

INTERNAL CONTROL SYSTEM ANALYSIS OF PROCEDURES FOR RECEIVING AND DISPENSING MERCHANDISE AT CAHAYA SURYA SURABAYA

Jerri Mardianti¹, Fri Medistya Anke Priyono²

^{1,2}Akuntansi, ^{1,2}Politeknik NSC Surabaya arumsnw.22@gmail.com¹, fr33.map@gmail.com²

ABSTRACT

The purpose of this study is to analyze internal control system on the procedures for receiving and expending merchandise inventory in Cahaya Surya. A good receipt and expend system is important for company to avoid differences in stock of goods. This study uses qualitative methods with two types of data, primary data and secondary data. In this study, data collection techniques used include interview, observations, and documentation.

Keywords: Internal Control System, Procedures For Receiving, and Expending Merchandise Inventory

INTRODUCTION

An internal control system is important for a trading company. The internal control system includes organizational structure, methods and measures to safeguard organizational assets, check the accuracy and reliability of accounting data, encourage efficiency, and encourage compliance with management policies (Mulyadi, 2016: 129).

Merchandise inventory is an organizational asset for a trading company that is deliberately purchased and stored, then resold for a profit. A company can be said to have good internal control if the accuracy of presenting merchandise inventory data is in accordance with the physical goods available.

Cahaya Surya is a family-owned trading company with the HDV trademark which also acts as a distributor of household equipment products made from plastic, rubber and aluminum. Almost every day there are activities of receiving and releasing merchandise.

At the end of the month, stock taking of merchandise inventory is always carried out. After carrying out stock taking, it is often found that there is a difference between the number of goods in stock and the inventory data on the stock card. This is thought to be due to a lack of accuracy in the process of loading goods. Apart from that, the warehouse admin is also lacking accuracy in recording incoming and outgoing goods on the stock card.

Based on the background above, researchers are interested in conducting research on "Internal Control System Analysis of Procedures for Receiving and Dispensing Merchandise at Cahaya Surya Surabaya".

RESEARCH METHODOLOGY

This study uses qualitative methods with two types of data, primary data and secondary data. In this

study, data collection techniques used include interview, observations, and documentation.

Source of location data or research object at Cahaya Surya. The researcher tried to make a flowchart for all transactions in the company to provide advice to the owner regarding the lack of a good system within the company.

DISCUSSION

Company Profile

Cahaya Surya was founded in Surabaya in 2000 and is a family company because it is owned and run by family members, namely a husband and wife and their first child. The company's business activity is trading in plastic household equipment under the trademark name HDV. Currently the company also acts as a distributor of household appliances made from plastic, rubber and aluminum. The company is domiciled in Surabaya, located in the Margomulyo Warehouse Complex, precisely on Jalan Margomulyo Permai Blok AE No.6. This location is a warehouse for storing merchandise inventory which is also used as a business premises and office.

In its business journey, the company is supported by many trusted business partners so that it can continue to innovate to provide quality plastic products at competitive prices on the market. Known as a dedicated and trustworthy distributor of plastic products, many manufacturers support the company as a distributor that can provide the best work results for the satisfaction of all parties.

There are three core members who manage this company, namely the husband as director, the wife as financial manager, and the first child as operational manager. The financial manager is a supervisor and supervisor who directly guides during the implementation of the final assignment research in the position as warehouse admin.

The main task of the warehouse admin is to

carry out loading and unloading of goods, record incoming and outgoing goods on the stock card, accept counting and recording goods returns. In its implementation, there were problems when recording goods in and out, which should have been done on the same day so that actual stock numbers of goods were presented due to busy loading and unloading activities.



Figure 1. Organizational Structure of Cahaya Putra

Information:

1. Director
 - a. Create, communicate, and implement the company's business strategy.
 - b. Lead the development and implementation of company strategy.
 - c. Supervise all company operational activities.
 - d. Making decisions on matters considered important for the continuity of the company.
2. Financial Manager
 - a. Company financial arrangements.
 - b. Making decisions in various company financing.
 - c. Maintain the company's cash flow.
 - d. Perform and be responsible for all company bill payments.
 - e. Make reports regarding the company's financial activities.
 - f. Record all financial transactions.
3. Operations Manager
 - a. Ensure that the company runs in accordance with the planned business strategies, plans and procedures.
 - b. Carry out the company's marketing strategy.
 - c. Develop and manage human resources.
 - d. Create policies and plans for work effectiveness.
 - e. Manage relationships with work partners.
4. Accounting Admin
 - a. Make company financial books.
 - b. Make financial reports.
 - c. Check and verify the completeness of

documents related to financial transactions.

5. Warehouse Admin
 - a. Responsible for carrying out loading and unloading of goods in the warehouse.
 - b. Sign the travel document and goods receipt letter.
 - c. Place goods neatly and orderly to make it easier to get goods in and out.
 - d. Preparing to load goods and check stock.
 - e. Receive, count and record returned goods.
 - f. Record transactions in and out of goods on the stock card.
 - g. Carrying out stock taking.
 - h. Maintain the neatness and cleanliness of the warehouse environment.
6. Coolie
 - a. Carrying goods for loading and unloading.
 - b. Assist in the process of loading and unloading goods.
7. Truck driver
 - a. Propose replacement of motor vehicle components.
 - b. Check and ensure that the vehicle is ready and safe to drive.
 - c. Driving a heavily loaded vehicle to destinations within the city and outside the city.

Internal Control System Elements

1. An organizational structure that clearly separates functional responsibilities. The division of functional responsibilities in this organization is based on the following principles:
 - a. Operations and storage functions must be separated from accounting functions. It is a function that has the authority to carry out an activity. The accounting function is a function that has the authority to record the company's financial events.
 - b. A function may not be given full responsibility for executing all stages of a transaction.
2. An authority system and recording procedures that provide adequate protection for assets, debts, income and expenses. In an organization, every transaction only occurs on the basis of authorization from an official who has the authority to approve the transaction. Therefore, in the organization a system must be created that regulates the distribution of authority to authorize the implementation of each transaction. Forms are media used to record the use of authority to authorize the implementation of transactions within the

organization.

3. Healthy practices in carrying out the duties and functions of each organizational unit. The methods generally used by companies to create healthy practices are:
 - a. Use of sequentially numbered forms
 - b. Unannounced inspection
 - c. Each transaction may not be carried out by one person from start to finish
 - d. Rotation of positions
 - e. The need to take leave
 - f. Periodic physical matching with records
 - g. Formation of internal audit staff
4. Employees whose qualities match their responsibilities. If the company has competent and honest employees, other control elements can be reduced to a minimum, and the company will still be able to produce reliable financial accountability. On the other hand, even though the other three elements of the internal control system are quite strong, if implemented by incompetent and dishonest employees, the four objectives of the internal control system will not be achieved.

Merchandise inventory receipt procedures

1. Related parts
 - a. Warehouse section
 - b. Financial department
2. Documents used
 - a. Expedition waybill
 - b. Manufacturer's or distributor's travel letter
 - c. Goods receipt report
3. Accounting records used = Stock card
4. Procedure for receiving merchandise
 - a. Goods arriving from the expedition are accompanied by an expedition waybill, a copy of the waybill from the manufacturer, and a copy of the invoice from the manufacturer.
 - b. Warehouse management is tasked with receiving goods and matching the quantity and type of goods based on the expedition's waybill and the manufacturer's waybill.
 - c. The waybill from the expedition is signed by the warehouse admin and affixed with a stamp if the goods received match the waybill. If the goods received do not match, the warehouse admin must confirm this with the financial manager.
 - d. After receiving confirmation, the warehouse admin can sign and stamp the expedition waybill by writing down the details of the goods as received.
 - e. One copy of the expedition's travel document is handed back to the

expedition. The original waybill, a copy of the expedition waybill, a copy of the manufacturer's waybill, and a copy of the manufacturer's invoice are submitted to the financial manager as the basis for issuing a goods receipt report.

- f. The original expedition travel letter will be archived by the financial manager. A copy of the expedition waybill, a copy of the manufacturer's waybill, a copy of the producer's invoice and the goods receipt report will be submitted to the warehouse admin.
- g. By the warehouse admin, a copy of the expedition waybill, a copy of the manufacturer's waybill, a copy of the producer's invoice, and the goods receipt report will be archived and then the incoming goods will be recorded on the goods stock card.

Warehouse

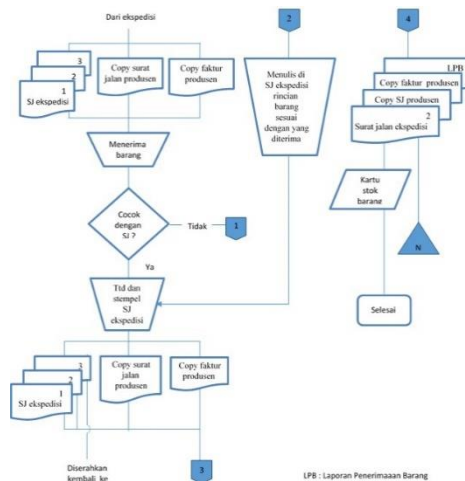


Figure 2. Flowchart Procedure for Receiving Merchandise Inventory

Finance

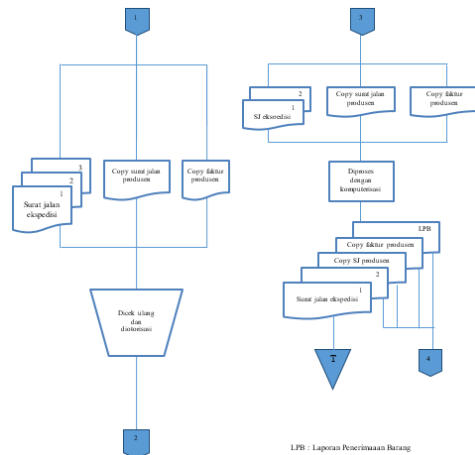
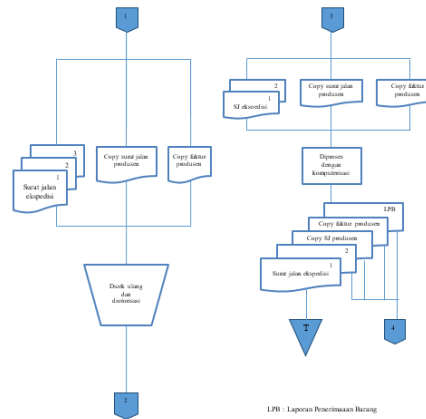


Figure 3. Flowchart Procedure for Receiving Merchandise Inventory

Releasing Merchandise Inventory Prosedure

1. Related parts
 - a. Warehouse section
 - b. Financial department
2. Documents Used
 - a. Travel document
 - b. Invoice
 - c. Loading list of goods
3. Accounting records used = Stock card
4. Procedure for releasing merchandise
 - a. The financial manager confirms the availability of goods to the warehouse admin.
 - b. After the warehouse admin has checked and the request for goods is available, the financial manager prints an invoice and waybill in triplicate, as well as a loading list of goods in duplicate with the help of a computerized system.
 - c. The original invoice will be archived by the financial manager for billing purposes. Other documents will be submitted to the warehouse admin along with shipping costs to the expedition.
 - d. Before loading, the warehouse admin needs to prepare the goods and write the recipient code on the goods packaging according to the goods loading list.
 - e. After the load preparation is complete, the warehouse admin carries out the process of loading the goods.
 - f. Sending goods to the expedition is accompanied by a travel document in triplicate, copy of invoice attached to three.
 - g. A copy of the invoice in attachment two is archived by the warehouse admin and used as a reference for recording the release of merchandise inventory on the stock card.
 - h. After the delivery of the goods has been completed, the travel document and bill of lading in attachment two must be returned with the expedition's signature and stamp. A copy of the travel letter, attachment three and a copy of the invoice, are submitted to the expedition.
 - i. Copies of travel documents and loading lists are archived based on serial number.

Finance



Warehouse

Figure 4. Flowchart of Merchandise Inventory Disbursement Procedures

Implementation of an internal control system over procedures for receiving and releasing merchandise inventory

Internal Control Elements	Internal Control Principles	Implemented Practices	Information
An organizational structure that clearly separates functional responsibilities	Separation of operations, storage and accounting functions A function may not be given full responsibility for executing all stages of a transaction	There is no separation of functional and accounting responsibilities There are still multiple functions in implementing a transaction	Apart from being responsible for recording financial events, the financial manager is also responsible for printing sales invoices, travel documents and goods receipt reports for goods receipt and release transactions
Authority system and recording procedures that provide protection for assets, debts, income and costs	Every transaction only occurs on the basis of authorization from the authorized party	Procedures for receiving and releasing merchandise are authorized by authorized parties	The use of authority to provide authorization for procedures for receiving and releasing merchandise is realized in the use of forms in the form of sales invoices, waybill, and goods receipt reports
Healthy practices in carrying out the duties and functions of each organizational unit	Use of sequentially numbered forms	In the procedure for receiving and releasing goods, there is the use of forms from a computerized program in the form of travel documents, sales invoices and goods receipt reports with printed serial numbers.	The computerized program used is still very simple so that if an error occurs it will affect the data stored in the program related to the process of receiving and releasing merchandise
	Stock Opname	Stock Opname was carried out on stock of goods	In general, stock opname are applied to types of goods that have a high flow of in and out.
Physical matching with records periodically	Periodic stock opname are carried out at the end of each month to match the physical goods with the stock card	Often there are differences in stock of goods, either more or less. There was also a stock discrepancy whose cause could not be determined	
Employees whose qualities match their responsibilities	Competent and honest employees can carry out their work well even if there are only a few elements of the internal control system that support it	Cahaya Surya is a family company that is managed personally by family members and two employees who are considered to be quite competent in their fields, even though a few elements of the internal control system are implemented, they can carry out the work quite well	There is a problem with employee accuracy, namely the warehouse admin who is not careful in recording the receipt and release of goods on the stock card and physically counting and the type of goods at the time of loading which is one of the causes of differences in stock of goods

Figure 5. Implementation of Internal Control in procedures for receiving and releasing goods

REFERENCE

Mulyadi. 2016. Sistem Akuntansi. Edisi 4. Jakarta: Salemba Empat.

Fanny, A. Edison, S. dan Elidawati. 2019. Analisis Pengendalian Intern Persediaan Barang Dagang Pada PT. Panca Kurnia Niaga Nusantara Medan, Jurnal 5 (1)

Rusda, I. dan Ardhila, K, S. 2017. Analisis Pelaksanaan Sistem Pengendalian Internal Pada Prosedur Penerimaan dan Pengeluaran Barang Di PT. Unisem Batam. Journal of Business Administration 1 (2): 183-193

Ikal, R, G. 2016. Analisis Sistem Penegndalian Persediaan Barang Dagang Pada PT. Adidaya Multi Niaga. Skripsi. Universitas Narotama

surabaya

- Kurniasari. 2018. Analisis Sistem Penerimaan dan Pengeluaran Barang Jaminan Dalam Kaitannya Dengan Pengendalian Internal Pada PT. Pegadaian (Persero) Cabang Pelayanan Blitar. Skripsi Simki-Economic 2(3).
- Heny Kurniawati, 2011, Sistem Pengendalian Intern Pada Perusahaan Kecil Dan Menengah, Binus Business Review 2 (2): 619-1122
- Committee of Sponsoring Organisations (COSO). 2019. COSO INTERNAL CONTROL – INTEGRATED FRAMEWORK: An Implementation Guide for the Healthcare Provider Industry.