for losses on the foundation's receivables began to decrease quite a lot in 2022 by IDR 5,234,640. Thus, the BHK Foundation has managed its receivables quite well.

6.5 Sampling Accounts Receivable Transactions

The purpose of this sampling is to ensure that the accounts receivable balance has no errors and to make an independent estimate of the value of certain accounts receivable. The type of receivable transaction referred to for sampling is the settlement of receivables, so the auditor needs to collect proof of payment / receipt. The basic evidence will later be *cross-checked* to the ledger and current account of the BHK Foundation because all transactions are made via bank transfer. The number of samples required by KAP Djoko Soerjadi auditors is 20% of each type of receivable. However, if the number of transactions is very small, such as special relationship receivables because only one person is concerned, it should not be sampled, in other words, all proof of payment must be collected.

6.6 Determining Materiality

Auditors use the materiality level as a benchmark to determine the tolerance limit for errors or inaccuracies in the financial statements that are considered reasonable, which can affect the decisions of users of financial statements. The materiality and percentage calculations made by KAP Djoko Soerjadi auditors on the BHK Foundation are determined as follows:

Table 6.3 Materiality Calculation

Description		Value (in Rupiah)		
		2020	2021	2022
Total assets		31.618.117.491	32.360.946.872	41.697.019.481
Total liabilities		7.565.989.319	5.760.642.382	10.995.530.936
Total Equity		24.052.128.174	26.600.304.493	30.701.488.545
Total Revenue		17.363.173.376	22.426.854.587	27.663.095.002
Total Cost		12.503.917.203	18.943.811.943	22.160.478.966
Determination of overall materiality	Balance reference	4.859.256.173	3.483.042.644	5.502.616.036
	Margin (%)	7%	7%	7%
	Overall materiality	340.147.932	243.812.985	385.183.123
Determination of implementation materiality	Margin (%) (generally 50%-80% of overall materiality)	80%	80%	80%
	Implementation Materiality	272.118.346	195.050.388	308.146.498
Uncorrected value threshold	Margin (%) (generally 25%-30% of implementation materiality)	25%	25%	25%
	Value of uncorrected misstatements	68.029.586	48.762.597	77.036.625

(Source: Auditor Processed Data KAP Djoko Soerjadi)

The determination of the materiality level in the audit of BHK Foundation was based on two main factors, namely the stable financial condition of the foundation and its optimal

competitive performance in the industry. Considering these two factors, 7% of the total net profit before tax was considered as a reasonable margin of error for the foundation's audit. Based on the table, it can be interpreted that if there is a transaction that exceeds the uncorrected value threshold, it is said to be a material value. Conversely, if it is below this value, it is still considered reasonable and does not affect the final result, namely the opinion in the auditor's financial statements.

6.7 Making Trial Balance

After obtaining the client's financial statement data along with the ledger, the author together with other auditors made a *Trial Balance* to verify the suitability of the receivable balance in the financial statements with the balance in the ledger, as well as identify potential recording errors. This *Trial Balance* contains the opening balance, mutations during the year, and the ending balance. If there is a difference, then further investigation is needed to identify the root cause. The discovery of significant differences in employee receivable balances between the data in the general ledger and the statement of financial position made the author immediately notify the senior auditor and confirm with the financial staff of the BHK Foundation. Based on confirmation with financial staff, it is known that there are several employee receivables that have been written off but have not been realized.

6.8 Creating Supporting Schedule

Supporting schedule is part of the audit working paper that contains detailed information to support the figures on the *top schedule* and financial statements. Because the BHK Foundation has three types of receivables, there are also three *supporting schedules* for receivables. With a separate *supporting schedule* for each type of receivable, auditors can more easily understand and verify the BHK Foundation's accounts receivable balance. The supporting schedule template in the audit of the BHK Foundation for the 2022 period from KAP Djoko Soerjadi is as shown below:

WORKING PAPER KERTAS KERJA													SUPPORTING SCHEDULE			
Nama Akun	Pos	Saldo Audit 31 Des 2021	Saldo awal per book 1 Jan 22	Selisih	Adjustment Debet	Saldo Awal Kredit	Saldo Per Book 01 Januari 2022	ROTASI 01 JANUARI-31 DESEMBER 2022		Saldo Akhir 12/31/2022	CAJE/PAJE Debet/Kredit	Saldo Audit 31 Des 2022	Selisih	TICK MARK		
<i>Piutang Mahasiswa</i> Piutang Mahasiswa	Db Aset	3.482.827,000	3.482.827,000	-	-	-	3.482.827,000	2.119.027,000	2.728.721,000	2.873.133,000	-	2.873.133,000	-	T		
JUMLAH		*****	*****	-	-	-	3.482.827,000	2.119.027,000	2.728.721,000	2.873.133,000	-	2.873.133,000	-			
KETERANGAN: * Footing telah dilakukan, cocok/Footing down is right * Sesuai dengan audit tahun lalu * Tracing ke akun/ke Buku Besar, cocok/Agred with General Ledger 31 Dec 2022 * Crossing ke Neraca Lajur, Cocok/Agred with Trial Balance per 31 Dec 2022 * WS Crossing ke Neraca Lajur, Cocok/Agred with work sheet audit balance 31 Dec 2022 * Saldo Investasi per 31 Desember 2021 di rillan sesuai the balance as of 31 Dec 2022 is fairly stated Saldo Per 31 Desember 2022 (Per Book)													Kesimpulan: Kami telah memeriksa catatan bank dengan rekening koran, dan buku kas keluar dan masuk kas telah cocok dengan catatan pembukuan perusahaan per 31 desember 2022.			
KLIEN:		DIBUAT OLEH: Pika Apustina Rahayu			DIPERIKSA OLEH:			SUMBER:		INDEX:						
SCHEDULE: ASET		TANGGAL: 1-Dec-23			TANGGAL:			GL, TB		PERIODE: 31 Desember 2022						

Figure 6.2 Supporting Schedule Working Paper
(Source: KAP Djoko Soerjadi Audit Working Paper)

6.9 Creating Top Schedule

If the *supporting schedule* has been completed, then the data will be entered into the *top schedule*. In the auditor's working paper of KAP Djoko Soerjadi, both the *supporting schedule* and *top schedule* templates are almost the same, starting from the account name, opening balance, current year mutation, correction journal, and audit balance. However, because the *top schedule* is a summary of the information recorded in the *supporting schedule* for accounts that are related, at the top of the *top schedule* template from KAP Djoko Soerjadi there is a calculation to check the balance of assets and liabilities whether they are in *balance* or not.

6.10 Creating a Correction Journal

After ensuring the inspection results are accurate and can be used as a basis for concluding whether the BHK Foundation's accounts receivable balance is in accordance with applicable Financial Accounting Standards (SAK). The conclusion also resulted in several correction journal summaries. The correction journals for the 2020-2022 period are more or less the same including the reclassification of accounts receivable, where the foundation initially recorded other receivables but actually it was a receivable from a special relationship. According to auditor KAP Djoko Soerjadi, the reclassification of receivables was carried out because the transaction information was all the same in the ledger, namely payment by a debtor from the foundation's internal party. So the auditor concluded that it should be clarified.

6.11 Prepare Audit Financial Report

The next stage is to prepare financial statements based on the findings and analysis conducted by KAP Djoko Soerjadi auditors. Because the BHK Foundation is a non-profit company, the standard used by the auditor for the presentation of its financial statements is to use the Financial Accounting Standards for Entities Without Public Accountability (SAK-ETAP) and refers to Financial Accounting Standards Interpretation 35 (ISAK 35) concerning "Presentation of Financial Statements of Non-profit Oriented Entities". The purpose of using these standards is to ensure uniformity in the presentation of the financial statements of the BHK Foundation or non-profit oriented entities so as to increase their transparency, accountability and financial quality.

6.12 Audit Reporting on Receivables

The auditor begins to draft the final audit report. This report contains the directors' statement, the independent auditor's report, and the audited financial statements. The BHK Foundation was then asked to review the draft and determine whether they accepted or rejected the findings and adjustments listed in the report. If they requested revisions, KAP Djoko

Soerjadi would revise it again. If the results are approved, KAP Djoko Soerjadi will issue a final draft and present it to the BHK Foundation in an *exit meeting*. This is done to obtain final approval from the client before KAP Djoko Soerjadi issues an independent audit opinion in its report and provides recommendations regarding the findings if any in order to improve the effectiveness of the internal control system, especially receivables.

6.13 Document Archiving and Printing

After completing the *exit meeting* with the client, the Public Accounting Firm (KAP) Djoko Soerjadi will carry out a comprehensive printing and archiving process for the documents obtained and created during the audit process. These documents include audit work papers, *stock-taking* and *cash-taking* minutes, proof of transactions, and so on. This archiving is actually used for the auditor's own needs, which have been prepared in advance along with the initial audit procedures, namely during the data request. Then, the document is printed to become valid and verified audit evidence because it will be examined by the Financial Professional Development Center (P2PK) to ensure KAP Djoko Soerjadi's compliance with the Public Accountant Professional Standards (SPAP).

7. DISCUSSION

Based on the results of the analysis of the audit procedures on receivables above, it can be stated that the foundation took part in helping to carry out this audit procedure. This can be proven by the completeness of the data provided to the auditor and the courage to provide appropriate information related to internal control of receivables. Despite the delay in sending data, the accounts receivable audit procedure continues to run smoothly thanks to the cooperation between the two parties. According to (Arens et al., 2012), good cooperation between clients and auditors is one of the important factors in the smooth running of the audit process. Clients who are cooperative by providing complete and accurate data, as well as providing honest and open information, will assist auditors in identifying potential errors or irregularities in the financial statements.

According to (Dewi et al., 2023), the allowance for receivable losses is an account set aside to anticipate the possibility of uncollectible receivables. A decrease in the balance of the allowance for receivable losses indicates that the risk of uncollectible receivables is getting smaller, thus reflecting good receivable management. In the case of the BHK Foundation, the results of the age testing of receivables that have been carried out by the auditor show that the BHK Foundation is able to manage its receivables quite well because there has been a decrease for three consecutive years in the balance of the allowance for receivable losses from Rp

16,263,620 to Rp 11,989,580. However, this calculation only focuses on student receivables because the foundation's main source of income is from the students themselves through the Education Development Contribution (SPP).

The results of checking the suitability of the initial balance and the final balance, as well as confirming the balance to the debtor show that the balance of receivables, both student receivables, employee receivables, and special relationship receivables presented in the financial statements of the BHK Foundation are appropriate. According to (Su'un, 2021), the auditor must consider materiality or threshold in his audit examination. Although in the case of the BHK Foundation it was found that there were material differences between the results of recording by the foundation and the results of confirmation from the debtor and the difference in balances from the accounts receivable ledger with proof of payment, the auditors swiftly reconfirmed the foundation's financial staff.

Based on the audit results related to presentation and disclosure, the auditor has reclassified one of the foundation's accounts receivable, namely from other receivables to special relationship receivables because the transaction information is all the same in the general ledger. In addition, the results of the audited financial statements are in accordance with the specific standards for non-profit companies, namely the Financial Accounting Standards for Entities Without Public Accountability (SAK-ETAP) and refer to Financial Accounting Standards Interpretation 35 (ISAK 35) concerning "Presentation of Financial Statements of Non-profit Oriented Entities". SAK-ETAP regulates the recognition, measurement, presentation, and disclosure of financial information of entities without public accountability. ISAK 35, on the other hand, provides specific guidance on the presentation of financial statements for nonprofit-oriented entities (Rengku & Lintong, 2022). Thus, the information disclosed in the financial statements is comprehensive enough to provide an adequate understanding for users of financial statements, especially regarding the classification of receivables.

The preparation of the final draft of the audit report containing the directors' statement, the independent auditor's report, and the audited financial statements has been carried out properly and the BHK Foundation has also approved the results of the audit opinion. According to (Lestari, 2022), the independent auditor's report plays an important role in realizing an effective and transparent financial reporting system. This report provides confidence to users of financial statements, helps decision making, improves audit quality, and promotes good corporate governance. Furthermore, audit documents are stored on *OneDrive*, *Microsoft's cloud* storage platform. This allows auditors to work together and monitor each other's progress

in one place. In addition, documents are printed and submitted to the Center for Financial Professional Development (P2PK) to review and identify potential violations committed by KAP Djoko Soerjadi during the audit process (Mahendra & Soediby, 2023).

Based on the accounts receivable audit procedure, it can be concluded that KAP Djoko Soerjadi has met the standards set by the Indonesian Institute of Certified Public Accountants (IAPI). According to (Ruchmawati, 2016), the audit standards referred to are general standards that refer to the technical requirements and professional skills of auditors, field work standards based on the results of observations, inspections, questions, and confirmation to clients, and reporting standards related to the adjustment of the independent auditor's report with SAK accompanied by a statement of opinion and recommendations on findings.

8. CONCLUSION

Based on the analysis of the audit of receivables at the BHK Foundation, it can be concluded that KAP Djoko Soerjadi has carried out a series of audit procedures on receivables in accordance with the Public Accountant Professional Standards (SPAP) applicable in Indonesia starting from planning the receivables audit, conducting the receivables audit, to reporting so that the audit objectives are achieved properly. In addition, KAP Djoko Soerjadi can also consistently maintain its audit quality by conducting the audit process precisely, in detail, reliably, and independently.

Although there are obstacles when performing audit procedures on receivables at the BHK Foundation, namely related to delays in sending data including replies to receivables confirmation letters to auditors, which can affect the schedule of other audit procedures. However, efforts to deal with these obstacles have been carried out well by both parties. KAP Djoko Soerjadi auditors maintain communication and maintain a good relationship with clients to continue to *follow up on* data requests, while helping clients when experiencing difficulties related to data problems.

This research focuses on analyzing the audit of receivables at the BHK Foundation with the aim of providing a deeper understanding of the benefits of such audits for foundations and other stakeholders to ensure the long-term viability of the foundation. It is expected that the results of this study can contribute to improving the quality of foundation governance in Indonesia, strengthening the accountability and transparency of non-profit organizations, encouraging the achievement of organizational goals more effectively and efficiently, and expanding the application of accounts receivable audits in various sectors.

9. LIMITATION

This study did not include comparisons with accounts receivable audit procedures at other nonprofit organizations or other KAP, which could provide broader context regarding the effectiveness and appropriateness of the accounts receivable audit procedures implemented. For example, a comparison with accounts receivable auditing standards used by other nonprofit organizations in Indonesia or international KAP could provide insight into variations in accounts receivable auditing practices at nonprofit organizations. Nonetheless, this study still makes an important contribution to understanding accounts receivable audit practices in nonprofit organizations. It is hoped that future research can conduct a broader comparison to provide a more comprehensive picture.

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