Analysis the Implementation of Control Environment at KJKS in West Sumatra

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Abstract— The objective of the research is to describe the implementation of KJKS internal control system in West Sumatra. The elements used are the enforcement of integrity and ethical values; preparation and implementation of sound policies on human resources development. The research method is survey and data collection using questionnaire. Data analysis using descriptive method. The results show that on average the enforcement of integrity and ethics, as well as the preparation and implementation of sound policies on the development of KJKS human resources are in good condition. This means that it is necessary to maintain the effectiveness in the application of the control environment in KJKS in West Sumatra (76%). Strategies that can be done is to establish the mechanism of behavior rules of management, supervisors and managers and members of the KJKS.

Keywords— Environment Control, integrity enforcement, ethical values, human resources development

I. INTRODUCTION

Poverty is one of the most serious problems facing the Indonesian government, including the West Sumatra provincial government. The problems of community economic development, poverty alleviation and reducing unemployment are some of the issues that have become the main priorities for the government to resolve. Various stages of the program to overcome these problems are expected to create a prosperous and prosperous Indonesia. The same problem is also faced by the City Government (Pemko) Padang and the government Kabupaten Agam.

From the Central Bureau of Statistics data can be known Padang City and Agam District is the city that has the largest number of poor people in West Sumatra Province. Over the past seven years, the number of poverty figures in West Sumatera has fluctuated. TABLE 1. TOTAL POOR POPULATION BY CITY / DISTRICT YEAR 2011 - 2016

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<tr>
<td>SUMATERA BARAT (Provinsi)</td>
<td>441.80</td>
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<td>354.74</td>
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<td>36.90</td>
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<td>36.42</td>
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<td>Dharmasraya</td>
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<td>18.20</td>
<td>16.40</td>
<td>15.22</td>
<td>15.89</td>
<td>16.24</td>
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</table>

Sumber : BPS Sumatera Barat (2016)

In order to accelerate poverty reduction, and empower the poor economy, the government of Padang implemented various programs to reduce poverty. One of them is the Sharia Financial Services Cooperative (KJKS). This program started in 2010.

KJKS in Kota Padang grows rapidly, until 2016 there are 104 KJKS in every urban village spread in Padang City. In this case the role of sub-district is needed as the spearhead of the development of this KJKS. To encourage the business practices of cooperatives managed by sharia can grow and develop, then in 2014, the city government of Padang issued regulations that support the development of BMJ KJKS. Just as the city of Padang issued the Regulation of WaliKota (Perwako) Padang Number 13 of 2014 on Poverty Reduction through the Development of Shariah Financial Services Cooperative Baitul Maal Wat Tamwil. With the issuance of Perwako can strengthen the position of KJKS as one of Village Based Poverty Program (PPKBK). PPKBK is a program implemented in an effort to reduce the poverty rate by functioning kelurahan as the base of poverty reduction movement movement. So it is expected to be able to turn the economy of society in every village.

Likewise in Agam district, sharia cooperatives are developed beginning with BMT (Baitul Maal Wat Tamwil).
BMT was established in each village so that it expanded as much as 62 BMT since 2008. In 2010, the district government changed the name of KJKS (Sharia Financial Services Cooperative) BMT. Since 2012, KJKS BMT is given the opportunity to be independent. Some KJKS have decreased performance, so that in 2014 only 24 KJKS BMT routinely perform the RAT (Department of Cooperatives UMKM and Trade District Agam, 2016).

In relation to this KJKS operation, the Minister of Cooperatives and UMKM RI also issued several ministerial regulations of Koperasi and UMKN related to KJKS, such as about Operational Standard and KJKS Procedures, KJKS Health Assessment, KJKS Inspection and KJKS Supervision. In order that the management of KJKS / UJKS is done well and controlled so as to cultivate trust from related parties, the Minister of Cooperatives and SME No. RI issued Regulation no. 39 / Per / M.KUKM / XII / 2007, that supervisory activities cover the activities of guidance, monitoring, inspection and health assessment of KJKS / UJKS. This Permenkop was substituted by KUKM RI No.17 / Per / M.KUKM / IX / 2015 on supervision. In this regulation, it is mentioned that in order to create a strong, independent, strong and competitive cooperative cooperative, the cooperative needs to increase accountability, trust, compliance, and give the maximum benefit to the community members. For that required supervision by officials in accordance with legislation.

The purpose of this cooperative supervision is to improve the effectiveness of the implementation of supervision of cooperatives by the government, provincial government, and district / city governments in accordance with the membership area of the cooperative. Besides, it is also to increase awareness of cooperative managers in realizing the conditions in accordance with applicable regulations.

Organizational structure, the cooperative that runs its operations based on the decision of Annual Members Meeting (RAT). The highest power is in RAT. To ensure that the cooperative goes according to the objectives set out in the RAT, internal supervisors play an active role. According to Sole (2013) Every activity in the organization has two levels, which are in two systems. First is the operating system, which is designed to meet the set goals. The second is a control system designed to ensure that the purpose of the operating system will be achieved. This means that internal supervision by supervisors is one form of management control carried out in the cooperative.

According to COSO, management control consists of five main components that are interrelated. formulated as follows (Single, 2013: 38-42):

a. Control Environment; this component includes management attitudes at all levels of general operations and specific control concepts, including: ethics, competence, and integrity and interests to the well-being of the organization.

b. Assessment / Determination of Risk (risk assessment); this component has been part of an ever-evolving internal audit activity, including: risk determination across all aspects of the organization and determination of organizational strength through risk evaluation.

c. Control activities; this component includes activities that were previously associated with the concept of internal control, including: approval, responsibility, and authority, task separation, documentation, reconciliation, competent and honest employees, internal checks and internal audits.

d. Information and Communication (information and communication); this component is an important part of the management process.

e. Monitoring; is a dynamic rational evaluation of the information provided for management control purposes.

According to Theofanis et al (2011) in his research found that the Control Environment is the most important aspect in managing the organization because the Control Environment reflects the attitude and management policy in view of the importance of internal audit on the economic unit. Just as Sharia Financial Services Cooperative (KJKS) requires internal monitoring of the decisions agreed upon in the RAT.

Meanwhile, in his book, Rittenberg and Schwieger (2005) reveal that the Control Environment begins with the board of commissioners and management organizing the tone of the organization through effective policies, behaviors and governance. Inside the cooperative, the board of commissioners is a member and management is the Board. Members and management cooperate in deciding the achievement of cooperative objectives through policies, behaviors described with the rights and obligations of members and clear cooperative operational procedures set out in the RAT.

This is confirmed by INTOSAI (2001) that "Controls are everybody's business, this means the whole organization, and each person who works there, should be" tune in "to intern control." This means that the key in building an effective Control Environment lies in the human element that runs the control system.

According to the regulation of the Head of Finance and Development Supervisory Agency Number: 1391 / K / SU / 2011 About the Guidelines for Implementing Government Internal Control System at the Main Secretariat of the Financial and Development Supervisory Board, the effectiveness of the development of control environment depends heavily on the success of integrity enforcement and ethical values, and the example of the highest leadership to create a conducive working atmosphere. In practice, building an effective control environment takes a relatively long time because it involves cultural change, mindset and human
behavior in the organization, so that the steps to build the next elements can be done in parallel.

According to the Technical Guidelines for the Implementation of Government Internal Control System in 2011, the application of integrity and ethical values shall at least be conducted by:

a. Develop and implement rules of conduct;
b. Provide exemplary implementation of the rules of conduct at each level of the leadership of government agencies;
c. Upholding appropriate disciplinary action on deviations from policies and procedures, or violations of rules of conduct;
d. Clarify and account for any intervention or neglect of internal control; and
e. Remove policies or assignments that may encourage unethical behavior.

Integrity is a quality, character or condition that shows a unified whole that has the potential and ability that exudes dignity and honesty. Meanwhile, ethics is defined as an understanding of the good and bad or the rights and obligations regarding morals and morals. If both are combined and placed in the heart, it can print the behavior of each individual to always be of good ethics and high integrity both within and outside the organization's environment. Therefore, the KJKS organization must dare to formulate the integration of both into an Ethical Value.

The ethical value should be poured into various rules or standards of behavior in order to become a framework of behavior that is guided by all members. Ethical values are not merely useful for shaping (motivating and encouraging) the daily member's behavior, but also guiding them when making decision-making processes.

Organizations desperately need an ethical value, because:
1. To harmonize with the moral system, norms and rules prevailing in society;
2. To align with government values, norms and rules; To build and realize good governance;
3. To focus the administration of the state government system in order to achieve state objectives;
4. To maintain closeness to the government's institutional system, structure, culture and behavior;

Based on this, the researcher discussed the Application of Controlling Environment in KJKS in West Sumatera. Discussion The control environment is focused on the application of integrity and ethical values.

II. THE MATERIAL AND METHOD

This research is quantitative which is designed as explorative research which is case study. The study aims to identify the application of control environments that focus on the application of integrity and ethical values. The selected samples are KJKS which have legal status and have healthy health and healthy predicate. Sampling of the sample area is the focus area to develop KJKS namely Padang City and Regency of Agam. So the total sample that can be processed for research is as much as 65 KJKS, consisting of 59 KJKS in the city of Padang and 6 KJKS spread in Agam District.

The data used are primary data in the form of respondents' perceptions of the application of integrity and ethical values on KJKS. Data collection techniques are questionnaire instruments. The questionnaire was prepared based on the statement contained in the supervision and audit guidelines for KJKS. The statement items are adapted to COSO's control environment that focuses on integrity and ethical values. So the total item statement used in the questionnaire amounted to 18 items.

Results of questionnaire data then processed using the achievement of respondents' answers. To strengthen the analysis then performed Crosstab analysis using SPSS version 20. Data then analyzed using descriptive method.

To see the application of a control environment that focuses on aspects of integrity and ethical values referring to the following table 3.

<table>
<thead>
<tr>
<th>Average</th>
<th>Indicator</th>
<th>SKALA</th>
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<tbody>
<tr>
<td>0% - 24.99%</td>
<td>It needs immediate and thorough repair</td>
<td>1</td>
</tr>
<tr>
<td>25% - 49.99%</td>
<td>Improvement of certain aspects</td>
<td>2</td>
</tr>
<tr>
<td>50% - 74.99%</td>
<td>Need to optimize implementation</td>
<td>3</td>
</tr>
<tr>
<td>75% - 100%</td>
<td>Maintain implementation effectiveness</td>
<td>4</td>
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</table>

Sumber: Diolah Sendiri, 2017

III. RESULTS AND DISCUSSION

The respondents were KJKS in Padang and Kabupaten Agam with 65 respondents. Description of the respondents is the average that fill the questionnaire is the manager (75.4%), bookkeeping (21.5%) and managers as much (3.1%), the average aged 26-35 years (73.8%).

Before the data is analyzed further, the instrument must go through validity and reliability testing. Testing using SPSS version 20. Testing validity is done on all items statement (18 items). Validity test can be seen from Corrected Item-Total Correlation. If the Corrected Item-Total Correlation value is greater than r table (0.361) then the statement is said to be valid (Yamin, 2009). From the processed results obtained that for 18 items statement has Corrected Item-Total Correlation value is above 0.361. This shows that the item of the revelation used is valid, meaning that the statement item used may represent integrity and ethical value.

Reliability testing uses Cronbach's alpha value. If this value is greater than 0.784 then the statement used can be said reliable (Yamin, 2009). The results of the data processing show that Cronbach's alpha value is 0.918. These results show that the statements used in measuring integrity
and ethics have reliability and trust or can be said to have
good measurement consistency. Implementation of Control
environment at KJKS with focus on applying integrity and
ethical value in West Sumatra can be listed in Table 2.

| TABLE 3. APPLICATION OF INTEGRITY AND VALUE OF ETHICS AT KJKS IN WEST SUMATERA |
|-----------------------------------------------|---------------|-----------------------------------------------|
| Statement | Average | Implementation | Description |
| 1. KJKS always discussed the problems faced by involving the whole member | 3.14 | 78.5% | Maintain implementation effectiveness |
| 2. KJKS provides job-related information to members | 3.03 | 75.8% | Maintain implementation effectiveness |
| 3. Fellow members always discuss technical implementation of the work | 2.62 | 65.4% | Need to optimize implementation |
| 4. Sesama anggota serting membantu secara teknis pelaksanaan pekerjaan yang lebih baik | 2.65 | 66.2% | Need to optimize implementation |
| 5. Fellow members often help technically perform better work | 2.63 | 65.8% | Need to optimize implementation |
| 6. The Management, Supervisor, and Manager of KJKS in conducting operational activities do not do things that tend to benefit themselves, their families and groups, or potentially harm KJKS | 3.28 | 81.9% | Maintain implementation effectiveness |
| 7. Supervisors are independent, objective and cautious in the performance of duties | 3.02 | 75.4% | Maintain implementation effectiveness |
| 8. Supervisor does not consider the circumstances of a person / an organizational unit to justify the act of violating any applicable laws or regulations | 2.95 | 73.8% | Need to optimize implementation |
| 9. In the supervisory activities, the supervisor expresses opinions as is and is not influenced by the subjective view of other interested parties | 3.03 | 75.8% | Maintain implementation effectiveness |
| 10. Supervisors are firm in dealing with principles, values and decisions | 3.06 | 76.5% | Maintain implementation effectiveness |
| 11. Supervisors are honest by keeping KJKS secrets | 3.18 | 79.6% | Maintain implementation effectiveness |
| 12. In exercising oversight, the supervisor is obedient to the applicable regulations | 3.17 | 79.2% | Maintain implementation effectiveness |
| 13. Supervisors work according to actual circumstances, neither increase nor decrease the facts | 3.18 | 79.6% | Maintain implementation effectiveness |
| 14. Supervisor does not accept anything in any form which is not his right | 3.20 | 80.0% | Maintain implementation effectiveness |
| 15. There is a commitment of Managers, Managers, Trustees and Members to comply with rules of conduct and policies relating to basic values and codes of ethics | 3.28 | 81.9% | Maintain implementation effectiveness |
| 16. There are sanctions for Managers, Managers, Trustees and Members who violate rules of conduct and policies relating to basic values and codes of ethics | 3.06 | 76.5% | Maintain implementation effectiveness |
| 17. Unwritten rules are explained orally to the Managers, Managers, Supervisors and Members on a regular basis so that the whole knows and understands the rules | 3.14 | 78.5% | Maintain implementation effectiveness |
| 18. KJKS has fund placement in syariah bank | 3.09 | 77.3% | Maintain implementation effectiveness |

Sumber: Data Processed, 2017

Based on the results of data processing, shows that
the application of integrity and ethical values can be
explained based on the statement items presented in the
questionnaire. It is generally seen that the application of
integrity and ethics has achieved a very good position. KJKS
already has clear rules and has been well implemented. So
that integrity and ethical values that have been good, should
be maintained and in its application to be effective to
achieve KJKS goals.

In realizing the integrity and ethical values, the
average KJKS always discuss the problems of work
encountered by involving all members. This application has
already reached 78.5% (3.14). In practice, KJKS has
conducted monthly meetings on a regular basis, which
includes administrators, supervisors and managers. This
meeting is utilized by KJKS to address issues in cooperative
operations. And at the end of the year on the implementation
of the Annual Meeting (RAT), changes in decisions and
future targets agreed with members, so that cooperatives
owned by members have been applied properly.

KJKS provides job-related information to members.
The average of information given is held in a meeting forum
involving managers, administrators and supervisors. All
information relating to the work or operation of KJKS is
submitted. Including at RAT, this is a great moment, all
members present and agree on matters relating to KJKS
rules, policies and work programs forward. On average
75.8% (3.03), the application of giving information to
members has gone so well, so KJKS needs to maintain its
effectiveness.

Fellow members always discuss the technical
implementation of the work. This statement implies that in
the operational KJKS members are involved in the
management of activities undertaken by cooperatives. The
results show only 65.4% (2.62) the application that members
discuss the technical implementation of work in KJKS. This
means that the involvement of members in the management
of activities in KJKS has not been maximized, so KJKS need to optimize its implementation. For example, by holding a regular meeting of members every month so that members can provide input on technical implementation of activities in KJKS.

Fellow members often help technically perform better work. This statement gives meaning that every activity undertaken by KJKS, the member has a contribution in assisting the implementation of the activity. The results show that only 66.2% (2.65) KJKS implies that fellow members often assist in the technical implementation of the activities. Therefore, the cooperative needs to optimize the implementation so that this can be done. Activities that can be done to improve the implementation is to conduct regular monthly meetings, so that fellow members will be tied to the ropes of brotherhood and help each other in the implementation of KJKS activities.

Participation of members of cooperatives with other members and cooperatives is very large. The results showed an average of 65.8% (2.63) of KJKS which had the participation of cooperative members with other members and cooperatives was very large. It shows that KJKS developed from members, by members and for members are in good category. So it is necessary to increase member participation so that it is in the category of Very good. One way is to increase the understanding of the members of the cooperative principle by meeting regularly with members.

This is in line with the previous three and four statements of fellow members always discussing and assisting each other in the implementation of the activities. By proposing monthly routine meetings, the members' chances will be to discuss and help the implementation of activities quite high. So that will affect the participation of members of the cooperative.

Management, Supervisor, and Manager of KJKS in conducting operational activities do not do things that tend to benefit themselves, their families and groups, or potentially harm KJKS. The practice of not doing things that tend to benefit themselves, their families and groups, or potentially harming KJKS is clearly stated in the ART and the regulations issued by the Local Cooperative Office as the builder of KJKS. In addition, strengthening the implementation of KJKS as a poverty alleviation institution is also regulated by perwako and perbup in each region.

KJKS as a cooperative program based on sharia implementation has been regulated and explained in detail in the ministry of Cooperatives and UMKM RI regulations. So that the implementation of KJKS operations in West Sumatra refers to the regulation of the minister that has been in force. Changes to the applicable regulations are always given by the relevant Office on a regular basis every year so that the practice tends to benefit themselves, their families and groups, or potentially harming KJKS as unobtainable as possible.

From the research results this practice has been applied by all KJKS. This is seen from the application level is already at the level Very good at 81.9% (3.2). For this achievement, KJKS must maintain the effectiveness of its application in KJKS activities.

Supervisors are independent, objective and cautious in the performance of the task. Supervisors as one of the structures in charge of overseeing the operation of KJKS. Implementation of activities contrary to the principles and principles of the KJKS, as soon as possible the supervisor will act immediately according to the rules. Because the supervisor is a member of the cooperative given the task to supervise KJKS activity.

The implementation of KJKS has been regulated by Regulation of the Minister of Cooperatives and UMKM No. 16 / Per / M.KUKM / IX / 2015 on the implementation of Business Savings and Loans and Shariah financing by the Cooperative. In this regulation is regulated in full, including supervision of both the cooperative and the government or the supervisor of the sharia supervisor.

The existence of guidelines on the implementation of supervision by internal supervisors, syariah supervisory board and government supervisors (external) is strongly reinforced in order that KJKS runs its activities properly and in accordance with sharia principles. This is supported by the results of research that the application of independent, objective and cautious supervision in the implementation of the task is 75.4% (3.02). These results show that the rules of conduct have been established and some KJKS have complied with these behavioral rules. However, to achieve better enabling, KJKS need to maintain the value of existing behavior and achieve effectiveness in its application.

Supervisors do not consider the circumstances of a person / an organizational unit to justify a violation of any applicable law or regulation. This is one of the ethics of a supervisor. If true then say true. But in the field, this is difficult to happen. Members of cooperatives that stand in urban neighborhood, the average member has a family relationship. So that the activity of non-discipline is difficult to deliver. Even so the board tried to find a way to avoid this discipline. For example, KJKS can work together with niniak mamak and kelurahan / Nagari in conducting financing activities or activities in fund raising cooperatives.

In accordance with the results of the research, the application of the Supervisor does not consider the situation of a person / an organizational unit to justify the violation of the prevailing laws or regulations, quite difficult. Seen from the application level is only 73.8% (2.95). This shows that KJKS need to optimize the implementation, so as to achieve integrity and ethical value in KJKS.

In supervisory activities, the supervisor expresses opinions as is and is not influenced by the subjective view of the other parties concerned. The existence of rules and references in supervisory activities, supervisors must submit opinions according to as it is. The presence of regular training and supervisory meetings conducted by the local Dinas cooperatives and SMEs, gives impact that the supervisor has begun to understand the duties and supervisory functions. So in the delivery of opinions in accordance with the rules have been done by the supervisor. This is evident from the results of research that the supervisor has submitted opinions in accordance with the reality and the applicable rules only reached 73.8% (3.03). This level of achievement is slightly above 75%. This means
that KJKS continues to improve the knowledge of the supervisor, so that the implementation of the supervision can be done very well.

Supervisors are firm in applying principles, values and decisions. This is very related to coaching activities undertaken by the Department of Cooperatives and SMEs, in the form of training on supervision. The results show that so far the cooperative supervisor has shown a firm attitude in applying principles, values and decisions. The achieved value is 76.5% (3.06). It is expected that KJKS can maintain the effectiveness of its implementation.

Supervisors are being honest by keeping KJKS secrets. This is a continuation of the firm attitude that must be owned by the supervisor. The results show that the average KJKS has an honest supervisor who is capable of holding KJKS secrets. The achieved value is 79.6% (3.18). It is expected that KJKS supervisors can maintain the effectiveness of implementation in being honest and retaining KJKS secrets.

In carrying out supervision, the supervisor is obedient to the applicable regulations. This reinforces the previous statement that the supervisor carries out supervisory activities in accordance with applicable laws and regulations. The results show that the supervisors have used the regulations applicable in carrying out the supervision of KJKS. The performance value achieved in the application of obedient supervisors to the prevailing regulations is 79.2% (3.17). This means that supervision has been applied very well, KJKS is expected to maintain the effectiveness of its implementation.

The supervisor works according to the actual circumstances, neither adding nor reducing the facts. This confirms that a supervisor works in accordance with applicable rules and should not increase or decrease the facts. In practice, the average KJKS supervisor has worked according to the actual circumstances. Achievement rate is 79.6% (3.18). This shows that KJKS already has a supervisor who works very well. It is expected that KJKS can maintain the effectiveness of its implementation.

The supervisor does not accept anything in any form that is not his due. In carrying out its activities the supervisor should not do this. Moreover, KJKS being developed is a cooperative based on sharia, which has the principle of profit sharing, not personal gain. The results showed that the average KJKS has reached the application of 80% (3.28). This means that the KJKS must be able to maintain the effectiveness of the application that the supervisor does not undertake to receive anything that is not his due.

There is commitment from Managers, Managers, Trustees and Members to comply with rules of conduct and policies related to basic values and codes of conduct. Based on the result of research shows that the implementation of commitment in developing the basic value and code of ethics is very high that is equal to 81.9% (3.28). This demonstrates that KJKS based on sharia provide a very high commitment, so that every activity should refer to the principles and compliance with sharia. This is well understood by the board, supervisor, manager and members.

There are sanctions for Managers, Managers, Trustees and Members who violate rules of conduct and policies relating to basic values and codes of ethics. The results show that the application of sanctions has been regulated in the policy and the basic value of sharia cooperatives. Seen from the results of implementation achievement of 76.5% (3.06). This demonstrates the need for KJKS's efforts to maintain the effectiveness of the application of sanctions to managers, administrators, supervisors and members who violate the rules of conduct and policies relating to the values of basic values and codes of conduct.

Unwritten rules are verbally explained to the Managers, Managers, Supervisors and Members on a regular basis so as to fully know and understand the rules. This is often done by managers and administrators in implementing RAT. Especially about the work plan to be implemented next year. The problem is the low member participation in attending KJKS activities. So not all members know and understand the rules. The achievement rate is 78.5% (3.14), which means that KJKS needs to maintain the effectiveness of the implementation so that verbal written rules can be known and understood by managers, administrators, supervisors and members.

KJKS has a fund placement in a sharia bank. This is one of the true identities of sharia cooperatives. Besides operational based on sharia principles, fund placement is also required in sharia banks. From the results of the study showed that 77.3% (3.09) KJKS has placed its funds in sharia banks. This means that KJKS needs to maintain the effectiveness of its implementation so that Sharia principles can be fully implemented.

Statement items are averaged, so that the overall implementation of integrity and ethical values within the KJKS control environment in West Sumatra is within the 76% (3.04) achievement level. This shows that integrity and ethical values are at once. This means that KJKS needs to maintain the effectiveness of its implementation.

**IV. CONCLUSIONS**

The objective of the research is to describe the implementation of KJKS internal control system in West Sumatra. The elements used are the enforcement of integrity and ethical values; preparation and implementation of sound policies on human resources development. Based on the results of research, several things that can be concluded are:

1. Demonstrates that KJKS already has and implements rules of conduct and has applied in KJKS operations.
2. Execution of rules of conduct has been done by the Department of Cooperatives and local SMEs in the form of training and coaching that involves managers, administrators, managers and members of KJKS.
3. Good Member Participation impacts on the need to optimize the implementation of member involvement in discussions and assist the technical implementation of KJKS activities.
4. Appropriate sanction action against deviations from policies and procedures or violations of rules of conduct, is conducted on the consideration of the Cooperative Office and UMKM as the builder of KJKS.

5. Cooperative operational responsibility is carried out to the Annual Members Meeting (RAT) and also to the government in this case is the Department of Cooperatives and SMEs.

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[18] Undang Undang Koperasi nomor 25 Tahun 1992 tentang Perkoperasian


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