

Analysis of Cooperative Health Level Based on Minister of Cooperatives and Small and Medium Enterprise Regulation Number 9 of 2020

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ABSTRACT

This study analyzes the health level of the Sharia Savings and Loans and Financing Cooperative ABC based on the Regulation of the Minister of Cooperatives and SMEs Number 9 of 2020. The focus of the study is on the financial performance and capital aspects for the period 2021-2023. The data were analyzed using the cooperative health inspection worksheet guidelines according to the Regulation of the Minister of Cooperatives and SMEs Number 15 of 2021. The results of the study show that Sharia Savings and Loans and Financing Cooperative ABC has been in the Under Special Supervision category for three consecutive years. The financial performance aspect shows a decrease in profitability and operational efficiency, while the capital aspect records a relatively good capital adequacy ratio. However, there are significant challenges in the liquidity and credit risk management aspects, including an increase in problem receivables. This study recommends strengthening risk management, increasing operational efficiency, and developing capital strategies to support the sustainability of cooperatives. These findings are important for cooperative managers, members, and policy makers in improving the health of sharia cooperatives in Indonesia.

Keywords: Capital, Cooperative Health, Financial Performance, Sharia Cooperatives

ABSTRAK

Penelitian ini menganalisis tingkat kesehatan Koperasi Simpan Pinjam dan Pembiayaan Syariah (KSPPS) ABC berdasarkan Peraturan Menteri Koperasi dan Usaha Kecil dan Menengah (PERMENKOP UKM) Nomor 9 Tahun 2020. Fokus penelitian adalah pada aspek kinerja keuangan dan permodalan untuk periode 2021-2023. Data dianalisis menggunakan pedoman kertas kerja pemeriksaan kesehatan koperasi sesuai PERMENKOP UKM Nomor 15 Tahun 2021. Hasil penelitian menunjukkan bahwa KSPPS ABC berada pada kategori Dalam Pengawasan Khusus selama tiga tahun berturut-turut. Aspek kinerja keuangan menunjukkan penurunan rentabilitas dan efisiensi operasional, sementara aspek permodalan mencatat rasio kecukupan modal yang relatif baik. Namun, terdapat tantangan signifikan pada aspek likuiditas dan pengelolaan risiko kredit, termasuk peningkatan piutang bermasalah. Penelitian ini merekomendasikan penguatan manajemen risiko, peningkatan efisiensi operasional, dan pengembangan strategi permodalan untuk mendukung keberlanjutan koperasi. Temuan ini penting bagi pengelola koperasi, anggota, dan pembuat kebijakan dalam meningkatkan kesehatan koperasi syariah di Indonesia.

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INTRODUCTION

Financial institutions contribute to development in Indonesia. Especially in cooperative savings and loan financial institutions. Cooperatives are an important part of the nation's economic system (Pulungan, 2019). Cooperatives are one of the business entities that make a positive and very significant contribution to improving the Indonesian economy. Law of the Republic of Indonesia No. 25 of 1992 concerning Cooperatives explains that cooperatives base their activities on cooperative principles as well as people's economic movements based on the principle of family. In general, cooperatives are organizations that are formed because of common interests based on a sense of volunteerism and cooperation between members and cooperative management with the aim of gaining profit and reciprocity. Cooperative and SME Regulation Number 09 of 2020 concerning Cooperative Supervision is an improvement on the Regulation of the Minister of Cooperatives and SMEs Number 17 of 2015 concerning Cooperative Supervision where in the implementation of cooperative health checks are carried out partially based on 4 (four) working papers so as to produce supervisory output in the form of implementation of compliance, institutions, savings and loan businesses and health assessments. Therefore, with the Regulation of the Minister of Cooperatives and SMEs Number 09 of 2020 concerning Supervision of Cooperatives. Cooperative health checks use the same standards as 1 (one) cooperative health check work paper and / or the application of sanctions, with healthy, fairly healthy, under supervision and under special supervision output.

In this case, of course, there will be receivables in every cooperative that carries out lending to members who need funds. According to Nguyen (2021), receivables are the collection rights of a company against individuals, PT, or a corporate bill to a third party that is paid within a certain period of time. Nofita & Rivandi (2023), the remaining operating results (*Simpanan Hasil Usaha*/SHU) are the difference between all income or Total Revenue and costs or Total Costs in one financial year. The sale of goods and services on credit poses many risks, namely the creation of uncollectible receivables. This happens because of internal factors where negligence on the part of the cooperative employees themselves and from external factors that occur because the consumer does not pay so that arrears occur. Sharia Savings and Loans Cooperative and Financing (*Koperasi Simpan Pinjam dan Pembiayaan Syariah*/KSPPS) ABC is one of the Islamic microfinance institutions under the auspices of the Mustadh'afii Community Development Foundation is a cooperative that provides financial services to members who have businesses or just personal needs that require funds. The number of members owned by the cooperative is 29,971 people, where this cooperative has a national label because it has branches outside Java. The services provided by this cooperative are loans, voluntary savings, planned savings and financing efforts.

Table 1. Value of Receivables and Operating Results of KSPPS ABC for the Period 2019-2023

Year	Receivables (IDR)	Operating Result (IDR)
2019	37,595,374,047	1,910,198,281
2020	52,952,780,747	-1,869,523,769
2021	30,460,735,702	95,820,980
2022	40,625,431,895	-1,316,797,290
2023	42,367,433,905	-8,709,710,925

Data Source: KSPPS ABC

Based on Table 1, in several years, the amount of receivables in the cooperative has increased after 2019 experienced losses due to the Covid-19 pandemic, which resulted in members needing funds to continue their business. The development of the Remaining Operating Result value that occurred at KSPPS ABC where in several periods after 5

years of operation, the cooperative experienced a large level of loss in the last three years, namely in 2020, 2022 and 2023. This is due to the impact of the Covid-19 pandemic, where several cooperative members had to close down. In addition, if members and debtors pay their obligations without any obstacles or arrears, this can increase the cooperative's income so that the cooperative can pay off its debts and the SHU value will be good or at a positive value, while if members and debtors pay their obligations not smoothly or there are arrears, this can reduce the cooperative's income level so that the cooperative cannot pay off its debts and the SHU value will not be good or at a negative value (Fauziyanti & Ria, 2024). In the description, the author wants to conduct further research related to the health level of savings and loan cooperatives in the KSPPS ABC savings and loan cooperative. Based on the description and problems above, the author is interested in conducting research that aims to analyze the health level of the KSPPS ABC cooperative 2021-2023 in terms of financial performance and capital using PERMENKOP No. 09 of 2020. The results provide benefits for the author, cooperatives, the community, and academics as a reference for healthy and sustainable cooperative management.

LITERATURE REVIEW

Ariansyah & Nurmala (2019), with research results showing the value of the asset quality aspect, efficiency aspect, liquidity aspect, independence and growth aspect and identity aspect showed a healthy predicate while the capital aspect and liquidity aspect showed a predicate under supervision. Masula & Oktafia (2021), with the results of their research stated that from the data obtained as a whole, the health level aspect of the cooperative can be said to be good. Although there are still some problems. Financial level analysis can improve company performance to be better (Hasidi et al., 2024; Wahyuni et al., 2024). Agency theory is used in this study as its theoretical foundation. Jensen & Meckling (2019), agency theory is a contractual relationship, namely the principal and agent, the principal can contract the agent to work for the principal's goals so that he can give the agent decision-making authority for that purpose. The agent has responsibility for achieving goals and can receive compensation from the principal. The higher the achievement of a company, the higher the reward that will be received by the agent (Saputra et al., 2024; Novrica et al., 2024).

Accounting definition according to Jain (2014), an art to collect, identify, classify, record transactions and events related to finance. So that it can produce information, namely financial reports that can be used by interested parties. Accounting information is a factor that determines the assessment of achievement and performance and is operationalized as an assessment tool (reliance accounting performance measure) (Carolina et al., 2021). Types of accounting information include management accounting information and financial accounting information. Users of this accounting information are grouped into two categories, namely internal users and external users. The internal user category is the director and financial manager, operational director and marketing manager and production manager and supervisor. While those included in the external user category are investors (capital investors), creditors, government, Capital Market Supervisory Agency, Economics, Practitioners and Analysts.

According to Riesmiyantiningtias & Siagian (2020), the financial reports produced each period are the Financial Position Report, Profit and Loss Report, Equity Change Report and Cash Flow Report. Financial reports are one of the most important indicators in providing information about the development of the company, they can also be used to assess the achievements of the company in the past, present and future. The purpose of financial report analysis according to Rochman & Pawenary (2020), is as Stock investment, Credit provision, Supplier health, Customer health, Company health reviewed from employees, Government, Internal analysis, Competitor analysis, Damage assessment. In conducting financial report analysis, appropriate analysis methods and techniques are required. According to Kasmir (2015), there are two types

of financial report analysis methods that are commonly used, namely Vertical Analysis or analysis in one period and Horizontal Analysis or analysis in several periods.

According to Fahmi (2013), classifying ratios into six types, namely Liquidity Ratio, Solvency Ratio, Activity Ratio, Profitability Ratio, Profitability Ratio, Profitability Ratio in general there are 4 (gross profit margin, net profit margin, return on investment and return on equity). According to Sudana (2015), to obtain more information, financial analysts can conduct analysis using financial ratio analysis techniques with Crossection Analysis and Time Series Analysis. Cooperatives, according to the Regulation of the Deputy for Supervision of the Ministry of Cooperatives and SMEs of the Republic of Indonesia No. 06 / Per / Dep.6 / IV / 2016, are business entities whose members are individuals or cooperative legal entities, which base their activities on cooperative principles and family principles. Sharia cooperatives are based on the principle of musyarakah which is in line with Islamic law, focusing on the idea of syirkah mufawadhah, namely joint ventures with equal capital contributions. According to Sari (2022), sharia and conventional cooperatives share the basic concept as business entities with the principle of voluntary membership, democratic management, and fair distribution of business profits in accordance with Law No. 25 of 1992 and sharia values in the Qur'an and Hadith.

Types of cooperatives include Consumer Cooperatives, Credit/Savings and Loan Cooperatives, Production Cooperatives, Service Cooperatives, and Multipurpose Cooperatives or KUD. Cooperative health checks use the Cooperative Health Check Working Paper (*Kertas Kerja Pemeriksaan Kesehatan Koperasi/KKPKK*) as a guideline for recording data and documents from the preparation stage to the final report. Based on the Regulation of the Minister of Cooperatives and SMEs Number 09 of 2020, cooperative health checks are carried out with four main aspects: compliance, institutions, savings and loan businesses, and cooperative health, resulting in categories of healthy, fairly healthy, under supervision, and under special supervision. Cooperative financial reports, according to Mursyida & Maulina (2023), are records of financial information for a certain period, which are also a form of accountability of the management. According to Putri et al. (2019), this report includes Balance Sheet, Calculation of Business Results, Cash Flow Report, Member Economic Promotion Report, and Notes to Financial Statements. The assessment of cooperative health involves aspects of governance (organizational structure, transparency, accountability), risk profile (financial, operational, reputational risk), and financial performance (liquidity, solvency, profitability). In addition, capital is assessed from the comparison of equity to total assets, which is important to support and develop cooperative businesses.

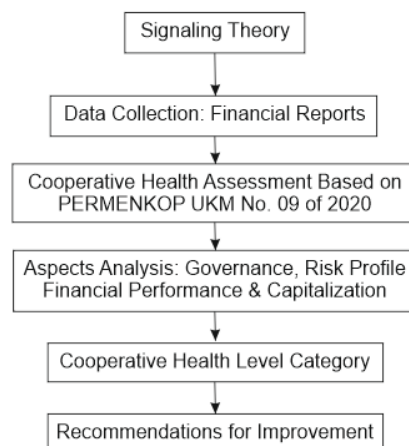


Figure 1. Conceptual Framework

METHODS

The research objects in this study include people or institutions, which, according to Sugiyono (2019), are scientific targets for obtaining objective, valid, and reliable data.

This research applies a mixed-method approach, combining qualitative and quantitative methods. The qualitative approach emphasizes the study of natural phenomena, while the quantitative approach involves analyzing variables such as Financial Performance and Capital. The research variables include Financial Performance Assessment, which reflects the financial position of the cooperative as a basis for decision-making by internal and external stakeholders. Capital Assessment is measured based on the ratio of capital to Risk-Weighted Assets (RWA), with the main indicator being the Capital Adequacy Ratio (CAR). This ratio includes components like equity from principal savings, mandatory savings, reserve funds, and grants. Data was collected through primary and secondary sources. Primary data was obtained directly from cooperatives via surveys, interviews, and observations. Secondary data was derived from documents, activity reports, and relevant literature. The data collection process involved documentation of relevant books, regulations, and reports, complemented by literature studies to reference previous theories and research. The cooperative health assessment followed the Regulation of the Deputy for Cooperatives Number 15 of 2021. The data analysis process involved organizing the results of interviews, field notes, and documentation into systematic categories, identifying patterns, and drawing conclusions. These methods ensure a comprehensive understanding of cooperative financial health and capital adequacy.

RESULTS

The data analysis used in this study is using the Benchmark Assessment (*Penilaian Acuan Patokan/PAP*). The reference used is the Regulation of the Ministry of Cooperatives and Small and Medium Enterprises Number 15 of 2021 concerning Guidelines for Cooperative Health Examination Working Papers. This Financial Performance Aspect Examination is intended to determine the role of management regarding financial performance at KSPPS ABC in managing income and expenditure funds that have been running well in order to determine the amount of cooperative savings that can meet the needs of its members. The assessment of KSPPS ABC is based on the results of interview tests on 3 aspects of financial performance, namely financial performance evaluation, financial management and financial sustainability.

Table 2. Financial Performance Evaluation

Variable		2021	2022	2023
Asset Rentability Ratio (ROA) Score and Value	SHU after Tax	93.425.456	-1.316.797.290	-8.709.710.925
	Total Assets	107.449.476.697	109.420.866.466	92.045.936.391
	Ratio	0,09%	-1,20%	-9,46%
	Value	4	4	4
	Standard (%)	≥ 7%	≥ 7%	≥ 7%
	Score	1	1	1
Value and Score of Own Capital Rentability Ratio (ROE)	SHU after Tax	93.425.456	-1.316.797.290	-8.709.710.925
	Total Assets	10.645.504.817	22.266.952.629	10.544.860.567
	Ratio	0,09%	-1,20%	-9,46%
	Score	4	4	4
	Standard (%)	≥ 10%	≥ 10%	≥ 10%
	Score	1	1	1
Operational Independence Ratio Score and Value	Net Participation	29.266.099.619	34.660.239.199	29.909.278.989
	Operating Expenses and Cooperative Expenses	29.600.840.403	36.217.962.633	38.101.506.624
	Ratio	98,87%	95,70%	78,50%
	Score	4	4	4
	Standard (%)	≥ 120%	≥ 120%	≥ 120%
	Score	1	1	1
Net SHU to Total Revenue Ratio Score and Value	Net SHU	93.425.456	-1.316.797.290	-8.709.710.925
	Total Income	29.266.099.619	34.660.239.199	29.909.278.989
	Ratio	0,32%	-3,80%	-29,12%
	Score	4	4	4
	Standard (%)	≥ 15%	≥ 15%	≥ 15%

	Score	1	1	1
Value and Score of Operating Expenses to Operating Income Ratio	Operating Expenses	29.600.840.403	36.217.962.633	38.101.506.624
	Operating Income	29.266.099.619	34.660.239.199	29.909.278.989
	Ratio	101,14%	104,49%	127,39%
	Score	4	4	4
	Standard (%)	≤ 80%	≤ 80%	≤ 80%
	Score	1	1	1
Value and Score of Ratio of Operating Expenses to Gross SHU	Business Expenses	29.600.840.403	36.217.962.633	38.101.506.624
	Gross SHU	29.266.099.619	34.660.239.199	29.909.278.989
	Ratio	101,14%	104,49%	127,39%
	Score	4	4	4
	Standard (%)	≤ 40%	≤ 40%	≤ 40%
	Score	1	1	1
Value and Score of Employee Salary Cost to Total Revenue Ratio	Employee Salary	16.670.509.470	20.917.138.411	23.207.808.957
	Total Income	29.266.099.619	34.660.239.199	29.909.278.989
	Ratio	56,96%	60,35%	77,59%
	Score	4	4	4
	Standard (%)	≤ 5%	≤ 5%	≤ 5%
	Score	1	1	1
Operating Expenses to Total Receivables Ratio Score and Value	Operating Expenses	29.600.840.403	36.217.962.633	38.101.506.624
	Total Receivables	71.418.855.021	79.437.076.693	52.795.536.601
	Ratio	41,45%	45,59%	72,17%
	Score	1	4	1
	Standard (%)	≤ 60%	≤ 60%	≤ 60%
	Score	4	4	2

Based on the Table 2, shows the evaluation of financial performance based on various financial ratios from 2021 to 2023. The Return on Assets (ROA) ratio, which measures the ability of assets to generate net profit (SHU) after tax, showed a negative trend from 0.09% in 2021 to -9.46% in 2023, with a score of 1 because it did not meet the minimum standard ($\geq 7\%$). The Return on Equity (ROE) ratio also experienced a similar decline from 0.09% to -9.46%, reflecting suboptimal equity performance, with a score that remained at 1 due to not meeting the standard ($\geq 10\%$). In the Operational Independence Ratio, net participation to total operating expenses decreased from 98.87% to 78.50%, far below the minimum standard ($\geq 120\%$), so the score remained at 1. The Net SHU to Total Revenue Ratio also recorded a significant decline from 0.32% in 2021 to -29.12% in 2023, with a consistent score of 1 because it did not meet the standard ($\geq 15\%$). Cost efficiency also deteriorated, as seen from the Operating Expense to Operating Income Ratio which increased from 101.14% to 127.39%, indicating that operating expenses exceeded income and did not meet the maximum standard ($\leq 80\%$). The same thing happened to the Operating Expense to Gross SHU Ratio, which increased from 101.14% to 127.39%, far above the maximum standard ($\leq 40\%$). In addition, the Employee Salary Expense to Total Revenue Ratio increased from 56.96% to 77.59%, indicating a high salary burden compared to revenue, with a score that remains at 1 because it does not meet the maximum standard ($\leq 5\%$). The Operating Expense to Total Receivables Ratio shows declining efficiency, with the ratio increasing from 41.45% in 2021 to 72.17% in 2023. The maximum standard ($\leq 60\%$) was only achieved in 2021 and 2022, resulting in varying scores. Overall, the entity's financial performance shows a deteriorating trend in profitability and efficiency, with most ratios not meeting the set standards and scores remaining low on most indicators. This indicates the need for improvement strategies to improve financial performance in the future.

Table 3. Financial Management

Variables		2021	2022	2023
Growth Ratio Score and Value	Current Year Assets	107.449.476.697	109.420.866.466	92.045.936.391
	Last Year's Assets	122.396.061.298	107.449.476.697	107.449.476.697
	Ratio	-12,21%	1,83%	-15,88%
	Value	4	4	4
	Standard (%)	≥ 10%	≥ 10%	≥ 10%
Funds Received Growth Ratio Score and Value	Funds Received in the Current Year	103.756.910.480	106.511.987.873	88.446.505.563
	Funds Received in the Current Year	118.114.138.834	103.756.910.480	106.511.987.873
	Ratio	-12,21%	2,66%	-16,96%
	Score	4	4	4
	Standard (%)	≥ 10%	≥ 10%	≥ 10%
Equity Growth Ratio Score and Value	Current Year Own Capital	10.544.860.567	22.266.952.629	10.544.860.567
	Own Capital Last Year	12.041.010.410	10.645.504.817	22.266.952.629
	Ratio	-11,59%	109,17%	-52,64%
	Score	4	1	4
	Standard (%)	≥ 10%	≥ 10%	≥ 10%
Net Operating Result Ratio Score and Value	Net Operating Result for the Year	93.425.456	-1.316.797.290	-8.709.710.925
	Current Year	4.860.559.727	93.425.456	-1.316.797.290
	Net Operating Result of Last Year	-98,08%	-1509,46%	561,43%
	Ratio	4	4	1
	Score	≥ 5 %	≥ 5 %	≥ 5 %
Value and Score of Growth Ratio of Receivables and Financing	Main Revenue	71.418.855.021	79.437.076.693	52.795.536.601
	Total Revenue	63.246.697.348	71.418.855.021	79.437.076.693
	Ratio	12,92%	11,23%	-33,54%
	Value	4	4	1
	Standard (%)	≥ 10 %	≥ 10 %	≥ 10 %
Value and Score Ratio of Main Income to Total Income	Net SHU	29.266.099.619	34.660.239.199	29.909.278.989
	Total principal and mandatory savings	29.266.099.619	34.660.239.199	29.909.278.989
	Ratio	100%	100%	100%
	Score	1	1	1
	Standard (%)	≥ 85 %	≥ 85 %	≥ 85 %
Value and Score of Net SHU Ratio to Principal Deposits and Mandatory Deposits	Standard (%)	93.425.456	-1.316.797.290	-8.709.710.925
	Score	9.658.734.050	22.595.194.621	18.858.892.475
	Net SHU	0,97%	-5,83%	-46,18%
	Total principal and mandatory savings	4	4	4
	Ratio	≥ 30%	≥ 30%	≥ 30%
Score and Value of Member Deposits Participation Ratio	Standard (%)	30.114.056.253	35.079.934.741	32.548.423.320
	Score	30.114.056.253	35.079.934.741	32.548.423.320
	Incoming member deposits	100%	100%	100%
	Total incoming deposits	1	1	1
	Ratio	≥ 75%	≥ 75%	≥ 75%
Member Service Level Ratio Score and Value	Standard (%)	71.418.855.021	79.437.076.693	52.795.536.601
	Score	39.772.790.303	57.675.129.362	51.407.315.795
	Funds to Members	179,57%	137,73%	102,70%
	Funds from members	1	1	1
	Ratio	≥ 100 %	≥ 100 %	≥ 100 %
Value and Score Ratio of	Standard (%)	0	0	0
	Score	93.425.456	1.316.797.290	-8.709.710.925

Development Expenses to Net SHU	Funds to Members	0%	0%	0%
	Funds from members	4	4	4
	Ratio	≥ 5 %	≥ 5 %	≥ 5 %
	Score	1	1	1

Based on the Tabel 3, the asset growth ratio showed negative fluctuations in 2021 (-12.21%) and 2023 (-15.88%) with a slight positive growth in 2022 (1.83%), but the score is consistently low (1) because it does not meet the $\geq 10\%$ growth standard. The growth of funds received also fluctuated with a negative ratio in 2021 (-12.21%) and 2023 (-16.96%) and the score remains low. Equity growth showed significant variation, which was negative in 2021 (-11.59%) and 2023 (-52.64%) but very high in 2022 (109.17%), resulting in a score that only met the standard in 2022. Net operating results reflected a significant decline in performance in 2021 (-98.08%) and 2022 (-1509.46%), but increased drastically in 2023 (561.43%), although still below the standard of $\geq 5\%$. Receivables and financing growth showed a positive trend in 2021 (12.92%) and 2022 (11.23%), but decreased significantly in 2023 (-33.54%). The ratio of primary income to total revenue was stable at 100% every year, meeting the standard of $\geq 85\%$, with a consistently high score (4). On the other hand, the ratio of net SHU to principal and mandatory savings showed poor performance, especially in 2022 (-5.83%) and 2023 (-46.18%), far below the standard of $\geq 30\%$.

The member savings participation ratio is always at 100% every year, reflecting good and consistent performance with a high score. The level of member service also shows adequate achievement with a ratio exceeding 100% every year. However, the ratio of coaching costs to net SHU is always at 0%, far below the standard of $\geq 5\%$, with a low score (1). Overall, this table reveals the fluctuations and challenges of the organization's financial performance, especially in terms of asset growth, funds received, equity, and net operating results. On the other hand, several indicators such as main income and member savings participation show consistent performance and meet the standards. However, overall, there are still many indicators that are below the established standards.

Table 4. Financial Sustainability

Variables		2021	2022	2023
Equity to Total Assets Ratio Score and Value	Own Capital	10.645.504.817	22.266.952.629	10.544.860.567
	Total Assets	107.449.476.697	109.420.866.466	92.045.936.391
	Ratio	9,91%	20,35%	11,46%
	Value	4	2	3
	Standard (%)	30%	30%	30%
	Score	1	2	3
Adequacy Ratio Score and Value	Capital Weighted	10.597.594.327	22.925.351.274	14.899.716.030
	RWA	85.301.020.793	90.571.148.515	69.557.460.554
	Ratio	12,42%	25,31%	21,42%
	Score	1	1	1
	Standard (%)	8%	8%	8%
	Score	4	4	4
Members' Temporary Syirkah to Total Assets Ratio Score and Value	Syirkah Temporer	30.114.056.253	35.079.934.741	32.548.423.320
	Total Assets	107.449.476.697	109.420.866.466	92.045.936.391
	Ratio	28,03%	32,06%	33,36%
	Score	2	1	1
	Standard (%)	30%	30%	30%
	Score	3	4	4
Long-term Liability to Equity Ratio Score and Value	Long-term Liabilities	38.457.681.938	9.453.255.117	2.825.000.000
	Equity	10.645.504.817	22.266.952.629	10.544.860.567
	Ratio	361,26%	42,45%	26,79%
	Score	4	1	1
	Standard (%)	100%	100%	100%
	Score	1	4	4

Institutional Capital to Total Assets Ratio Score and Value	Institution Capital	890.949.787	988.555.298	395.679.017
	Total Assets	107.449.476.697	109.420.866.466	92.045.936.391
	Ratio	0,83%	0,90%	0,43%
	Score	4	4	4
	Standard (%)	10%	10%	10%
	Score	1	1	1

Based on the Table 4, the equity to total assets ratio shows a relatively low equity contribution to total assets, with the highest score (3) in the third year, while the first year received the lowest score (1), because the ratio was still below the 30% standard. The capital adequacy ratio was always above the 8% standard every year, reflecting good financial stability and the company's ability to face risks, with the highest score (4) consistently in each period. The ratio of temporary member companies to total assets increased from 28.03% in the first year to 33.36% in the third year, exceeding the 30% standard in the last two years, with the highest score (4) achieved in the second and third years, indicating a greater dependence on temporary companies in funding the company's assets. The ratio of long-term liabilities to equity decreased significantly from 361.26% in the first year to 42.45% and 26.79% in the following years, reflecting improvements in the capital structure and reduced dependence on long-term liabilities. On the other hand, the ratio of institutional capital to total assets is still far below the standard of 10% in all periods, with a score that remains low (1), indicating that the contribution of institutional capital to total assets still needs to be improved. Overall, despite some weaknesses, the company shows a positive trend in financial management, especially in reducing long-term debt and optimizing temporary *syirkah* investments.

Table 5. Health Level Calculation

Aspects	Score			Score	Result		
	2021	2022	2023		2021	2022	2023
Financial Performance	67	67	63	40	23,10	23,10	21,03
Capital	10	16	15	15	7,5	12	11,25
Cooperative Health Level				100	30,6	35,10	32,28
Retrieved					Under Special Supervision	Under Special Supervision	Under Special Supervision

Source: Processed data, 2024

Based on Table 5, this cooperative experienced a decline in financial performance and cooperative health level from year to year, even though there was a slight increase in capital. The special supervision status in each year indicates that there are problems that need to be addressed more seriously to improve the performance and health of the cooperative in the future.

DISCUSSION

Aspects of KSPPS ABC's Financial Performance

The performance of KSPPS ABC shows challenges in utilizing assets and capital to generate profits. The asset profitability ratio in 2021-2023 showed a decline, with poor results, namely below the standard of 7%, indicating that the cooperative is less efficient in utilizing assets to generate profits. Likewise with the profitability of equity, which shows that the cooperative's capital is not productive enough to generate optimal profits from the total equity owned by shareholders and members. Operational independence is also below the reference standard, indicating the cooperative's inability to generate sufficient remaining business results to cover operational costs, even to generate a surplus. The ratio of operating costs to operating income and business costs to remaining business results (SHU) also showed poor scores, reflecting a lack of efficiency in managing operational and business costs. However, there are some positive aspects. The calculation of the cost of salaries for cooperative management to total income shows a good value, indicating that KSPPS ABC is able to pay management well. Likewise, the calculation of operating costs to total receivables shows good results,

indicating the cooperative's ability to manage operational activities efficiently using existing funds from receivables that are collected. Although there are positive aspects in managing the costs of manager salaries and receivables, cooperatives still face serious challenges in improving operational efficiency and utilizing assets and capital optimally. To achieve independence and long-term sustainability, performance improvement is essential for cooperatives to be healthier and more efficient (Pahira & Rinaldy, 2023; Ramadhan & Fajarwati, 2024).

Financial Management

The calculation of loans to members against total receivables shows a good value, because KSPPS ABC has succeeded in providing financing to support members in starting a business, stabilizing the financing provided. Non-performing loans against total receivables also show good results, indicating that the cooperative is able to manage relationships with members and resolve receivables problems effectively, although more attention is needed to avoid increasing non-performing receivables. However, the calculation of PPAP against Provision for Write-off of Productive Assets Must be Formed (*Penyisihan Penghapusan Aktiva Produktif Wajib Dibentuk/PPAPWD*) shows a poor value, because KSPPS ABC is not balanced in storing the funds needed to cover losses if problems occur in a certain period. In addition, the risk reserve against non-performing loans also shows a poor value, because the cooperative does not have sufficient reserve funds to overcome the risk of default. The calculation of fixed assets against total assets shows a good value, indicating that the cooperative is able to utilize its assets well to generate profits. The calculation of bad debts against total receivables also shows good results, because the cooperative does not have large amounts of bad debts. Cash and banks against short-term liabilities show good results, but the cooperative needs to be more careful to ensure sufficient funds so as not to face risks in the future. Receivables to funds received show a poor value, because the process of collecting receivables takes a long time, increasing the risk of bad debts. Current assets to short-term liabilities show a fairly good value, although the cooperative faces challenges in meeting short-term obligations stably. The calculation of cash and banks to total assets shows a good value, but the stability of funds needs to be considered to support the cooperative's operations in the future.

The calculation of asset growth shows a poor value, with a decrease in assets every year, indicating that the cooperative must ensure that asset growth is in accordance with management's ability to manage to avoid financial risks in the future. The calculation of the growth of funds received also shows poor results, because the decrease in funds received every year reflects a lack of strong financial support. Fluctuating equity growth indicates an unstable financial condition, with inconsistent profit performance. The calculation of net operating results growth shows a fairly good value, because the remaining operating results have increased, reflecting the seriousness of the cooperative in managing its finances and operations to achieve a balance between increasing income, managing costs, and investment. The growth of receivables and financing shows fairly good results, although there was a decrease in financing to members in 2023 because some members were facing difficulties. This reflects the seriousness of the cooperative in managing financing well. The findings of McKillop et al. (2020) show that financial stability affects cooperative performance.

The calculation of main income to total income states a good value caused by the main income to total receivables that have stabilized, which can be reflected in the level of seriousness carried out by the cooperative to manage income quite well. The calculation of net shu against principal savings and mandatory savings states that it is not good because the cooperative does not carry out efficient financial management, and does not strengthen cooperation with members in order to provide high profits. The calculation of member savings participation states that it is good because the cooperative shows that the cooperative has good financial strength with the possibility of better financial independence and stabilization. The calculation of the level of member service

states that it is good, which can be interpreted that the cooperative always provides good service to members who need financing funds for members' personal needs. The calculation of the level of coaching costs against net SHU can be interpreted that the cooperative always provides coaching and knowledge to its members to improve in each running period. This finding is in line with the research of Grashuis & Su (2019), which emphasizes the importance of efficient management in cooperatives, especially in terms of managing member income and financing.

Capital Aspects of KSPPS ABC

From the calculation of the ratio and score on equity to total assets, it can be seen that KSPPS ABC spends more funds to finance cooperative operations when compared to the total assets owned by the cooperative. This can be interpreted as the cooperative lacking balance in each period. A healthy ratio will create financial balance allowing the cooperative to manage risk well and provide confidence to members and investors. The calculation of the ratio and score on capital adequacy can be seen that KSPPS ABC has good funds to finance products and services in the cooperative. KSPPS ABC can be interpreted as the cooperative has a good financial position with the ability to meet obligations and continue to grow without being trapped in excessive debt. The calculation of the ratio and score on member loan capital to total assets can be seen that KSPPS ABC has good loan capital because the funds that must be returned to the capital source are relatively smooth and there is no return of funds that are stuck to the parties. The cooperative's funding sources can be interpreted as the cooperative is very dependent on loans from members for cooperative financing. The calculation of the ratio and score on long-term liabilities to equity shows that KSPPS ABC in 2021 experienced a bad condition due to uncollectible receivables from cooperative members, in 2022-2023 the cooperative has experienced an improved situation due to smooth collectible receivables. The calculation of the ratio and score on institutional capital to total assets shows that KSPPS ABC experienced a bad condition due to uncollectible receivables resulting in funds that should be saved every year for this reserve fund getting smaller, which can be interpreted that the cooperative still has cooperative funds in its members that have not been paid to the cooperative, which results in the capital owned by the institution getting smaller. This finding is in line with previous research that identified the importance of a balance between assets and liabilities in cooperatives to ensure financial stability (Yitayaw, 2021).

CONCLUSION

From the results of the research and discussion on the health level of KSPPS ABC in 2021-2023, it can be concluded that the health level of the cooperative in the financial performance aspect for the last three years shows a predicate under supervision. while in the capital aspect in 2021 it shows a predicate of special supervision, in 2022 it shows a predicate of healthy and in 2023 it shows a predicate of quite healthy. The results of the analysis of the health level assessment carried out in accordance with the Technical Instructions of the Deputy for Cooperatives Number 15 of 2021 that the health level predicate of KSPPS ABC in 2021-2023 is Under Special Supervision in the interval $\leq 0 - < 51$. However, this health level assessment cannot be used as a benchmark for KSPPS ABC cooperatives under special supervision because not all variables of the cooperative health improvement components are assessed.

Suggestions

Cooperative management is advised to improve financial performance and evaluate the adequacy ratio so that cooperative operations are more optimal. In addition, efforts to increase institutional capital need to be made to meet the minimum capital standards according to applicable regulations. Future researchers are advised to add aspects of governance and risk profiles to provide a more comprehensive assessment of the health level of cooperatives. This study refers to PERMENKOP No. 09/2020 and Juknis

Deputy No. 15/2021, while future researchers are advised to use the latest regulations, such as PERMENKOP No. 08/2023, according to the year of the study.

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